

2022

CITY OF ONTARIO
CITY OF ONTARIO CALLIE
BALANCED COMMUNITY
INCORPORATED 1891

CITY OF ONTARIO

Annual Comprehensive Financial Report

FISCAL YEAR
ENDED
JUNE 30, 2022



ONTARIO THROUGH THE YEARS MURAL

Since Ontario's founding in 1882 by the Chaffey Brothers, the "Model Colony" remains distinctive in its commitment to creating opportunity and building value in the community. For over a century, Ontario has attracted settlement, development, and investment which have resulted in a sustainable well-balanced place to live, work, and play. The images included in the exhibit highlight events, people, and places that helped shape Ontario from "The Vision" Era to the "Commitment to Community" Era. Ontario Through the Years commemorates and celebrates Ontario's past and the framework it has established for the future.

The compilation of images is organized into ten periods of history. Each decade is in chronological order and identified by title and date. Selected images within each decade represent milestones that define the period in City's history. While each decade has brought challenges through local, regional, and worldwide events, it has also brought innovation and prosperity. Ontario's resilience, sense of community, and leadership has resulted in an ever thriving "Model" City as envisioned by its founders.

Visit the mural today at the Ontario Town Square or learn more online at www.OntarioTownSquare.org/Mural.





City of Ontario, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For Fiscal Year Ending June 30, 2022

**Prepared By:
Financial Services Agency**



City of Ontario
Annual Comprehensive Financial Report
For the year ended June 30, 2022
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PAUL S. LEON
MAYOR

SHEILA MAUTZ
CITY CLERK

ALAN D. WAPNER
MAYOR PRO TEM

December 13, 2022

JAMES R. MILHISER
TREASURER

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

SCOTT OCHOA
CITY MANAGER

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, 2022. This report provides a broad view of the City's financial activities for the Fiscal Year 2021-22 and its financial position as of June 30, 2022. Although addressed to the elected officials and the citizens of the City, this report has several 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 an 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, 2022, 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, 2022, 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 179,516

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

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. 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 a contribution of \$5,077,000 for Fiscal Year 2021-22 paid from the OPEB Internal Service Fund. The contribution amount, at the City's discretion, may increase each year by the Annual CPI Index with a 5% cap. The balance in the OPEB trust fund as of June 30, 2022 was \$155,487,072.

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 service credit as a 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 have become almost non-existent and businesses have safely reopened, travel restrictions are almost entirely diminished, and 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.

It is also worth noting that the Fiscal Year 2022-23 Proposed Operating Budget continues to focus on City Council's Strategic Goals and impacts from the COVID pandemic. The operationally balanced budget addresses the shortfalls in Fiscal Year 2021-22 and Fiscal Year 2022-23 utilizing responsibly the \$45.6 million one-time funding from the American Rescue Plan Act (ARPA), of which \$22.8 million was allocated for FY 2020-21, \$3.4 million for Fiscal Year 2021-22, \$9.5 million for FY 2022-23, and the remaining \$9.9 million to be used in the following fiscal year through December 2024. The ARPA money was and will continue to be used on bringing back positions that were lost during the COVID pandemic.

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:

- \$ 21,272,910 in water and storm drain projects;
- \$ 9,176,050 in street improvements;
- \$ 5,715,189 in public facilities projects; and
- \$ 2,925,000 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.

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. Included as part of the General Fund balancing strategies for Fiscal Year 2020-21 was the reduction of the General Fund Reserve from 18 percent to 15 percent due to the COVID pandemic. However, for Fiscal Year 2021-2022, the General Fund balancing strategies were to achieve a reserve level of 16% with the goal to reach 20%. As of June 30, 2022, the City's General Fund had an assigned fund balance for the stability arrangement of \$30.3 million, which achieves the goal of 16 percent of the General Fund Adopted Budget for Fiscal Year 2021-2022.

This 16 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, 2022, the City of Ontario's cash and investments were \$942,613,468.

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 is 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 (2020) and integrates it into a single guidance system that will shape the Ontario community 20 years or more into the future (2050). The Ontario Plan provides for lasting policies to accommodate change.

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 underlying 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.

Acknowledgements

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

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

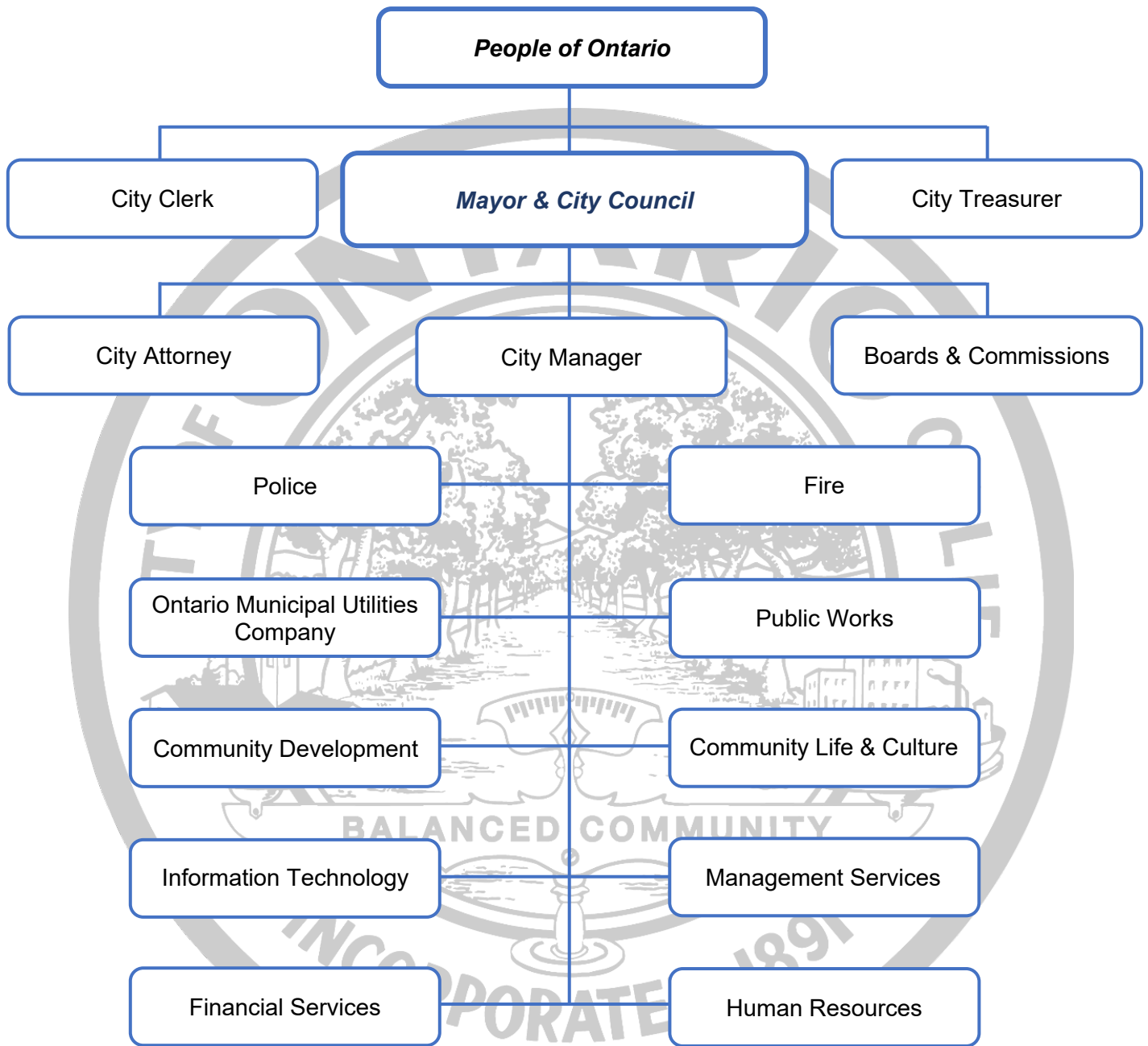
HELEN MCALARY
Executive Director Community Life & Culture

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 2021-22**





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ontario (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of the other auditors, the accompanying financial statements 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, 2022, 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.

We did not audit the financial statements of the Water Facilities Authority and Chino Basin Desalter Authority, which represent 2.0 percent and 12.3 percent, respectively, of the assets, and (0.1) percent and 0.5 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, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, 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 5-33 and 141-161 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and was 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.

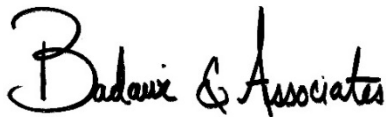
To the Honorable Mayor and Members
of the City Council of the City of Ontario
Ontario, California
Page 4

Other Information

Management is responsible for the other information. The other information comprises the introductory and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 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.

A handwritten signature in cursive script that reads "Badawi & Associates". The signature is written in black ink and is positioned above the typed name of the firm.

Badawi & Associates, CPAs
Berkeley, California
December 13, 2022

Management's Discussion and Analysis

The following Management Discussion and Analysis (MD&A) of the City of Ontario's (City) financial performance provides an introduction and overview to the financial activities of the City for the fiscal year ended June 30, 2022. This narrative discussion and analysis focus on the current year's activities, resulting changes and currently known facts; therefore, the information presented here should be considered in conjunction with additional information furnished in the Letter of Transmittal and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

Government-Wide

- Total assets and deferred outflows of the City exceeded liabilities and deferred inflows by \$1.99 billion (net position). Of this amount, \$503.91 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- For the fiscal year ended June 30, 2022, total net position increased by \$163.88 million before a (\$43.76) million restatement. Total revenues from all sources were \$643.71 million and total expenses for all functions/programs were \$436.08 million.
- Of total revenues, program revenues were \$386.26 million and general revenues were \$257.46 million. Program revenues are broken into three categories: Charges for Services, \$288.97 million; Operating Contributions and Grants, \$52.58 million; and Capital Contributions and Grants, \$44.71 million.

Fund Based

- For the fiscal year ended June 30, 2022, the assigned fund balance of the General Fund was \$55.64 million. The assigned portion of \$30.30 million represents the City Council's goal to achieve a minimum of 16 percent of the annual general fund appropriations (stabilization policy).

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all the activities of the City of Ontario and its component units as prescribed by GASB Statement No. 34. This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) *Government-Wide Financial Statements*, 2) *Fund Financial Statements*, and 3) *Notes to the Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* present both long-term and short-term information about the City's overall financial picture. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The ***Statement of Net Position*** is measured as the difference between (a) assets and deferred outflow of resources and (b) liabilities and deferred inflow of resources. This is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position may serve as an indicator of whether or not its financial health is improving or deteriorating.

The ***Statement of Activities*** presents information on how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., uncollected taxes or earned but unused vacation leaves).

In both the *Statement of Net Position* and *Statement of Activities*, we divide the City into two kinds of activities:

Governmental activities – Most of the City's basic services are reported here, including *General Government* (City Council, Office of the City Manager, Records Management, Financial Services and Human Resources), Public Safety, Community Development, and Public Works. Revenues from property taxes, transient occupancy tax (TOT), sales tax, 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, and integrated waste are reported in this category.

The *Government-Wide Financial Statements* include not only the City, known as the *primary government*, but also the legally separate *component units*. The Ontario Housing Authority, the Industrial Development Authority, the Ontario Redevelopment Financing Authority, and the Ontario Public Financing Authority are known as *Blended Component Units*.

Fund Financial Statements

The *Fund Financial Statements* are designed to report information about groupings (*funds*) of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The City uses all three types, each using different accounting methods.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, unlike the *government-wide financial statements*, *governmental fund financial statements* focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the *government-wide financial statements*, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the *government-wide financial statements*. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-four individual governmental funds. These funds report financial transactions using the modified accrual accounting method. Information for five out of the nineteen funds are presented separately in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances. The following five funds are major funds: General Fund, Measure I Fund, Ontario Housing Authority Fund, Capital Projects Fund, and Impact Fees Fund. Data for other governmental funds (non-major) are combined into a single presentation as part of the additional required supplementary information. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements that follow the notes to the financial statements.

The City adopts an annual appropriated budget for the General Fund, the Special Revenue Funds, and the Capital Project Funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget.

Proprietary Funds – *Proprietary funds* are primarily used to account for when the City charges for the services it provides, whether to outside customers or to other units of the City. These funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities, using an accrual basis of accounting. In fact, the City's *enterprise funds* (a component of proprietary funds) are the same as the business-type activities that is reported in the *government-wide financial statements* but provide more detail information, such as the statement of cash flows. The City uses *internal service funds* (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as Equipment Services, Self-Insurance, Information Technology, Facility Maintenance, Pension Benefit Funds and Other Post Employment Benefit funds. Since these activities predominantly benefit governmental rather than business-type functions, they are included within the governmental activities in the *government-wide financial statements*.

Fiduciary Funds – *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as a *trustee*. The *Statement of Fiduciary Net Position* separately reports all of the City's fiduciary activities. The City excludes these activities from the City's other financial statements because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements, and it is an integral part of the financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain combining statements referred to earlier in connection with non-major governmental and proprietary funds. These combining and individual fund statements and schedules can be found immediately following the *Notes to the Financial Statements*.

GOVERNMENT - WIDE FINANCIAL ANALYSIS

This analysis will focus on the City's net position (Table 1) and changes in net position (Table 2) of the governmental and business-type activities for the fiscal year ended June 30, 2022. Management has included comparative data from fiscal year ended June 30, 2021, in its analysis.

Net Position (Table 1)
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 1,057.92	\$ 771.55	\$ 401.16	\$ 352.26	\$ 1,459.08	\$ 1,123.81
Capital Assets	1,214.81	1,157.03	207.73	\$ 229.26	1,422.54	1,386.29
Total Assets	2,272.73	1,928.58	608.89	581.52	2,881.62	2,510.10
Deferred Charges on Refunding	2.46	-	3.31	0.74	5.77	0.74
Deferred Pension Related Items	50.76	73.18	2.56	4.53	53.32	77.71
Deferred OPEB Related Items	5.71	3.48	2.36	0.44	8.07	3.92
Total Deferred Outflows of Resources	58.94	76.66	8.23	5.71	67.16	82.37
Noncurrent Liabilities	483.49	411.07	65.61	68.59	549.10	479.66
Other Liabilities	124.36	137.71	19.96	25.57	144.32	163.28
Total Liabilities	607.85	548.78	85.57	94.16	693.42	642.94
Deferred Charges on Refunding	0.87	0.94	-	-	0.87	0.94
Deferred Pension Related Items	112.81	2.29	12.95	0.11	125.76	2.40
Deferred inflows of resources - leases	2.95		1.42		4.37	
Deferred OPEB Related Items	95.57	107.17	39.53	13.63	135.10	120.80
Total Deferred Inflows of Resources	212.21	110.40	53.90	13.74	266.09	124.14
Net Position:						
Net Investment in Capital Assets	1,106.50	1,076.36	143.49	163.99	1,249.99	1,240.35
Restricted	235.00	258.82	0.37	3.17	235.37	261.99
Unrestricted	170.12	10.88	333.80	312.16	503.91	323.04
Total Net Position	\$ 1,511.61	\$ 1,346.06	\$ 477.65	\$ 479.33	\$ 1,989.27	\$ 1,825.39

The City's Government-wide total net position was \$1.99 billion, with assets of \$2.88 billion, deferred outflows of \$67.17 million, liabilities of \$693.42 million and deferred inflows of \$266.09 million. The net investment in capital assets of \$1.25 billion represents 62.8 percent of the City's total net position. This is an increase of \$9.64 million from the previous year. The net investment in capital assets (e.g., infrastructure, land, structures and improvements, furniture, and equipment) component of net position consists of capital assets, net of accumulated depreciation, reduced by any related outstanding debt used to acquire, construct, or improve those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position of \$235.37 million (11.9 percent of the total net position) represents resources that are subject to external restrictions in how they may be used. The remaining balance of \$503.91 million or 25.33 percent of the total net position (unrestricted position) may be used to meet the government's ongoing obligations to citizens and creditors within the program areas.

Overall Financial Activities

Overall, the City's financial position increased from the prior year by \$163.88 million (see Table 2 on the following page).

The overall cost of all governmental and business-type activities this year was \$436.09 million and was an overall net decrease of \$53.11 million or 10.9 percent compared to the prior year.

Total revenue of all governmental and business-type activities was \$643.72 million for this fiscal year; an increase of \$97.89 million or 18 percent. Program revenues were \$386.26 million and general revenues were \$257.46 million. The largest single revenue category was Charges for Services, at \$288.97 million, which is *program revenue*. This revenue goes directly against the expenses in recovering the costs of providing those services. Charges for Services revenue increased by \$59.77 million or more than 26.1 percent. Sales Taxes, which are considered *general revenues*, were the second largest revenue at \$129.33 million. The third largest revenue source was Property Taxes (*general revenue*) at \$79.33 million. Operating Contributions and Grants, another *program revenue* source, at \$52.58 million was the fourth largest revenue category.

Changes in Net Position (Table 2)
(in millions)

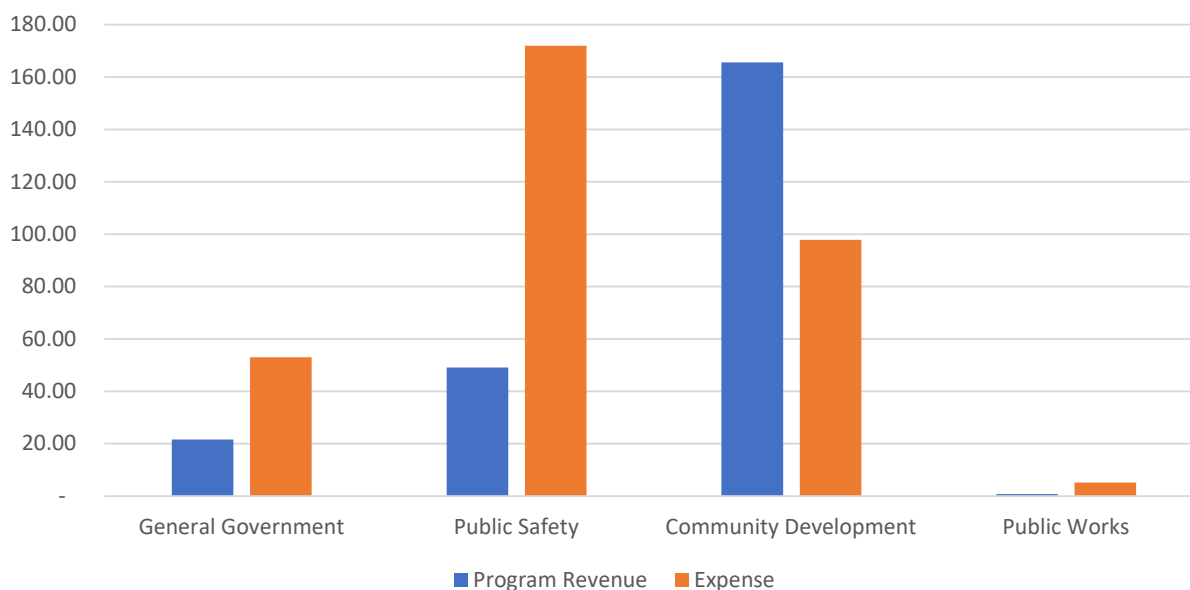
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	\$ 141.02	\$ 88.09	\$ 147.95	\$ 141.11	\$ 288.97	\$ 229.20
Operating Contributions and Grants	50.33	30.00	2.25	0.11	52.58	30.11
Capital Contributions and Grants	44.17	59.32	0.54	2.58	44.71	61.90
Sub-total Program Revenues	235.52	177.41	150.74	143.80	386.26	321.21
General Revenues:						
Property Taxes	79.33	72.48	-	-	79.33	72.48
Sales Taxes	129.33	105.42	-	-	129.33	105.42
Business Licenses Taxes	8.86	8.56	-	-	8.86	8.56
Franchise Taxes	3.82	3.51	-	-	3.82	3.51
Transient Occupancy Taxes	16.40	10.61	-	-	16.40	10.61
Other Taxes	6.00	3.51	-	-	6.00	3.51
Motor Vehicle In-Lieu	0.21	0.13	-	-	0.21	0.13
Use of Money and Property	(6.21)	2.78	(1.23)	5.50	(7.44)	8.28
Gain on Sale of Capital Asset		-	-	-	-	-
Other	9.07	12.12		-	9.07	12.12
Gain on Sale of Other Investments	11.88	-		-	11.88	-
Sub-total General Revenues	258.69	219.12	(1.23)	5.50	257.46	224.62
Total Revenues	\$ 494.21	\$ 396.53	\$ 149.51	\$ 149.30	\$ 643.72	\$ 545.83
Expenses						
General government	\$ 53.01	\$ 20.24	\$ -	\$ -	\$ 53.01	\$ 20.24
Public safety	171.92	200.44	-	-	171.92	200.44
Community development	97.86	111.93	-	-	97.86	111.93
Public works	5.18	7.45	-	-	5.18	7.45
Interest on long-term debt	12.60	12.42	-	-	12.60	12.42
Water	-	-	32.07	68.70	32.07	68.70
Sewer	-	-	26.52	26.01	26.52	26.01
Integrated Waste	-	-	36.93	42.01	36.93	42.01
Total Expenses	\$ 340.57	\$ 352.48	\$ 95.52	\$ 136.72	\$ 436.09	\$ 489.20
Change in Net Position before Transfers	\$ 153.64	\$ 44.05	\$ 53.99	\$ 12.58	\$ 207.63	\$ 56.63
Transfers	(0.46)	24.15	0.46	(24.15)	-	-
Change in Net Position	\$ 153.18	\$ 68.20	\$ 54.45	\$ (11.57)	\$ 207.63	\$ 56.63
Restatement of Net Position	12.37	-	(56.13)	-	(43.76)	-
Net Position at Beginning of Year	1,346.06	1,277.86	479.33	490.90	1,825.39	1,768.76
Net Position at End of Year	\$ 1,511.61	\$ 1,346.06	\$ 477.65	\$ 479.33	\$ 1,989.27	\$ 1,825.39

Governmental Activities

Under the governmental activities, the City's *net position* at the end of the year increased to \$1.51 billion after a 153.65 million net difference between revenue and expense, transfers out of \$(0.46) million and restatement of \$12.37 million. The cost of all governmental activities this year was \$340.57 million or 78.1 percent of the government-wide total expenses and was a decrease of \$11.91 million or three percent from last fiscal year.

Graph 1 below presents the costs of each of the City's five governmental functions – general government, public safety, community development, public works, and interest on long-term debt, as well the governmental program's revenues. The net cost (total cost less *program revenues*) is the amount that was paid from *general revenues*.

Expenses and Program Revenues – Governmental Activities (Graph 1)
(In millions)



Expenses in *General Government* were \$53.01 million or 15.6 percent of total Governmental Activities expenses. Of this amount, \$21.57 million was funded by program revenues, while the remaining \$31.44 million was funded by general revenues. General Government expenditures increased by \$32.76 million, or 169 percent compared to the previous year because of increased funding in future economic activity

Public Safety expenses were \$171.92 million or 50.5 percent of the total Governmental Activities expenses. Of this amount, \$49.10 million was funded by program revenues, while the remaining \$122.82 million was funded by general revenues. Expenses for Public Safety decreased by \$28.53 million or 14.3 percent due to the one-time retirement separation incentive program that was paid out in FY 2021 and these positions remained vacant for the majority of the FY 2022.

Expenses in *Community Development* were \$97.86 million or 28.73 percent of the total Governmental Activities expenditures. These expenses decreased by \$14.07 million or 12.6 percent due to one-time retirement separation incentive that was paid out in FY2021 as well as projects that were completed during the year. Program revenues relating to the funding of community development activities amounted to \$164.09 million, which were primarily from charges for services of \$109.38 million, operating grants and contributions of 11.79 million, capital contributions and grants of \$42.92 million.

Public Works expenses were \$5.18 million or 1.6 percent of the total Governmental Activities expenditures. Of this amount, \$0.76 million was funded by program revenues, with the remaining \$4.42 million funded by general revenues. Public Works expenses decreased by \$2.27 million or 30.5 percent from the prior year due to majority of the projects were completed during the year.

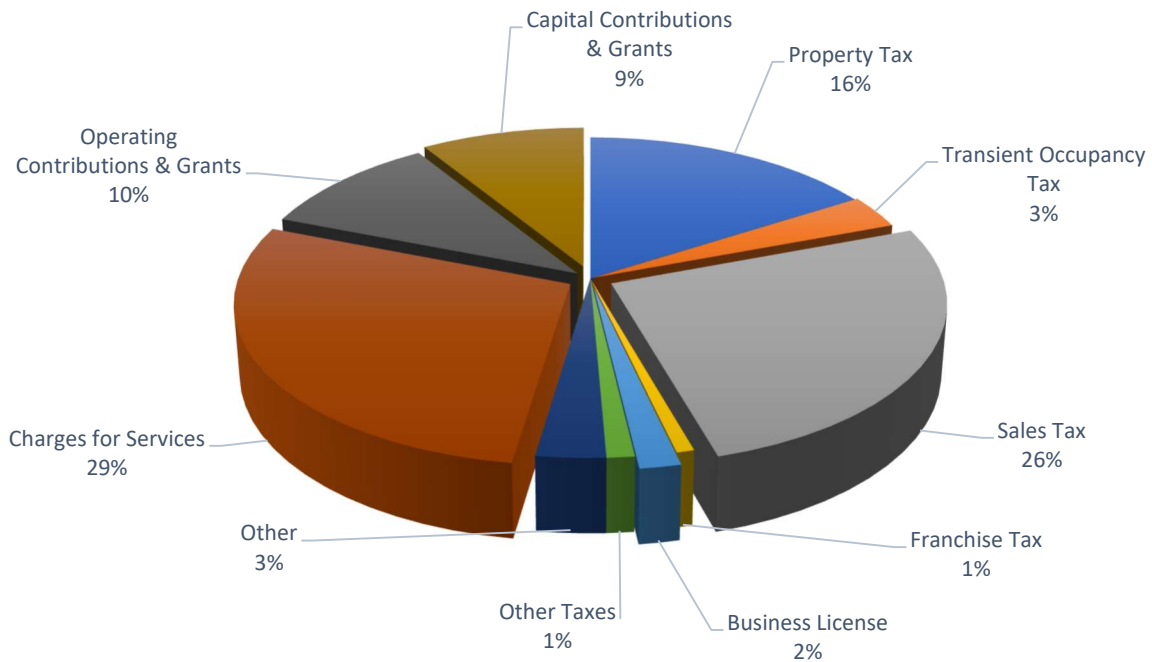
Interest on long-term debt had expenses of \$12.60 million or three percent of total Governmental Activities and is funded entirely by general revenues.

Graph 2 below presents governmental activities revenue by source. Total revenue for governmental activities was \$494.21 million (before transfers); an increase of \$97.68 million or 24.63 percent compared to the previous fiscal year. The four largest revenue sources under governmental activities were the categories of *Charges for Services, Sales Taxes, Property Taxes, and Operating Contributions and Grants*.

Charges for Services (program revenue) was \$141.02 million or 28.6 percent of total governmental activities revenue. Compared to the prior year, charges for services revenue increased by \$52.93 million or 60 percent. *Sales Taxes* (general revenue) were \$129.33 million or 26.2 percent of total governmental activities revenue. It had an increase of \$23.91 million or 22.68 percent compared to the previous fiscal year – primarily as the COVID restrictions were lifted off as well as increased economic activity and new business added in City of Ontario. *Property Taxes* (general revenue) was \$79.33 million or 16.1 percent of total governmental activities revenue. Growth in assessed valuations and new development are primarily the reason for this

increase in revenue. *Operating Contributions and Grants* (program revenue) was \$50.33 million or 10.2 percent of the total governmental activities' revenue. The overall program revenue experienced an increase of \$58.10 million or 32.75 percent over the prior year – mainly due to the COVID restriction being lift over, increase in business activities across City of Ontario, and the additional funding from the American Rescue Plan Act (ARPA).

Revenues by Source – Governmental Activities (Graph 2)



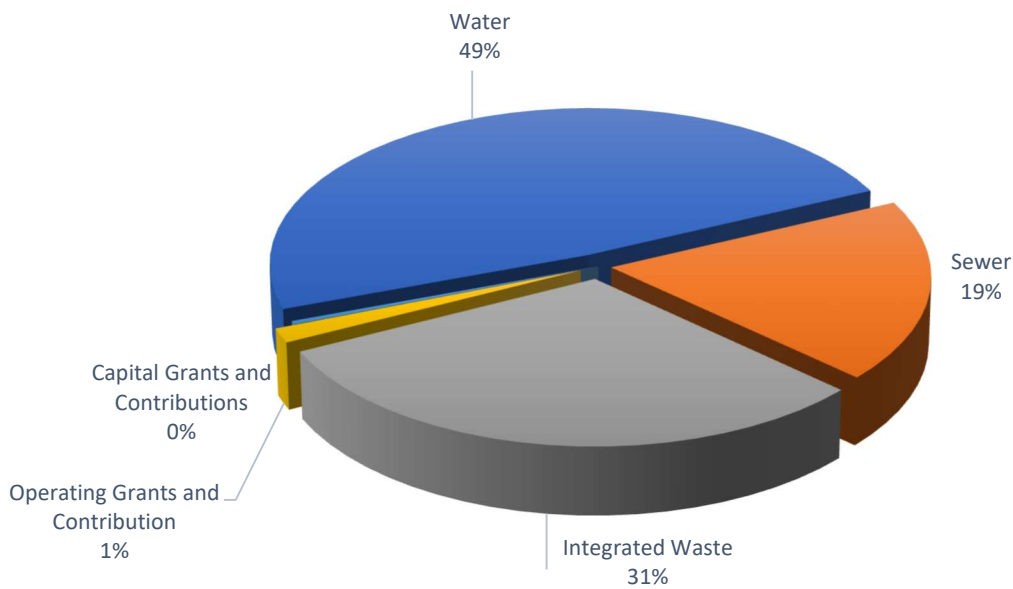
Business-type Activities

Net position for business-type activities was \$477.65 million as of June 30, 2022, with assets of \$608.89 million, deferred outflows of resources of \$8.23 million, liabilities of \$85.57 million and deferred inflows of resources of \$53.90 million. Unrestricted net position of \$333.80 million represented 69.88 percent of total business-type activities net position; this amount may be used to meet the government's on-going obligations. Net investment in capital assets of \$143.49 million represented 30.04 percent of the total net position from business-type activities. Compared to the prior year, the City's net position from business-type activities from the prior year decreased slightly by \$1.68 million or less than one percent.

Total revenue (excluding transfers) for the City's business-type activities was \$149.51 million, which represented a small gain of \$0.21 million or less than one percent from the prior year. Program revenues amounted to \$150.74 million, and it increased by \$6.94 million or 4.9 percent. General revenue for business-type activities was \$(1.23) million. Business-type activities incurred \$95.52 million of expenditures for the year; a decrease of \$41.2 million due to large amount of water rights acquired in the previous year

Graph 3 presents revenues by source for business-type activities. Total revenue for business-type activities was \$149.51 million (before transfers); this was a small increase of \$0.21 million or less than one percent compared to the previous year. Charges for Services (program revenue) amounted to \$147.95 million or 98.95 percent of total business-type activities revenues. The remaining revenues are Operating Contributions and Grants amount to \$2.25 million and capital contributions and grants amount to \$0.54 million and General Revenues which amount to (\$1.23) million. Revenue from Water Services is the largest revenue source at \$73.24 million or 49.5 percent of the total revenues from business-type activities. It had a minor increase of \$4.06 million or 5.0 percent compared to the previous fiscal year due to increase in water rate in this fiscal year. The second largest revenue source was revenue from Integrated Waste services at \$46.40 million or 30.78 percent of total business-type activities revenues. Integrated Waste services revenue had an increase of \$4.49 million or 10.7% due to increase in fees for trash collection and development activities.

Revenues by Source – Business-Type Activities (Graph 3)



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

During the current fiscal year, the City had five major governmental funds: General Fund, Measure I Fund, Ontario Housing Authority, Capital Projects Fund, and Impact Fees Fund. 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 General Fund is discussed in depth later in the MD&A. The special revenue fund for 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 special revenue fund for the Ontario Housing Authority Fund accounts for low and moderate housing funds to implement various programs and projects to assist in affordable housing. The Capital Projects Fund accounts for financial transactions of general capital improvements. The capital projects fund for the Impact Fees Fund accounts for developer-paid impact fees for infrastructure construction. Each major fund is discussed in the *Notes to the Financial Statements*.

As of June 30, 2022, governmental funds reported combined ending fund balances of \$638.30 million. Approximately 8.71 percent or \$55.64 million of this total amount constitutes assigned/unassigned fund balance. The remaining fund balance of \$582.66 million is comprised of the following: Nonspendable \$57.98 million, Restricted \$233.76 million and Committed \$290.92 million. Included in the Nonspendable fund balance are as follows: Advances to Successor Agency \$3.50 million; Inventories 0.28 million; Prepaid costs 0.16 million; and Advances to other fund 54.04 million. For the Restricted fund balance (external enforceable limitations on usage), they are comprised as follows: Endowment/trust \$0.36 million, Community Development projects \$95.03 million; Public Safety \$2.82 million; Park Development projects \$41.68 million; Transportation improvement projects \$18.55 million; Affordable Housing \$48.22 million; AQMD activities \$1.26 million; Fiber/Broadband \$17.32 million and Public Services \$8.50 million. Included in the Committed fund balance (self-imposed limitations on usage) is \$290.92 million for City Facilities infrastructure improvements and capital replacement.

Governmental Revenues

Revenues of governmental funds for Fiscal Year 2021-22 were \$461.59 million, with an increase of \$100.59 million or 27.9 percent compared to the previous fiscal year. This increase in governmental revenue is primarily attributable to the increase in Sale Taxes, Transient Occupancy Tax and Charges for Services revenues for the FY 2021-22.

Table 3 below presents a summary of governmental fund revenues for the fiscal year ended June 30, 2022, with comparative amounts from the prior year.

Comparison of Governmental Fund Revenues (Table 3)
Fiscal Years 2021-22 and 2020-21

	Amount FY 21-22	% of Total Revenues	Amount FY 20-21	% of Total Revenues	\$ Increase / (Decrease)	% Increase / (Decrease)
Property Tax	\$ 79,329,716	17.19%	\$ 72,483,313	20.08%	\$ 6,846,403	9.45%
Sales Tax	129,332,341	28.02%	105,424,829	29.20%	23,907,512	22.68%
Transient Occupancy Tax	16,400,754	3.55%	10,614,109	2.94%	5,786,645	54.52%
Parking Tax	3,368,202	0.73%	1,725,332	0.48%	1,642,871	95.22%
Business Licenses Tax	8,856,928	1.92%	8,559,248	2.37%	297,680	3.48%
Other Taxes	17,664,589	3.83%	15,547,224	4.31%	2,117,365	13.62%
Licenses & Permits	10,772,502	2.33%	8,423,831	2.33%	2,348,671	27.88%
Intergovernmental	55,860,245	12.10%	38,990,081	10.80%	16,870,164	43.27%
Contribution from property owners	-	0.00%	51,925	0.01%	(51,925)	-100.00%
Charges for Services	130,243,516	28.22%	80,961,161	22.43%	49,282,355	60.87%
Use of Money & Property	(5,491,350)	-1.19%	2,917,789	0.81%	(8,409,139)	-288.20%
Fines and Forfeitures	1,060,576	0.23%	656,407	0.18%	404,169	61.57%
Miscellaneous	14,193,697	3.07%	14,645,386	4.06%	(451,689)	-3.08%
TOTAL	\$ 461,591,716	100%	\$ 361,000,635	100%	\$ 100,591,082	27.86%

Governmental Expenditures

Total expenditures for governmental funds were \$413.15 million, an increase of \$42.48 million. This was primarily due to increased reimbursements to local businesses that have sales tax abatement agreements with the City due to increased sales, increased in contractual service expenses, internal service allocation costs, rising material costs due to inflation, and increased in number of WIP project during the FY 2022. The increase in principal retirement was due to the refinancing of the prior CIP bond.

Table 4 presents a summary of governmental fund expenditures for the Fiscal Year ended June 30, 2022, with comparative amounts from the prior year.

**Comparison of Major Governmental Expenditures (Table 4)
Fiscal Years 2021-22 and Fiscal Years 2020-21**

	<u>Amount FY 21-22</u>	<u>% of total expenditure</u>	<u>Amount FY 20-21</u>	<u>% of total expenditure</u>	<u>\$Increase/ (Decrease)</u>	<u>%Increase/ (Decrease)</u>
General Government	\$ 48,223,193	11.67%	\$ 33,016,792	8.91%	\$ 15,206,401	46.06%
Public Safety	199,451,930	48.28%	180,834,045	48.79%	18,617,885	10.30%
Community Development	106,265,455	25.72%	130,585,988	35.23%	(24,320,533)	-18.62%
Public Works	18,005,014	4.36%	17,347,477	4.68%	657,537	3.79%
Debt Service:						
Principal retirement	39,764,720	9.62%	5,718,104	1.54%	34,046,616	595.42%
Interest and fiscal charges	1,445,519	0.35%	3,169,583	0.86%	(1,724,064)	-54.39%
Total	413,155,831	100.00%	370,671,989	100.00%	42,483,842	11.46%

Proprietary Funds

The City's Proprietary funds consist of four Enterprise Funds and four Internal Service Funds. The Internal Service Funds are presented as *Governmental Activities* in the Proprietary Funds financial statements. Individual fund data is provided in the form of *combining statements*.

Operating revenues for Enterprise Funds include sales and service charges, interdepartmental charges and miscellaneous. Total operating revenues for all Enterprise Funds for Fiscal Year 2021-22 were \$147.66 million, while non-operating revenues were \$33.24 million and capital grants and contributions were 0.54 million. Operating expenses for Fiscal Year 2021-2022 were \$112.75 million. During the fiscal year, the net amount transferred out to the City's Governmental Funds was \$0.46 million to support for the various governmental activities.

The City also has four Internal Service funds to allocate costs of the City's information systems, equipment services, risk management, facilities maintenance, and other post-employment benefits operations to the various departments. The interdepartmental charges for service (revenues) in Fiscal Year 2021-22 were \$58.33 million.

Fiduciary Funds

As mentioned earlier, the City uses Fiduciary Funds to account for resources held for the benefit of parties outside the City, in which the City is acting as trustee. The *Statement of Fiduciary Net Position* reports thirty-five activities for which the City has a fiduciary responsibility. These include: West End Communications Authority, a seven-member JPA that operates and maintains a consolidated 800MHZ communication system designed to serve public safety agencies; the Sanitary Collection Treatment Fund which collects sewer capital assessment fees on behalf of the Inland Empire Utilities Agency; the West End Fire and Emergency Response Commission, a JPA of five local fire departments to establish a hazardous materials response team, an urban search and rescue team and the servicing of joint authority breathing apparatus equipment used for emergency purposes; and the Private Purpose Trust Fund for the Successor Agency of the Former Redevelopment Agency, which was formed upon dissolution of the Ontario Redevelopment Agency. The successor agency is subject to the control of newly established County Oversight Board and can only pay enforceable obligations in existence at the date of dissolution. Furthermore, it will hold the remaining assets of the former Redevelopment Agency until they are distributed to other units of state and local government. The remaining are assessment/special assessment bond redemption funds and community facility district debt service funds used to collect assessments and administer the debt service of the districts.

GENERAL FUND – FUND BALANCE ANALYSIS

The General Fund is the primary operating fund of the City. The fund balance of \$113.98 million as of June 30, 2022, had a decrease of \$12.71 million compared to the previous year. The decrease in fund balance was due to an increase in expenditures as a result of the one-time ARPA premium paid for FY2022, an increase in reimbursements to local businesses that have sales tax abatement agreements with the City due to increased sales and transfers out. As a measure of the General Fund's liquidity, it may be useful to compare both Assigned and Unassigned fund balance and total fund balance to total fund operating expenditures. Assigned and Unassigned fund balance of \$55.64 million represents 48.8 percent of total General Fund's fund balance, while the total Nonspendable, Restricted, and Committed fund balance amounts to \$58.34 million and comprises 51.11 percent of the total fund balance.

Total fund balance of the General Fund consists of three components: 1) Nonspendable fund balance of \$57.98 million – represents \$54.04 million in advances to other funds and \$0.15 million in prepaid, \$0.28 million in inventory, and \$3.5 million in advances to Successor Agency; 2) Restricted fund balance of \$0.36 million – consists of endowment and trust funds; 3) Assigned fund balance of \$55.64 million – consists of the stability arrangement of \$30.31 million, compensated absences of \$17.23 million, and continuing appropriations of \$8.1 million.

For additional details of the City's General Fund Balance, please refer to Note 13 in the Notes to the Basic Financial Statements.

GENERAL FUND – REVENUE AND EXPENDITURE ANALYSIS**Revenues**

For Fiscal Year 2021-22, General Fund revenues were \$324.61 million, an increase of \$50.07 million or 18.24 percent from the prior fiscal year. Sales Tax revenues were \$129.33 million, an increase of \$23.91 million from the prior fiscal year mainly due to the business recovery after COVID-19 and rapid increase in commodity prices because of inflation. Transient Occupancy Tax was \$16.40 million, an increase of \$5.79 million or 54.52 percent because of reopening of many hotels after the COVID-19 restriction was removed. Charges for Services revenue was \$47.44 million, an increase of \$15.72 million or 49.56 percent. This was due to the classification change of the revenue allocation from the City's special districts. Property Tax revenues were \$79.33 million, an increase of \$6.85 million or 9.45 percent from the prior year because of increased property assessed valuations.

**General Fund Revenues (Table 5)
Fiscal Years 2021-22 and 2020-21**

	FY21-22	% of Total	FY20-21	\$ Increase / (Decrease) to Last Year	% of Increase (Decrease)
Property Tax	\$ 79,329,716	24.44%	\$ 72,483,313	\$ 6,846,403	9.45%
Sales Tax	129,332,341	39.84%	105,424,829	23,907,512	22.68%
Transient Occupancy Tax	16,400,754	5.05%	10,614,109	5,786,645	54.52%
Other Taxes	18,114,015	5.58%	15,014,894	3,099,121	20.64%
License & Permits	10,772,502	3.32%	8,423,831	2,348,671	27.88%
Intergovernmental	15,306,488	4.72%	15,484,677	(178,189)	-1.15%
Charges for Services	47,443,658	14.62%	31,722,403	15,721,255	49.56%
Use of Money & Property	(2,618,811)	-0.81%	1,066,572	(3,685,383)	-345.54%
Fines & Forfeitures	1,060,576	0.33%	656,407	404,169	61.57%
Miscellaneous	9,466,875	2.92%	13,644,767	(4,177,892)	-30.62%
Totals	\$ 324,608,114	100%	\$ 274,535,802	\$ 50,072,312	18.24%

Following is an in-depth analysis of each of the revenue sources:

- Property Tax revenues increased \$6.85 million or 9.5 percent from prior year, comprising 24.4 percent of total General Fund revenue. This gain was the result of increased property assessed valuations.
- Sales Tax revenues experienced an increase of \$23.9 million or 22.7 percent from the prior year. Of the total General Fund revenue, 39.8 percent comes from sales taxes. This increase

was due to the reopening of business after COVID19, new business opening in city of Ontario and the increase in commodity prices because of inflation.

- Transient Occupancy Tax (TOT) increased by \$5.79 million or 54.5 percent from prior year because of hotel reopening for business and more people are traveling after COVID 19. It comprises 5.1 percent of the City's total General Fund revenue base.
- Other tax revenues include Franchise Fee, Business License Tax, Property Transfer Tax and Parking Tax, comprising 5.6 percent of the City's total General Fund revenue. This revenue category reflected an increase of \$3.1 million or 20.6 percent from prior year. This increase was primarily attributed to increase in parking tax due to increase in travel as COVID 19 restrictions were removed and property transfer tax due to increase in property sales.
- License and Permit revenues experienced an increase of \$2.35 million or 27.9 percent from the prior year due to growth in development related activity.
- Intergovernmental revenues slightly decreased by \$0.18 million, or 1.2 percent compared to the previous year, and it accounts for 4.7% of total General Fund revenue.
- Charges for Services revenues were \$47.44 million; an increase of \$15.72 million or 49.6 percent from the prior year. This is mainly due to the new addition of revenue source for special districts to service charges, increase in building plan check fees, as well as increase in charges to the Ontario International Airport for city services. Of the total General Fund revenue, 14.62 percent comes from charges for services.
- Use of Money and Property category experienced a decrease of \$3.68 million compared to prior year. This is mainly due to the rise in federal interest rate as some of the treasury securities were purchased at low interest rate which result in the decline of fair market value of those securities.
- Fines and Forfeitures were \$1.06 million; an increase of \$0.40 million or 61.6 percent from the prior year. This is mainly due to the increase in vehicle code fines for the FY2022. It accounts for less than one percent of the overall General Fund revenue.
- Miscellaneous revenues of \$9.47 million, representing 2.9 percent of the total General Fund revenue, decreased by \$4.18 million compared to the prior year primarily due to the reclassification in fire mutual aid reimbursements to a new special revenue account, and as well as the decrease in cost allocation revenue for the FY 2022.

Expenditures

For Fiscal Year 2021-22, total General Fund expenditures were \$283.27 million, and increased \$29.55 million or 11.65 percent compared to the previous year.

General Fund Expenditures (Table 6)
Fiscal Years 2021-22 and 2020-21

	Amount FY 21-22	% of total expenditure	Amount FY 20-21	\$Increase/ (Decrease)	%Increase/ (Decrease)
General Government	\$ 33,878,368	11.96%	\$ 29,847,243	\$ 4,031,125	13.51%
Public Safety	194,515,870	68.67%	169,458,528	25,057,342	14.79%
Community Development	39,299,440	13.87%	36,989,671	2,309,769	6.24%
Public Works	13,895,991	4.91%	13,535,675	360,316	2.66%
Debt Service	1,681,331	0.59%	3,887,687	(2,206,356)	-56.75%
Total	283,271,000	100.00%	253,718,804	29,552,196	11.65%

- General Government expenditures were \$33.88 million, an increase of \$4.03 million or 13.51 percent from the prior fiscal year. This was primarily due to increased reimbursements to local businesses that have sales tax abatement agreements with the city due to increased sales and contractual service expenses.
- Public Safety expenditures were \$194.52 million, an increase of \$25.06 million or 14.8 percent compared to the previous year, mainly from increases in internal service allocation costs and Contractual services.
- Community Development expenditures were \$39.30 million, an increase of \$2.31 million or 6.2 percent from the prior fiscal year mainly from contractual services increases.
- Public Works expenditures were \$13.90 million, an increase of \$0.36 million or 2.7 percent compared to the previous fiscal year. This increase is the result of rising material costs due to inflation
- Debt Service expenditures were \$1.68, a decrease of \$2.2 million or 56.8 percent. This is the result of decrease in debt service expenses from the refinancing of a prior bond.

MEASURE I FUND – FUND BALANCE ANALYSIS

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. It is one of the five major funds included in the City's Annual Comprehensive Financial Report for June 30, 2022. The fund balance of \$18.55 million as of June 30, 2022, had an increase of \$1.5 million compared to the prior year. Total Assets were \$18.76 million, an increase of 0.86 million from the prior fiscal year.

MEASURE I FUND – REVENUE AND EXPENDITURE ANALYSIS**Revenues**

For Fiscal Year 2021-22, total Measure I Fund revenues were \$4.63 million or \$0.12 million less compared to the prior year.

Expenditures

For Fiscal Year 2021-22, total Measure I Fund expenditures were \$3.12 million, a decrease of \$1.42 million as majority of the project expense were incurred in the prior year and were completed in the current year.

ONTARIO HOUSING AUTHORITY – FUND BALANCE ANALYSIS

The Ontario Housing Authority Fund accounts for financial transactions for the Ontario Housing Authority. It is one of the five major funds included in the City's Annual Comprehensive Financial Report for June 30, 2022. The fund balance of \$20.44 million as of June 30, 2022, which is a slight decrease of only \$0.17 million compared to the prior year. Total Assets were \$55.72 million; a decrease of \$1.10 million from the prior year. This is primarily due to the decrease in Cash and Investment. Total Liabilities were \$11.98 million and a very minimal increase of about \$100,000 compared to the previous fiscal year.

ONTARIO HOUSING AUTHORITY – REVENUE AND EXPENDITURE ANALYSIS

Revenues

For Fiscal Year 2021-22, total Ontario Housing Authority Fund revenues were \$2.22 million; an increase of \$0.95 million compared to the prior year. This increase is mainly due to loan repayment under Ontario Emporia Housing loan and Virginia Holt housing loan during the year.

Expenditures

For Fiscal Year 2021-22, total Ontario Housing Authority Fund expenditures were \$2.82 million. There is an increase of \$0.52 million compared to prior year due to the increase in relocation payments.

CAPITAL PROJECTS FUND – FUND BALANCE ANALYSIS

The Capital Projects Fund accounts for financial transactions of general capital improvements. It is one of the five major funds included in the City's Annual Comprehensive Financial Report for June 30, 2022. The fund balance of \$123.09 million as of June 30, 2022, reflected an increase of \$94.34 million compared to the prior year. The increase was due to the issuance of 2022 lease revenue bond in the amount of \$90.83 million for the Civic Center improvements. Total Assets were \$127.25 million; an increase of \$91.0 million from the previous year. This is mainly attributable to increase in cash and investments because of the issuance of 2022 lease revenue bond for the Civic Center improvements. The total liabilities were \$4.16 million, which is a decrease of \$1.45 million.

CAPITAL PROJECTS FUND – REVENUE AND EXPENDITURE ANALYSIS**Revenues**

For Fiscal Year 2021-2022, total Capital Projects Fund revenues were \$1.84 million; an increase of \$0.86 million compared to the prior year. The increase was due to the recognition of the revenue related to Holt underground project as it was previously classified as unavailable revenue in FY 2021

Expenditures

For Fiscal Year 2021-2022, total Capital Projects Fund expenditures were \$50.48 million. This was an increase of \$35.18 million over the previous fiscal year due to the refinancing of the 2013 lease revenue bond with the 2021 lease revenue refunding bonds in the amount of \$35 million

IMPACT FEES FUND – FUND BALANCE ANALYSIS

The Impact Fees Fund accounts for revenues from developer-paid impact fees for infrastructure or construction. It is one of the five major funds included in the City's Annual Comprehensive Financial Report for June 30, 2022. The fund balance of \$167.83 million as of June 30, 2022, reflected an increase of \$33.67 million. Total Assets were \$179.36 million; an increase of \$29.02 million from the previous year which is mainly attributable to the increase in Cash and Investments of \$28.5 million which is increased impact fee received during the year. As these project progress, development impact fees are incurred and paid to the city. Total Liabilities of \$11.53 million decreased by \$4.652 million due to the decrease in Accounts Payable.

IMPACT FEES FUND – REVENUE AND EXPENDITURE ANALYSIS

Revenues

For Fiscal Year 2021-22, total Impact Fees Fund revenues were \$52.41 million; an increase of \$27.14 million which is due to increased development activity after an extended hiatus during COVID19.

Expenditures

For Fiscal Year 2021-2022, total Impact Fees Fund expenditures were \$28.72 million. This was a decrease of \$10.27 million as a result of major projects being completed in FY 2021.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the city budget several times. Budget revisions fall into three categories. The first category includes carry-forward encumbrances and capital projects that are approved shortly after the beginning of the year. The second category includes changes that the Council makes during the quarterly budget process. Finally, the Council approves supplemental appropriations through-out the year based on individual items that are brought forward by various departments. The General Fund budgetary comparison statement is located in the Basic Financial Statements.

Resources (Inflows)

The budgeted amount for *revenues* (resources available for appropriation) including transfers had an increase of \$22.71 million between the original budget of \$276.16 million and the final amended budget of \$298.87 million. The increase was mainly due to budget adjustments for Transfers-In (decrease of 4 million), as well as increase in tax amount of \$25.92 million primarily from gains in sales tax, property tax, and transient occupancy tax. Actual revenues were \$25.74 million more than the final amended budget.

Charges to Appropriations (Outflows)

The difference between the original budget and the final budget was an increase of \$80.35 million in appropriations. This increase was mainly due to increases for transfers to other funds which includes Economic Development activities (\$15 million), Future CalPERS pension costs (\$15 million), internal services funds (\$12.6 million), carryforward encumbrance from the prior fiscal year (\$2.8 million), and one time ARPA premium pay (\$7.4 million) as well as increased appropriations for personnel, operating and contractual services and capital purchases. The actual was 13.42 million lower than budgeted amount due to the lower personnel costs because of vacant personnel positions and savings in operating and contractual services as some of the city's operations were not fully opened during the fiscal year as a result of COVID-19 restrictions.

Table 7 on the next page is a comparison of actual inflow and outflow with the final budget.

Budgetary Comparison for General Fund (Table 7)
Fiscal Year 2021-22
(In millions)

	Budget Amounts			Actual	Final Budget Variance Favorable/(Unfavorable)
	Original	Final	Variance		
Resources (Inflows):					
Taxes	199.12	225.05	25.92	243.18	18.13
Licenses and permits	4.75	9.74	4.99	10.77	1.04
Intergovernmental	15.03	3.81	(11.22)	15.31	11.50
Charges for Services	41.47	49.03	7.56	47.44	(1.59)
Use of Money and Property	1.66	1.46	(0.20)	(2.62)	(4.08)
Fines and Forfeitures	0.70	0.97	0.26	1.06	0.09
Miscellaneous	9.42	8.82	(0.60)	9.47	0.65
Transfer from Other funds	4.00	-	(4.00)		-
Total Resources	276.16	298.87	22.71	324.61	25.74
Charges to Appropriations (Outflows):					
General Government	32.07	38.62	6.55	33.88	(4.74)
Public Safety	174.47	194.13	19.65	194.52	0.39
Community Development	39.78	47.56	7.79	39.30	(8.26)
Public Works	14.68	16.18	1.50	13.90	(2.28)
Debt Services	-	0.00	-	1.68	1.68
Transfers to Other Funds	10.86	55.72	44.86	55.52	(0.20)
Total Charges to Appropriations	271.86	352.20	80.35	338.79	(13.42)

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The City's investment in capital assets (Table 8) for its governmental and business-type activities as of June 30, 2022, is \$1.42 billion (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, furniture and equipment, infrastructure, and construction in progress. For more information, please refer to Note 6 in the Notes to the Basic Financial Statements. The Capital Assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. Depreciation on capital assets is recognized in the Government-wide financial statements.

Capital Assets (Table 8)
(net of depreciation)
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 124.67	\$ 124.67	\$ 16.15	\$ 16.15	\$ 140.82	\$ 140.82
Structures and Improvement	230.14	196.50	1.95	1.83	232.09	198.33
Furniture and Equipments	50.23	44.49	5.65	2.29	55.88	46.78
Infrastructures	710.21	667.59	115.69	151.06	825.90	818.64
Construction in Progress	99.56	123.78	68.29	57.93	167.85	181.71
Total Capital asset	\$ 1,214.81	\$ 1,157.03	\$ 207.73	\$ 229.26	\$ 1,422.53	\$ 1,386.28

Additional detail information is provided on Capital Assets in the *Notes to Financial Statements, Note 6*.

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for its Governmental Activities infrastructure reporting. Under GASB Statement No. 34, eligible infrastructure capital asset is not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital 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 condition assessment level.
- The City documents that eligible infrastructure capital assets are being preserved approximately at or above the established disclosed assessment.

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 \$8.3 million on street maintenance for the fiscal year ended June 30, 2022, to delay deterioration. The City has estimated that the amount of annual expenditures required maintaining the City's streets at the minimum PCI rating of "Good" through the year of 2022 is a minimum of \$5.7 million per year. As of June 30, 2022, the City had approximately 115.37 million square feet of streets with a carrying amount of approximately \$371.82 million and a replacement cost of approximately \$1,048.75 million.

The City is also continuously taking actions to arrest the deterioration of other infrastructure assets through short-term maintenance activities. The City expended \$8.0 million on other infrastructure (sidewalks, traffic signals/streetlights and catch basins/storm drains) maintenance for the fiscal year ended June 30, 2022. These expenditures delayed deterioration and improved the overall condition through these maintenance efforts. It is estimated that it will cost approximately \$4.0 million per year to maintain other infrastructure assets at their present level. For more information, see Required Supplemental Information following the footnotes to the financial statements.

Long-term Debt

At year end, the City had \$497.63 million in outstanding long-term debt. This debt consisted of revenue bonds, loans payable, installment sale and advances from Successor Agency. For additional details of the City's long-term debt, please refer to Note 7 in the Notes to the Basic Financial Statements.

Table 9 below is a summary of the City's long-term debt for the year ended June 30, 2022.

Long-Term Debt (Table 9)
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2022	2021	2022	2021	2022	2021
Revenue Bonds	\$ 150.90	\$ 57.87	\$ 67.55	\$ 64.42	\$ 218.45	\$ 122.29
Pension Obligation Bonds	228.86	233.22	-	-	228.86	233.22
Loan Payable	50.33	33.57	-	-	50.33	33.57
Installment Sale	14.51	19.18	-	-	14.51	19.18
Advances from the Successor Agency	1.60	1.60	-	-	1.60	1.60
Unamortized bond premium/discount	13.41	2.63	-	1.59	13.41	4.22
Total long term debt	\$ 459.61	\$ 348.07	\$ 67.55	\$ 66.01	\$ 497.63	\$ 414.08

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Executive Director of Finance
City of Ontario
303 East "B" Street
Ontario, California 91764

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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, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 522,270,233	\$ 174,849,069	\$ 697,119,302
Receivables:			
Accounts	60,755,928	14,697,917	75,453,845
Taxes	1,597,830	-	1,597,830
Accrued interest	1,975,394	683,192	2,658,586
Leases	314,319	184,968	499,287
Internal balances	4,731,593	(4,731,593)	-
Prepaid costs	3,311,631	42,012	3,353,643
Deposits	634,264	-	634,264
Inventories	3,914,000	1,814,127	5,728,127
Advances to Successor Agency	3,500,000	-	3,500,000
Restricted assets:			
Cash and investments	100,112,367	356,847	100,469,214
Cash and investments with fiscal agent	19,175,100	15,149	19,190,249
Total current assets	722,292,659	187,911,688	910,204,347
Noncurrent assets:			
Notes and Loans	56,755,800	-	56,755,800
Leases receivable	2,731,214	1,257,114	3,988,328
Investment in joint venture	-	70,968,418	70,968,418
Other investments	-	120,799,255	120,799,255
Land held for resale	133,773,958	-	133,773,958
Net pension asset	133,783,636	16,677,015	150,460,651
OPEB asset	8,596,575	3,555,778	12,152,353
Capital assets:			
Nondepreciable	797,117,477	84,444,370	881,561,847
Depreciable	740,044,804	286,708,547	1,026,753,351
Less accumulated depreciation	(322,357,049)	(163,423,220)	(485,780,269)
Total capital assets	1,214,805,232	207,729,697	1,422,534,929
Total noncurrent assets	1,550,446,415	420,987,277	1,971,433,692
Total assets	2,272,739,074	608,898,965	2,881,638,039
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	2,461,252	3,311,489	5,772,741
Deferred pension related items	50,759,411	2,563,725	53,323,136
Deferred OPEB related items	5,714,742	2,363,774	8,078,516
Total deferred outflows of resources	58,935,405	8,238,988	67,174,393
LIABILITIES			
Current liabilities:			
Accounts payable	16,558,706	12,147,970	28,706,676
Accrued liabilities	5,909,916	824,506	6,734,422
Accrued interest	2,944,775	837,714	3,782,489
Unearned revenue	36,057,125	1,447,535	37,504,660
Deposits payable	28,669,532	905,570	29,575,102
Due to other governments	3,460,187	-	3,460,187
Compensated absences - current	3,087,991	1,437,487	4,525,478
Claims and judgements - current	12,209,058	-	12,209,058
Long-term debt - current portion	14,765,818	2,360,000	17,125,818
Total current liabilities	123,663,108	19,960,782	143,623,890
Noncurrent liabilities:			
Compensated absences	15,462,922	424,395	15,887,317
Claims and judgements	23,889,942	-	23,889,942
Long-term debt	444,833,092	65,190,000	510,023,092
Total noncurrent liabilities	484,185,956	65,614,395	549,800,351
Total liabilities	607,849,064	85,575,177	693,424,241
DEFERRED INFLOWS OF RESOURCES			
Deferred charges on refunding	874,010	-	874,010
Deferred inflows of resources - pension	112,814,688	12,953,340	125,768,028
Deferred inflows of resources - leases	2,952,875	1,420,346	4,373,221
Deferred inflows of resources - OPEB	95,569,521	39,530,169	135,099,690
Total deferred inflows of resources	212,211,094	53,903,855	266,114,949
NET POSITION			
Net investment in capital assets	1,106,500,917	143,491,186	1,249,992,103
Restricted for:			
Community development projects	104,793,693	-	104,793,693
Public safety	30,608,558	-	30,608,558
Capital projects	1,879,410	371,996	2,251,406
Affordable housing	45,020,937	-	45,020,937
Other purposes	52,694,998	-	52,694,998
Total restricted	234,997,596	371,996	235,369,592
Unrestricted	170,115,808	333,795,739	503,911,547
Total net position	\$ 1,511,614,321	\$ 477,658,921	\$ 1,989,273,242

See accompanying Notes to Basic Financial Statements.

City of Ontario
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 53,007,368	\$ 7,124,318	\$ 14,381,291	\$ 63,732	\$ 21,569,341
Public safety	171,919,144	24,510,827	24,162,815	426,368	49,100,010
Community development	97,855,487	109,380,406	11,790,257	42,920,676	164,091,339
Public works	5,178,760	-	-	757,454	757,454
Interest on long-term debt	12,602,410	-	-	-	-
Total governmental activities	340,563,169	141,015,551	50,334,363	44,168,230	235,518,144
Business-type Activities:					
Water	32,072,665	73,241,767	1,394,484	538,336	75,174,587
Sewer	26,519,496	28,308,242	790,926	-	29,099,168
Integrated Waste	36,928,273	46,404,294	59,717	-	46,464,011
Total Business-Type activities	95,520,434	147,954,303	2,245,127	538,336	150,737,766
Total primary government	\$ 436,083,603	\$ 288,969,854	\$ 52,579,490	\$ 44,706,566	\$ 386,255,910

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
\$ (31,438,027)	\$ -	\$ (31,438,027)
(122,819,134)	-	(122,819,134)
66,235,852	-	66,235,852
(4,421,306)	-	(4,421,306)
(12,602,410)	-	(12,602,410)
(105,045,025)	-	(105,045,025)
-	43,101,922	43,101,922
-	2,579,672	2,579,672
-	9,535,738	9,535,738
-	55,217,332	55,217,332
(105,045,025)	55,217,332	(49,827,693)
79,329,716	-	79,329,716
16,400,754	-	16,400,754
129,332,341	-	129,332,341
3,824,973	-	3,824,973
8,856,928	-	8,856,928
5,997,517	-	5,997,517
243,742,229	-	243,742,229
210,261	-	210,261
(6,213,473)	(1,229,512)	(7,442,985)
9,067,222	-	9,067,222
11,881,432	-	11,881,432
(458,557)	458,557	-
258,229,114	(770,955)	257,458,159
153,184,089	54,446,377	207,630,466
1,358,430,232	423,212,544	1,781,642,776
\$ 1,511,614,321	\$ 477,658,921	\$ 1,989,273,242

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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, 2022

	Special Revenue Funds			Capital Project Funds
	General	Measure I	Ontario Housing Authority	Capital Projects
ASSETS				
Cash and investments	\$ 58,992,190	\$ 17,386,483	\$ 4,595,832	\$ 27,087,103
Receivables:				
Accounts	40,313,187	1,155,946	16,912	-
Taxes	1,461,562	-	-	-
Notes and loans	66,851	-	31,560,846	-
Leases	3,045,533	-	-	-
Accrued interest	512,326	24,557	17,958	86,474
Prepaid costs	158,153	-	-	-
Deposits	-	191,320	267,965	2,199
Due from other funds	3,701,965	-	-	-
Advances to other funds	54,040,183	-	-	-
Advances to Successor Agency	3,500,000	-	-	-
Inventories	282,742	-	-	-
Land held for resale	-	-	19,258,625	-
Restricted assets:				
Cash and investments	-	-	-	100,076,592
Cash and investments with fiscal agents	-	-	-	(93)
Total assets	\$ 166,074,692	\$ 18,758,306	\$ 55,718,138	\$ 127,252,275
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,126,415	\$ 203,494	\$ 12,856	\$ 2,113,865
Accrued liabilities	5,182,079	-	14,567	-
Unearned revenues	21,579,294	-	5,025,000	-
Deposits payable	15,251,827	-	-	2,048,653
Due to other governments	-	-	970,861	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	5,961,399	-
Total liabilities	49,139,615	203,494	11,984,683	4,162,518
Deferred Inflows of Resources				
Unavailable revenues	-	-	23,296,524	-
Leases	2,952,875	-	-	-
Total deferred inflows of resources	2,952,875	-	23,296,524	-
Fund Balances:				
Nonspendable	57,981,078	-	-	-
Restricted	361,579	18,554,812	20,436,931	-
Committed	-	-	-	123,089,757
Assigned	55,639,545	-	-	-
Unassigned	-	-	-	-
Total fund balances	113,982,202	18,554,812	20,436,931	123,089,757
Total liabilities, deferred inflows of resources and fund balances	\$ 166,074,692	\$ 18,758,306	\$ 55,718,138	\$ 127,252,275

See accompanying Notes to Basic Financial Statements.

Capital Project Funds		
Impact Fees	Other Governmental Funds	Total Governmental Funds
\$ 178,441,785	\$ 98,639,274	\$ 385,142,667
-	9,632,759	51,118,804
-	136,268	1,597,830
-	25,128,103	56,755,800
-	-	3,045,533
749,912	366,923	1,758,150
-	-	158,153
172,780	-	634,264
-	-	3,701,965
-	5,961,399	60,001,582
-	-	3,500,000
-	2,698,632	2,981,374
-	57,883,282	77,141,907
-	35,775	100,112,367
-	14,169,590	14,169,497
<u>\$ 179,364,477</u>	<u>\$ 214,652,005</u>	<u>\$ 761,819,893</u>
\$ 1,673,922	\$ 3,369,592	\$ 14,500,144
-	360,720	5,557,366
-	9,452,831	36,057,125
9,859,905	506,695	27,667,080
-	2,489,326	3,460,187
-	3,701,965	3,701,965
-	-	5,961,399
<u>11,533,827</u>	<u>19,881,129</u>	<u>96,905,266</u>
-	368,576	23,665,100
-	-	2,952,875
-	368,576	26,617,975
-	-	57,981,078
-	194,402,300	233,755,622
167,830,650	-	290,920,407
-	-	55,639,545
-	-	-
<u>167,830,650</u>	<u>194,402,300</u>	<u>638,296,652</u>
<u>\$ 179,364,477</u>	<u>\$ 214,652,005</u>	<u>\$ 761,819,893</u>

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 \$ 638,296,652

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	\$ 797,117,477	\$ (34,731,692)	762,385,785
Depreciable, net	417,687,755	(39,357,654)	378,330,101
Total capital assets	\$ 1,214,805,232	\$ (74,089,346)	1,140,715,886

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.

(144,565,918)

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.

23,665,100

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	50,759,411	(1,032,149)	49,727,262
Deferred outflows of resources related to OPEB	5,714,742	(5,714,742)	-
Deferred inflows of resources related to pension	(112,814,688)	5,214,981	(107,599,707)
Deferred inflows of resources related to OPEB	(95,569,521)	95,569,521	-

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	\$ (3,087,991)	\$ 830,795	\$ (2,257,196)
Interest payable	(2,944,775)	1,610,002	(1,334,773)
Long-term debt - due within one year	(14,765,818)	6,794,667	(7,971,151)
Unamortized deferred gain on refunding	(874,010)	-	(874,010)
Unamortized deferred loss on refunding	2,461,252	-	2,461,252
Unamortized prepaid bond insurance premium	136,430	-	136,430
Compensated absences - due in more than one year	(15,462,922)	168,411	(15,294,511)
Long-term debt - due in more than one year	(444,833,092)	254,272,584	(190,560,508)
Net pension liability	133,783,636	(6,714,123)	127,069,513
Net OPEB liability	8,596,575	(8,596,575)	-
Total long-term liabilities	\$ (336,990,715)	\$ 248,365,761	(88,624,954)

Net Position of Governmental Activities

\$ 1,511,614,321

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City of Ontario
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	Special Revenue Funds			Capital Project Funds
	General	Measure I	Ontario Housing Authority	Capital Projects
REVENUES:				
Taxes	\$ 243,176,826	\$ -	\$ -	\$ -
Special assessment taxes	-	-	-	-
Licenses and permits	10,772,502	-	-	-
Intergovernmental	15,306,488	4,690,545	-	60,545
Charges for services	47,443,658	-	-	-
Use of money and property	(2,618,811)	(62,469)	2,122,106	(104,060)
Fines and forfeitures	1,060,576	-	-	-
Miscellaneous	9,466,875	-	95,902	1,879,410
Total revenues	324,608,114	4,628,076	2,218,008	1,835,895
EXPENDITURES:				
Current:				
General government	33,878,368	-	-	54,590
Public safety	194,515,870	-	-	260,283
Community development	39,299,440	3,120,177	2,812,282	15,632,272
Public works	13,895,991	-	-	13,048
Debt service:				
Principal retirement	560,000	-	12,000	34,516,908
Interest and fiscal charges	1,121,331	-	-	-
Total expenditures	283,271,000	3,120,177	2,824,282	50,477,101
REVENUES OVER (UNDER) EXPENDITURES				
	41,337,114	1,507,899	(606,274)	(48,641,206)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,500	6,464,116
Transfers out	(55,516,961)	-	-	-
Notes and loans issued	-	-	-	136,526,765
Total other financing sources (uses)	(55,516,961)	-	3,500	142,990,881
Net change in fund balances	(14,179,847)	1,507,899	(602,774)	94,349,675
FUND BALANCES:				
Beginning of year	126,701,209	17,046,913	20,261,931	28,740,082
Restatements	1,460,840	-	777,774	-
Beginning of year, as restated	128,162,049	17,046,913	21,039,705	28,740,082
End of year	\$ 113,982,202	\$ 18,554,812	\$ 20,436,931	\$ 123,089,757

See accompanying Notes to Basic Financial Statements.

Capital Project Funds		
Impact Fees	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 243,176,826
-	11,775,704	11,775,704
-	-	10,772,502
-	35,802,667	55,860,245
55,761,707	27,038,151	130,243,516
(3,373,046)	(1,455,070)	(5,491,350)
-	-	1,060,576
23,493	2,728,017	14,193,697
<u>52,412,154</u>	<u>75,889,469</u>	<u>461,591,716</u>
-	14,290,235	48,223,193
1,764,294	2,911,483	199,451,930
26,958,577	18,442,707	106,265,455
-	4,095,975	18,005,014
-	4,675,812	39,764,720
-	324,188	1,445,519
<u>28,722,871</u>	<u>44,740,400</u>	<u>413,155,831</u>
<u>23,689,283</u>	<u>31,149,069</u>	<u>48,435,885</u>
9,819,324	1,347,334	17,634,274
-	(10,121,225)	(65,638,186)
-	18,031,000	154,557,765
<u>9,819,324</u>	<u>9,257,109</u>	<u>106,553,853</u>
33,508,607	40,406,178	154,989,738
134,155,056	189,734,859	516,640,050
166,987	(35,738,737)	(33,333,136)
134,322,043	153,996,122	483,306,914
<u>\$ 167,830,650</u>	<u>\$ 194,402,300</u>	<u>\$ 638,296,652</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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$	154,989,738
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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		44,644,973
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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.		(19,106,117)
--	--	--------------

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.		(2,238,978)
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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		39,764,720
Issuance of long-term debt		(154,557,765)
Interest payable		(580,010)
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

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.		17,513,613
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Pension expense 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.		(3,769,065)
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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.		(3,094,154)
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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.		79,457,377
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Change in Net Position of Governmental Activities	\$	153,184,089
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City of Ontario
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Integrated Waste	Totals	
ASSETS					
Current Assets:					
Cash and investments	\$ 95,055,336	\$ 58,763,063	\$ 21,030,670	\$ 174,849,069	\$ 137,127,566
Receivables:					
Accounts	5,803,782	2,498,031	6,396,104	14,697,917	9,637,124
Accrued interest	371,404	229,612	82,176	683,192	217,244
Leases	184,968	-	-	184,968	-
Prepaid costs	15,483	17,700	8,829	42,012	3,017,047
Inventories	1,451,302	362,825	-	1,814,127	932,626
Restricted:					
Cash and investments	356,847	-	-	356,847	-
Cash with fiscal agent	15,149	-	-	15,149	5,005,603
Total current assets	103,254,271	61,871,231	27,517,779	192,643,281	155,937,210
Noncurrent:					
Leases receivable	1,257,114	-	-	1,257,114	-
Advances to other funds	11,613,153	5,214,477	10,902,634	27,730,264	13,035,193
Investment in joint venture	70,968,418	-	-	70,968,418	-
Other investments	120,799,255	-	-	120,799,255	-
Land held for resale	-	-	-	-	56,632,051
Net pension asset	5,910,481	1,744,076	9,022,458	16,677,015	6,714,123
OPEB asset	1,260,199	371,861	1,923,718	3,555,778	8,596,575
Capital assets:					
Nondepreciable	77,888,648	3,391,393	3,164,329	84,444,370	34,731,692
Depreciable	224,417,539	55,556,668	6,734,340	286,708,547	96,555,621
Less accumulated depreciation	(120,126,187)	(41,579,164)	(1,717,869)	(163,423,220)	(57,197,967)
Net capital assets	182,180,000	17,368,897	8,180,800	207,729,697	74,089,346
Total noncurrent assets	392,731,506	24,699,311	30,029,610	447,460,427	159,067,288
Total assets	495,985,777	86,570,542	57,547,389	640,103,708	315,004,498
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	3,311,489	-	-	3,311,489	-
Deferred pension related items	908,607	268,113	1,387,005	2,563,725	1,032,149
Deferred OPEB related items	837,742	247,203	1,278,829	2,363,774	5,714,742
Total deferred outflows of resources	5,057,838	515,316	2,665,834	8,238,988	6,746,891
LIABILITIES					
Current liabilities:					
Accounts payable	5,810,386	4,819,605	1,517,979	12,147,970	2,058,562
Accrued liabilities	316,577	138,232	369,697	824,506	352,550
Accrued interest	837,714	-	-	837,714	1,610,002
Unearned revenues	50,000	1,345,704	51,831	1,447,535	-
Deposits payable	347,862	45,661	512,047	905,570	1,002,452
Compensated absences - current	884,627	70,936	481,924	1,437,487	830,795
Claims and judgements - current	-	-	-	-	12,209,058
Long-term debt - current portion	2,360,000	-	-	2,360,000	6,794,667
Total current liabilities	10,607,166	6,420,138	2,933,478	19,960,782	24,858,086
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	94,805,640
Compensated absences	245,165	102,078	77,152	424,395	168,411
Claims and judgements	-	-	-	-	23,889,942
Long-term debt	65,190,000	-	-	65,190,000	254,272,584
Total noncurrent liabilities	65,435,165	102,078	77,152	65,614,395	373,136,577
Total liabilities	76,042,331	6,522,216	3,010,630	85,575,177	397,994,663
DEFERRED INFLOWS OF RESOURCES					
Deferred pension related items	4,590,777	1,354,655	7,007,908	12,953,340	5,214,981
Deferred leases related amounts	1,420,346	-	-	1,420,346	-
Deferred OPEB related items	14,009,838	4,134,050	21,386,281	39,530,169	95,569,521
Total deferred inflows of resources	20,020,961	5,488,705	28,394,189	53,903,855	100,784,502
NET POSITION					
Net investment in capital assets	117,941,489	17,368,897	8,180,800	143,491,186	46,402,377
Restricted	371,996	-	-	371,996	-
Unrestricted	287,923,952	57,706,040	20,627,604	366,257,596	(223,430,153)
Total net position	\$ 406,237,437	\$ 75,074,937	\$ 28,808,404	\$ 510,120,778	\$ (177,027,776)

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

Net Position per Statement of Net Position - Proprietary Funds	\$ 510,120,778
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds, as restated	(52,668,102)
Current year's adjustment to reflect the consolidation of internal service activities related to enterprise funds	20,206,245
Net Position per Government-Wide Statement of Net Position	\$ 477,658,921

See accompanying notes to Basic Financial Statements.

City of Ontario
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Integrated Waste	Totals	
OPERATING REVENUES:					
Sales and service charges	\$ 70,403,725	\$ 28,093,362	\$ 45,574,849	\$ 144,071,936	\$ -
Interdepartmental charges	1,968,703	162,274	715,669	2,846,646	58,331,847
Miscellaneous	577,015	52,606	113,776	743,397	40,047,274
Total operating revenues	72,949,443	28,308,242	46,404,294	147,661,979	98,379,121
OPERATING EXPENSES:					
Administration and general	9,432,658	5,227,082	12,550,967	27,210,707	25,790,758
Source and supply	19,273,526	-	-	19,273,526	12,816,380
Pumping	4,822,164	-	-	4,822,164	-
Transmission/collection	7,743,829	3,024,867	25,888,066	36,656,762	-
Treatment	-	17,914,161	-	17,914,161	-
Claims expense	-	-	-	-	573,574
Depreciation expense	5,501,443	1,086,742	284,169	6,872,354	7,914,723
Total operating expenses	46,773,620	27,252,852	38,723,202	112,749,674	47,095,435
Operating income (loss)	26,175,823	1,055,390	7,681,092	34,912,305	51,283,686
NONOPERATING REVENUES (EXPENSES):					
Grant revenue	1,394,484	790,926	59,717	2,245,127	-
Interest revenue	155,877	(1,037,128)	(348,261)	(1,229,512)	(310,215)
Interest expense	(2,977,005)	-	-	(2,977,005)	(10,736,638)
Gain on joint venture	292,324	-	-	292,324	-
Gain on sale of other investments	-	-	-	-	11,881,432
Total nonoperating revenues (expenses)	(1,134,320)	(246,202)	(288,544)	(1,669,066)	834,579
Income before contributions and transfers	25,041,503	809,188	7,392,548	33,243,239	52,118,265
CONTRIBUTIONS AND TRANSFERS:					
Capital grants and contributions	538,336	-	-	538,336	-
Transfers in	686,700	128,700	787,500	1,602,900	47,846,070
Transfers out	(401,639)	(166,462)	(576,242)	(1,144,343)	(300,715)
Total contributions and transfers	823,397	(37,762)	211,258	996,893	47,545,355
Change in net position	25,864,900	771,426	7,603,806	34,240,132	99,663,620
NET POSITION:					
Beginning of year	414,249,526	89,954,712	44,044,435	548,248,673	(325,944,136)
Restatements	(33,876,989)	(15,651,201)	(22,839,837)	(72,368,027)	49,252,740
Beginning of year, as restated	380,372,537	74,303,511	21,204,598	475,880,646	(276,691,396)
End of year	\$ 406,237,437	\$ 75,074,937	\$ 28,808,404	\$ 510,120,778	\$ (177,027,776)

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	\$ 34,240,132
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds	20,206,245
Changes in Net Position of Business-Type Activities per Statement of Activities	\$ 54,446,377

City of Ontario
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Integrated Waste	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 71,387,500	\$ 28,248,635	\$ 44,353,717	\$ 143,989,852	\$ -
Cash received from/(paid to) interfund services	-	-	-	-	96,182,743
Cash paid to suppliers for goods and services	(36,414,751)	(20,833,869)	(27,773,738)	(85,022,358)	(14,004,702)
Cash paid to employees for services	(13,101,650)	(6,412,629)	(18,558,027)	(38,072,306)	(47,096,329)
Net cash provided by (used in) operating activities	21,871,099	1,002,137	(1,978,048)	20,895,188	35,081,712
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers in	686,700	128,700	787,500	1,602,900	47,846,070
Cash transfers out	(401,639)	(166,462)	(576,242)	(1,144,343)	(300,715)
Due to other funds	-	-	-	-	(1,494)
Advance from other funds	10,447,137	5,200,755	419,761	16,067,653	(18,148,208)
Interest paid on pension obligation bonds	-	-	-	-	(9,180,719)
Principal paid on pension obligation bonds	-	-	-	-	(4,360,000)
Grant subsidy	1,394,484	790,926	59,717	2,245,127	-
Net cash provided by (used in) noncapital financing activities	12,126,682	5,953,919	690,736	18,771,337	15,854,934
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(12,437,059)	(1,702,959)	(1,415,707)	(15,555,725)	(25,449,435)
Acquisition of other investments	(8,103,243)	-	-	(8,103,243)	23,813,113
Proceeds from leases receivable	181,512	-	-	181,512	-
Interest paid on capital debt	(3,621,391)	-	-	(3,621,391)	(757,961)
Principal paid on capital debt	(68,671,649)	-	-	(68,671,649)	(1,232,392)
Proceed from issuance of debt	67,550,000	-	-	67,550,000	-
Reimbursement agreement	538,336	-	-	538,336	-
Net cash provided by (used in) capital and related financing activities	(24,563,494)	(1,702,959)	(1,415,707)	(27,682,160)	(3,626,675)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Change in investments	-	-	-	-	-
Interest received	(17,760)	(1,134,844)	(373,899)	(1,526,503)	11,355,160
Net cash provided by (used in) investing activities	(17,760)	(1,134,844)	(373,899)	(1,526,503)	11,355,160
Net cash flows	9,416,527	4,118,253	(3,076,918)	10,457,862	58,665,131
CASH AND INVESTMENTS - Beginning of year	86,010,805	54,644,810	24,107,588	164,763,203	83,468,038
CASH AND INVESTMENTS - End of year	\$ 95,427,332	\$ 58,763,063	\$ 21,030,670	\$ 175,221,065	\$ 142,133,169
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET					
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 26,175,823	\$ 1,055,390	\$ 7,681,092	\$ 34,912,305	\$ 51,283,686
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	5,501,443	1,086,742	284,169	6,872,354	7,914,723
(Increase) decrease in accounts receivable	(1,358,695)	(91,478)	(2,098,215)	(3,548,388)	(2,196,378)
(Increase) decrease in prepaid expense	8,389	669	96,326	105,384	(493,613)
(Increase) decrease in inventories	(403,688)	(100,922)	-	(504,610)	(89,709)
Increase (decrease) in accounts payable	1,280,985	127,870	(1,099,178)	309,677	(1,348,037)
Increase (decrease) in accrued liabilities	61,504	32,368	84,256	178,128	70,961
Increase (decrease) in unearned revenues	-	31,871	47,638	79,509	-
Increase (decrease) in deposits payable	(5,522,422)	45,174	(967,076)	(6,444,324)	1,002,452
Increase (decrease) in claims and judgements	-	-	-	-	591,357
Increase (decrease) in compensated absences	259,353	(26,364)	(10,368)	222,621	19,945
Increase (decrease) in deferred leases related amounts	(203,248)	-	-	(203,248)	-
Increase (decrease) in net pension liability	(6,149,631)	(1,814,645)	(9,387,527)	(17,351,803)	(6,985,790)
Increase (decrease) in deferred pension related items	5,248,425	1,548,716	8,011,820	14,808,961	5,962,049
Increase (decrease) in OPEB liability	(4,079,365)	(1,203,746)	(6,227,228)	(11,510,339)	(27,827,800)
Increase (decrease) in deferred OPEB related items	1,052,226	310,492	1,606,243	2,968,961	7,177,866
Net cash provided by (used in) operating activities	\$ 21,871,099	\$ 1,002,137	\$ (1,978,048)	\$ 20,895,188	\$ 35,081,712
NONCASH TRANSACTIONS:					
Gain on investment in joint venture	\$ 292,324	\$ -	\$ -	\$ -	\$ -
Amortization of deferred cost	56,357	-	-	-	-

See accompanying notes to Basic Financial Statements.

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City of Ontario
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds	Private Purpose Trust Fund Successor Agency of the Former RDA
ASSETS		
Cash and investments	\$ 32,406,517	\$ 9,633,450
Receivables:		
Accounts	21,839	-
Taxes	187,694	-
Notes and leases	-	35,000
Accrued interest	58,613	1,219
Advances to City	-	1,600,000
Land held for resale	-	10,904,181
Restricted assets:		
Cash and investments with fiscal agents	82,641,775	1,152,961
Total assets	115,320,547	23,326,811
LIABILITIES		
Accounts payable	125,723	-
Accrued interest	-	2,774,121
Deposits payable	721,035	305,887
Due to other governments	10,929,507	-
Long-term liabilities:		
Long-term debt - due within one year	-	7,056,822
Long-term debt - due in more than one year	-	27,062,548
Total liabilities	11,776,265	37,199,378
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	103,544,282	-
Held in trust for private purposes	-	(13,872,567)
Total Net Position	\$ 103,544,282	\$ (13,872,567)

City of Ontario
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2022

	Custodial Funds	Private Purpose Trust Fund Successor Agency of the Former RDA
ADDITIONS:		
Taxes	\$ 12,282,119	\$ 9,451,821
Interest and change in fair value of investments	(16,375)	(76,627)
Fee collections for other governments	45,224,492	17
Bond proceeds and premiums	53,260,247	-
Total additions	110,750,483	9,375,211
DEDUCTIONS:		
Administrative expenses	24,187,330	270,899
Payments on conduit bonds - principal	5,780,000	-
Interest expense	7,309,655	4,736,424
Contributions to other governments	44,957,535	101,117
Total deductions	82,234,520	5,108,440
Change in net position	28,515,963	4,266,771
NET POSITION:		
Beginning of year	93,308,155	(18,388,795)
Restatements	(18,279,836)	249,457
Beginning of year, restated	75,028,319	(18,139,338)
End of year	\$ 103,544,282	\$ (13,872,567)

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NOTES TO BASIC FINANCIAL STATEMENTS

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City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, the City's facilities maintenance, 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, 2022

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, 2022

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, 2022.

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. Leases Receivable

The City's leases receivable are measured at the present value of lease payments expected to be received during the lease terms. Deferred inflows of resources are recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. 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.

F. 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.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets, Continued

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. Each year the City completes review of the streets to provide an updated assessment. 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.

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

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. 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.

H. 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 assets 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 10 and 11.

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 assets 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 leases receivable as discussed in Note 1D, and deferred inflows related to pensions and OPEB as discussed in Notes 10 and 11.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. 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.

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)

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Net Position and Fund Balances, Continued

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, 2022, the City's General Fund has an assigned fund balance for the stability arrangement of \$30.3 million, which achieves the goal of 16 percent of the General Fund adopted budget for fiscal year 2021-22.

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.

J. 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.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. 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.

L. 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.

M. 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.

N. 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.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. New Pronouncements

In 2022, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 87, *Leases* – The objective of this statement is to recognize in the financial statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of the Construction Period* – The objective of this statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 92, *Omnibus 2020* – The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* – The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. New Pronouncements, Continued

- GASB Statement No. 99, *Omnibus 2022* - The primary objectives of this statement are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. The requirements of this statement did not apply to the City for the current fiscal year.

2. CASH AND INVESTMENTS

The following is a summary of the cash and investments at June 30, 2022:

	Government-Wide Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 522,270,233	\$ 174,849,069	\$ 42,039,967	\$ 739,159,269
Restricted cash and investments	119,287,467	371,996	83,794,736	203,454,199
Total cash and investments	<u>\$ 641,557,700</u>	<u>\$ 175,221,065</u>	<u>\$ 125,834,703</u>	<u>\$ 942,613,468</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, 2022

2. CASH AND INVESTMENTS, Continued

A. Summary of Cash and Investments

Cash and investments at June 30, 2022 consist of the following:

Cash on hand	\$ 5,686
Deposits with financial institutions	40,345,104
Total cash on hand and deposits	40,350,790
Investments:	
U.S. Treasury securities	379,792,073
Federal government agency	129,895,146
Medium-term corporate notes	96,454,394
Asset-backed securities	1,201,719
Supranational	18,716,165
Local Agency Investment Fund (LAIF)	72,748,982
Total investments	698,808,479
Total City Treasury	739,159,269
Investments with fiscal agent:	
Money market funds	203,454,199
Total cash and investments	\$ 942,613,468

B. Deposits

The carrying amount of the City's cash deposit was \$40,345,104 as of June 30, 2022. Bank balances before reconciling items were a positive amount of \$51,222,753 at June 30, 2022. 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, 2022

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, 2022:

- 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, 2022

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, 2022

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, 2022 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, 2022, the City had \$72,748,982 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.31% in the previous year. The LAIF fair value factor of .98712 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, 2022

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, 2022, 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	\$ 173,590,253	\$ 156,480,346	\$ 49,721,474	\$ 379,792,073
Federal Government Agency	11,132,109	7,502,645	111,260,392	129,895,146
Medium-Term Corporate Notes	4,993,405	34,176,245	57,284,744	96,454,394
Asset-Backed Securities	-	1,201,719	-	1,201,719
Supranational	-	-	18,716,165	18,716,165
Local Agency Investment Fund	72,748,982	-	-	72,748,982
Subtotal	262,464,749	199,360,955	236,982,775	698,808,479
<i>Investments with fiscal agents:</i>				
Money Market Funds	203,454,199	-	-	203,454,199
Total	\$ 465,918,948	\$ 199,360,955	\$ 236,982,775	\$ 902,262,678

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022, 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, 2022, 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, 2022, 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, 2022

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, 2022:

Investment Type	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
U.S. Treasury Securities	\$ -	\$ 379,792,073	\$ -	\$ 379,792,073
Federal Government Agency	-	129,895,146	-	129,895,146
Medium-Term Corporate Notes	-	96,454,394	-	96,454,394
Asset-Backed Securities	-	1,201,719	-	1,201,719
Supranational	-	18,716,165	-	18,716,165
Total investments subject to fair value	\$ -	\$ 626,059,497	\$ -	626,059,497
<i>Investments Measured at Amortized Cost</i>				
Investments held by fiscal agents:				
Money Market Mutual Funds				203,454,199
<i>Investments not subject to levelling:</i>				
Local Agency Investment Funds (LAIF)				72,748,982
Total Investments				\$ 902,262,678

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

3. INTERFUND ACTIVITIES

A. Due To/From Other Funds

At June 30, 2022, 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	\$ 3,701,965	\$ 3,701,965
Total	\$ 3,701,965	\$ 3,701,965

The current year due to/from other fund balances are to cover negative cash balances in the Community Development Fund and Grants Fund and are expected to be repaid in the next fiscal year when funds are available.

B. Advances To/From Other Funds

At June 30, 2022, 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	54,040,183	-	11,613,153	5,214,477	10,902,634	13,035,193	94,805,640
Total	\$ 54,040,183	\$ 5,961,399	\$ 11,613,153	\$ 5,214,477	\$ 10,902,634	\$ 13,035,193	\$ 100,767,039

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, 2022

3. INTERFUND ACTIVITIES, Continued

C. Transfers In/Out

For the year ended June 30, 2022, the City's transfers in/out comprised of the following:

Transfers Out	Transfers In								Total
	Ontario Housing Authority	Capital Projects	Impact Fees	Nonmajor Governmental Funds	Water	Sewer	Integrated Waste	Internal Service Funds	
General Fund	\$ 3,500	\$ 6,464,116	\$ -	\$ 1,347,334	\$ 686,700	\$ 128,700	\$ 787,500	\$ 46,099,111	\$ 55,516,961
Nonmajor Governmental Funds	-	-	9,819,324	-	-	-	-	301,901	10,121,225
Water	-	-	-	-	-	-	-	401,639	401,639
Sewer	-	-	-	-	-	-	-	166,462	166,462
Integrated Waste	-	-	-	-	-	-	-	576,242	576,242
Internal Service Funds	-	-	-	-	-	-	-	300,715	300,715
Total	\$ 3,500	\$ 6,464,116	\$ 9,819,324	\$ 1,347,334	\$ 686,700	\$ 128,700	\$ 787,500	\$ 47,846,070	\$ 67,083,244

General Fund transfers out to the Capital Projects Fund pertains to various City construction projects, including Bon View Sports Park, C-Block Parking Structure, Economic Development Office construction, landscaping installations, and prior year CIP carryforwards. Transfers from the General Fund to nonmajor governmental funds include monthly budgeted amounts. The transfers to internal service funds include regular OPEB budgeted amounts, funding for economic development activities of \$16 million, future PERS unfunded liabilities of \$15 million, public safety equipment funding of \$1 million, and funding for a computer aided dispatch program in Broadband/Fiber for \$8 million.

Transfers from nonmajor governmental funds to the Impact Fees Fund included budgeted amounts and two lump sum payments for funding of the services related to the new Fire Station 9 in Ontario Ranch.

4. NOTES AND LOANS RECEIVABLE

The City's loans receivable were comprised of the following at June 30, 2022:

	Balance at June 30, 2022
General Fund	\$ 66,852
Ontario Housing Authority	31,560,845
Nonmajor Governmental Funds	25,128,103
Total notes and loans receivable	\$ 56,755,800

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, 2022, was \$33,000.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022, was \$2,292,095.

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, 2022, 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, 2022, 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, 2022, was \$77,000.

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, 2022, was \$4,758,093.

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. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2022, was \$1,151,546.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. NOTES AND LOANS RECEIVABLE, Continued

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, 2022, 4 households have been assisted with these funds. The receivable at June 30, 2022, 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, 2022, 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, 2022, was \$2,449,325.

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, 2022, 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, 2022, was \$5,449,512.

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, 2022, was \$229,080.

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, 2022, was \$1,523,858.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. NOTES AND LOANS RECEIVABLE, Continued

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, 2022, 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, 2022, was \$123,158.

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, 2022 the outstanding principal balance was \$15,593,610.

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, 2022 the outstanding principal balance was \$2,000,000 with accrued interest of \$10,000, totaling \$3,962,200.

On March 21, 2019, pursuant to the Transformative Climate Communities (TCC) Loan Agreement the City funded a loan to Virginia-Holt Housing, LP in the amount of \$14,729,325 to be used for the development, operation, and maintenance of a residential rental Affordable Housing Development currently known as Vista Verde. The City is responsible for submitting all invoices and reporting documents to the California Strategic Growth Council (SGC) and disbursing all grant/loan funds to all applicants/partners. Any unused funds that have not been expended according to the agreement gives the City the right to take action either with developer forfeiture of funds or repayment of previously expended funds. In accordance with the agreement the state will reimburse the City for the making of the TCC Loan Agreement. At June 30, 2022 the outstanding principal balance was \$14,729,325.

On March 2, 2010, the former Ontario Redevelopment Agency provided a loan amount of \$557,966 to the Ontario Housing Authority. It was for the acquisition of the Mission and Oakland site. The loan is due and payable upon demand by the Ontario Redevelopment Agency with an annual simple interest of 6%. The receivable balance at June 30, 2022 was \$970,861.

Other note receivable amounts at June 30, 2022 included \$8,852 for code abatement loan program and \$25,000 of Gibson advances.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LEASES RECEIVABLE

Sprint Nextel Property Services 2001

In January 2001, the City entered into a lease with Sprint Nextel Property Services. Under the lease, the lessee pays the City \$1,000 per month for 10 years, with a 3% increase every year in exchange for use of the cell tower site. The lease term shall automatically be extended for 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. If the lessee remains in possession of the site at the expiration of the final renewal term, the lease shall continue upon the same terms and conditions for additional periods of 1-year, and for like annual periods thereafter, unless terminated by either party. The City estimates that the lessee will extend the lease term until 2030. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$17,787 of lease revenue and \$5,781 of interest revenue under the lease.

Verizon Wireless (American Tower)

In August 2004, the City entered into a lease with Verizon Wireless. Under the lease, the lessee pays the City \$1,600 per month for 10 years, with an increase every year equal to the greater of the increase in the Consumer Price Index All Urban Consumers of the Los Angeles Orange Riverside County area during the period 12-month period or 3%, in exchange for use of the cell tower site. The lease term shall be automatically extended for up to 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until 2034. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$21,516 of lease revenue and \$11,799 of interest revenue under the lease.

T-Mobile USA, Inc. (Vertical Bridge)

In October 1999, the City entered into a lease with T-Mobile USA, Inc. Under the lease, the lessee pays the City \$2,000 per month for 5 years, with an increase every year equal to the greater of 4% or an amount equal to the increase in the Consumer Price Index All Urban Consumers of the Los Angeles Orange Riverside County area during the period 12-month period, provided that no annual increase shall exceed 10%, in exchange for use of the cell tower site. The lease term shall be automatically extended for up to 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. If the lessee remains in possession of the site at the expiration of the final renewal term without a written agreement, the lease shall be deemed month-to-month. The City estimates that the lessee will extend the lease term until 2029. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$39,889 of lease revenue and \$11,930 of interest revenue under the lease.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LEASES RECEIVABLE, Continued

Wells Fargo

In July 1990, the City entered into a lease with Wells Fargo. Under the lease, the lessee pays the City \$12,100 per month for 5 years in exchange for use of the commercial lease space with an additional five years optional renewal term. The City estimates that the lessee will extend the lease term until 2025. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$128,748 of lease revenue and \$16,452 of interest revenue under the lease.

Verizon Wireless (NG60439 - Palmetto)

In October 2004, the City entered into a lease with Verizon Wireless. Under the lease, the lessee pays the City \$1,600 per month for 10 years, with an increase every year equal to the greater of the increase in the Consumer Price Index or 3%, in exchange for use of the cell tower site. The City estimates that the lessee will extend the lease term until 2034. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$24,163 of lease revenue and \$12,987 of interest revenue under the lease.

T-Mobile USA, Inc. (Crown Castle)

In December 2010, the City entered into a lease with T-Mobile USA, Inc. Under the lease, the lessee pays the City \$2,000 per month for 5 years, with an increase every year equal to the greater 4% or an amount equal to the increase in the Consumer Price Index of Los Angeles Orange Riverside County Area during the prior 12-month period for use of the cell tower site. The lease term shall be automatically extended for up to 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until 2036. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$52,765 of lease revenue and \$26,916 of interest revenue under the lease.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LEASES RECEIVABLE, Continued

American Tower, Inc.

In April 2007, the City entered into a lease with American Tower, Inc. (formerly Royal Street Communications). Under the lease, the lessee pays the City \$2,000 per month for 10 years, with an increase every year equal 5% for use of the cell tower site. The lease term shall be automatically extended for up to 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until 2037. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$24,051 of lease revenue and \$22,713 of interest revenue under the lease.

AT&T

In November 2006, the City entered into a lease with AT&T (formerly Cingular Wireless). Under the lease, the lessee pays the City \$1,375 per month for 10 years, with a 3% increase every year in exchange for use of the cell tower site. The lease term shall automatically be extended for 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until 2036. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$19,073 of lease revenue and \$13,908 of interest revenue under the lease.

U.S. Auctions

In October 2018, the City entered into a lease with U.S. Auctions. Under the lease, the lessee pays the City \$26,135 per month for 3 years. The lessee shall have the option to extend the term by 1 additional year. The City estimates that the lessee will extend the lease term until October 2022. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$306,586 of lease revenue and \$7,034 of interest revenue under the lease.

Verizon Wireless (NG182885 - Metrolink)

In December 2017, the City entered into a lease with Verizon Wireless. Under the lease, the lessee pays the City \$3,326 per month for 5 years, with a 3.5% increase every year in exchange for use of the cell tower site. The lease term shall automatically be extended for 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until December 2022. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$39,164 of lease revenue and \$1,099 of interest revenue under the lease.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LEASES RECEIVABLE, Continued

Verizon Wireless (NG167669 - Creekside-Stallion)

In December 2019, the City entered into a lease with Verizon Wireless. Under the lease, the lessee pays the City \$3,105 per month for 5 years, with a 3.5% increase every year in exchange for use of the cell tower site. The lease term shall automatically be extended for 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until December 2024. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2022, the City recognized \$34,390 of lease revenue and \$3,088 of interest revenue under the lease.

The future lease payments on the leases as of June 30, 2022 were as follows:

Governmental Activities

Year Ending June 30,	Sprint Nextel 2001		Verizon Wireless (American Tower)		T-Mobile USA, Inc. (Vertical Bridge)		Verizon Wireless (Palmetto)		American Tower, Inc.	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 18,478	\$ 5,797	\$ 22,049	\$ 12,266	\$ 42,554	\$ 11,856	\$ 24,778	\$ 13,488	\$ 24,993	\$ 24,109
2024	19,775	5,229	23,759	11,586	46,597	10,533	26,690	12,723	28,237	23,321
2025	21,132	4,621	25,551	10,853	50,900	9,087	28,695	11,901	31,703	22,432
2026	22,554	3,972	27,430	10,066	55,478	7,508	30,796	11,017	35,404	21,438
2027	24,042	3,280	29,399	9,222	60,346	5,789	32,998	10,070	39,355	20,330
2028-2032	96,928	5,356	179,947	31,251	161,086	5,969	201,838	33,677	265,795	80,488
2033-2037	-	-	113,424	4,474	-	-	117,966	4,345	394,672	30,390
Total	\$ 202,909	\$ 28,255	\$ 421,559	\$ 89,718	\$ 416,961	\$ 50,742	\$ 463,761	\$ 97,221	\$ 820,159	\$ 222,508

Year Ending June 30,	AT&T		U.S. Auction		Verizon Wireless (Metrolink)		Verizon Wireless (Creekside-Stallion)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 20,670	\$ 14,622	\$ 103,894	\$ 646	\$ 20,477	\$ 178	\$ 36,426	\$ 2,363	\$ 314,319	\$ 85,325
2024	22,368	13,983	-	-	-	-	38,903	1,244	206,329	78,619
2025	24,149	13,292	-	-	-	-	20,477	178	202,607	72,364
2026	26,017	12,547	-	-	-	-	-	-	197,679	66,548
2027	27,976	11,745	-	-	-	-	-	-	214,116	60,436
2028-2032	172,704	44,507	-	-	-	-	-	-	1,078,298	201,248
2033-2037	206,123	14,424	-	-	-	-	-	-	832,185	53,633
Total	\$ 500,007	\$ 125,120	\$ 103,894	\$ 646	\$ 20,477	\$ 178	\$ 95,806	\$ 3,785	\$ 3,045,533	\$ 618,173

Business-Type Activities

Year Ending June 30,	Wells Fargo		T-Mobile USA, Inc. (Crown Castle)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 132,638	\$ 12,563	\$ 52,330	\$ 27,900	\$ 184,968	\$ 40,463
2024	136,644	8,556	54,520	26,311	191,164	34,867
2025	140,773	4,427	56,782	24,655	197,555	29,082
2026	71,973	627	59,117	22,932	131,090	23,559
2027	-	-	61,526	21,137	61,526	21,137
2028-2032	-	-	346,575	76,136	346,575	76,136
2033-2037	-	-	329,204	20,521	329,204	20,521
Total	\$ 482,028	\$ 26,173	\$ 960,054	\$ 219,592	\$ 1,442,082	\$ 245,765

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. 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, 2021	Adjustment	Restated balance at July 1, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
<i>Governmental Activities</i>							
Capital assets not being depreciated:							
Land	\$ 124,666,776	\$ -	\$ 124,666,776	\$ -	\$ -	\$ -	\$ 124,666,776
Infrastructure - payment system	552,077,507	-	552,077,507	20,808,671	-	-	572,886,178
Construction in progress	123,780,503	(450,180)	123,330,323	42,319,273	-	(66,085,073)	99,564,523
Total capital assets not being depreciated	800,524,786	(450,180)	800,074,606	63,127,944	-	(66,085,073)	797,117,477
Capital assets being depreciated:							
Infrastructure - other systems	176,010,766	-	176,010,766	-	-	28,006,370	204,017,136
Structures and improvements	366,938,673	-	366,938,673	-	-	34,435,245	401,373,918
Furniture and equipment	125,641,737	70,190	125,711,927	6,966,622	(1,668,257)	3,643,458	134,653,750
Total capital assets being depreciated	668,591,176	70,190	668,661,366	6,966,622	(1,668,257)	66,085,073	740,044,804
Less accumulated depreciation for:							
Infrastructure - other systems	(60,501,965)	(299,082)	(60,801,047)	(5,895,110)	-	-	(66,696,157)
Structures and improvements	(170,438,351)	10,108,924	(160,329,427)	(10,906,673)	-	-	(171,236,100)
Furniture and equipment	(81,148,868)	5,275,032	(75,873,836)	(10,219,058)	1,668,102	-	(84,424,792)
Total accumulated depreciation	(312,089,184)	15,084,874	(297,004,310)	(27,020,841)	1,668,102	-	(322,357,049)
Capital asset being depreciated, net	356,501,992	15,155,064	371,657,056	(20,054,219)	(155)	66,085,073	417,687,755
Governmental activity capital assets, net	\$ 1,157,026,778	\$ 14,704,884	\$ 1,171,731,662	\$43,073,725	\$ (155)	\$ -	\$ 1,214,805,232

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

Governmental Activities	
General government	\$ 517,603
Public safety	4,790,835
Community development	10,061,012
Public works	3,736,668
Equipment services	6,294,311
Information technology	1,592,993
Facility Maintenance	27,419
Total Governmental Activities	\$ 27,020,841

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. CAPITAL ASSETS, Continued

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

	Balance at July 1, 2021	Adjustment	Restated balance at July 1, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
<i>Business-Type Activities</i>							
Capital assets not being depreciated:							
Land	\$ 16,154,603	\$ -	\$ 16,154,603	\$ -	\$ -	\$ -	\$ 16,154,603
Construction in progress	57,928,672	(36,132)	57,892,540	14,926,857	-	(4,529,630)	68,289,767
Total capital assets not being depreciated	74,083,275	(36,132)	74,047,143	14,926,857	-	(4,529,630)	84,444,370
Capital assets being depreciated:							
Structures and improvements	11,049,289	-	11,049,289	-	-	534,563	11,583,852
Furniture and equipment	4,535,847	-	4,535,847	628,866	(19,880)	3,077,899	8,222,732
Infrastructure	265,939,930	44,865	265,984,795	-	-	917,168	266,901,963
Total capital assets being depreciated	281,525,066	44,865	281,569,931	628,866	(19,880)	4,529,630	286,708,547
Less accumulated depreciation for:							
Structures and improvements	(9,214,468)	(76,033)	(9,290,501)	(344,919)	-	-	(9,635,420)
Furniture and equipment	(2,246,671)	(6,672)	(2,253,343)	(339,762)	19,882	-	(2,573,223)
Infrastructure	(114,884,844)	(30,142,060)	(145,026,904)	(6,187,673)	-	-	(151,214,577)
Total accumulated depreciation	(126,345,983)	(30,224,765)	(156,570,748)	(6,872,354)	19,882	-	(163,423,220)
Capital asset being depreciated, net	155,179,083	(30,179,900)	124,999,183	(6,243,488)	2	4,529,630	123,285,327
Governmental activity capital assets, net	\$ 229,262,358	\$ (30,216,032)	\$ 199,046,326	\$ 8,683,369	\$ 2	\$ -	\$ 207,729,697

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

Business-Type Activities	
Water	\$ 5,501,443
Sewer	1,086,742
Integrated Waste	284,169
Total Business-Type Activities	<u>\$ 6,872,354</u>

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

7. 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, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Compensated absences payable	\$ 16,291,990	\$ 2,275,358	\$ (16,435)	\$ 18,550,913	\$ 3,087,991
Business-Type Activities:					
Compensated absences payable	1,639,261	259,352	(36,731)	1,861,882	1,437,487
	<u>\$ 17,931,251</u>	<u>\$ 2,534,710</u>	<u>\$ (53,166)</u>	<u>\$ 20,412,795</u>	<u>\$ 4,525,478</u>

8. 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, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Public offerings:					
Revenue bonds	\$ 57,865,000	\$ 125,875,000	\$ 32,845,000	\$ 150,895,000	\$ 3,265,000
Pension obligation bonds	233,215,000	-	4,360,000	228,855,000	5,190,000
Direct borrowings:					
Loans payable	102,566	-	12,000	90,566	12,000
Loans payable - Fiber Broadband	-	18,031,000	-	18,031,000	-
Installment sale	19,182,738	-	4,675,812	14,506,926	4,754,833
Loan Payable - Climatec	30,546,423	-	1,232,392	29,314,031	1,263,372
Loan Payable - CEC	2,898,220	-	-	2,898,220	280,613
Advances from the Successor Agency	1,600,000	-	-	1,600,000	-
Total	<u>\$ 345,409,947</u>	<u>\$ 143,906,000</u>	<u>\$ 43,125,204</u>	446,190,743	<u>\$ 14,765,818</u>
Unamortized bond premium				13,408,167	
				<u>\$ 459,598,910</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, 2022

8. 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 bonds were refunded during the year ended June 30, 2022 by the issuance of the 2021 Lease Revenue Bonds.

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, 2022, including the unamortized bond premium of \$2,756,402 amounted to \$27,776,402.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest, are as follows:

For the Years Ending June 30,	2017 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
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	905,000	935,006	1,840,006
2028-2032	5,255,000	3,942,081	9,197,081
2033-2037	6,330,000	2,878,309	9,208,309
2038-2042	7,705,000	1,430,919	9,135,919
2043-2043	1,775,000	44,375	1,819,375
Total	\$ 25,020,000	\$ 13,388,214	\$ 38,408,214

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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.

2021 Lease Revenue Refunding Bonds

In December 2021, the Ontario Public Financing Authority issued lease revenue bonds in the amount of \$35,045,000 to provide funds to fully refund the 2013 Lease Revenue Bonds. The bonds dated December 1, 2021, are payable semiannually on April 1 and October 1 of each year, commencing April 1, 2022, and mature in 2043. 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 December 1, 2021. The refunding resulted in an overall debt service savings of \$7,665,166. The net present value of the debt service savings is called an economic gain and amounted to \$4,017,520. The balance at June 30, 2022, amounted to \$35,045,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest, are as follows:

For the Years Ending June 30,	2021 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2023	\$ 1,345,000	\$ 899,364	\$ 2,244,364
2024	1,140,000	890,532	2,030,532
2025	1,180,000	879,451	2,059,451
2026	1,230,000	863,764	2,093,764
2027	1,290,000	844,426	2,134,426
2028-2032	7,125,000	3,818,332	10,943,332
2033-2037	8,090,000	2,847,349	10,937,349
2038-2042	9,430,000	1,477,235	10,907,235
2043-2044	4,215,000	139,446	4,354,446
Total	\$ 35,045,000	\$ 12,659,899	\$ 47,704,899

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

2022 Lease Revenue Refunding Bonds

In May 2022, the Ontario Public Financing Authority issued lease revenue bonds in the amount of \$90,830,000 to finance the acquisition and construction of capital projects. The bonds dated May 26, 2022, are payable semiannually on May 1 and November 1 of each year, commencing November 1, 2022, 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 June 1, 2022. The balance at June 30, 2022, including the unamortized bond premium of \$10,651,765 amounted to \$101,481,765.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest, are as follows:

For the Years Ending June 30,	2022 Lease Revenue Bonds		
	Principal	Interest	Total
2023	\$ -	\$ 3,986,428	\$ 3,986,428
2024	1,335,000	4,508,125	5,843,125
2025	1,405,000	4,439,625	5,844,625
2026	1,480,000	4,367,500	5,847,500
2027	1,555,000	4,291,625	5,846,625
2028-2032	9,050,000	20,177,750	29,227,750
2033-2037	11,615,000	17,607,375	29,222,375
2038-2042	14,920,000	14,307,000	29,227,000
2043-2047	19,160,000	10,068,250	29,228,250
2048-2052	24,605,000	4,624,875	29,229,875
2053	5,705,000	142,625	5,847,625
Total	\$ 90,830,000	\$ 88,521,178	\$ 179,351,178

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, 2022 amounted to \$228,855,000.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest, are as follows:

For the Years Ending June 30,	2020 Taxable Pension Obligation Bonds		
	Principal	Interest	Total
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	7,835,000	7,460,098	15,295,098
2028-2032	42,990,000	33,481,521	76,471,521
2033-2037	51,045,000	25,426,923	76,471,923
2038-2042	61,500,000	14,986,182	76,486,182
2043-2047	37,965,000	3,579,853	41,544,853
2048-2050	2,200,000	136,679	2,336,679
Total	\$ 228,855,000	\$ 116,695,592	\$ 345,550,592

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 2021-2022. The outstanding balance at June 30, 2022 amounted to \$90,566.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

The annual requirements to amortize the outstanding loan as of June 30, 2022, including interest, are as follows:

For the Years Ending June 30,	Loan Payable		
	Principal	Interest	Total
2023	12,000	-	12,000
2024	12,000	-	12,000
2025	12,000	-	12,000
2026-2030	48,000	-	48,000
2031	6,566	-	6,566
Total	\$ 90,566	\$ -	\$ 90,566

Loan Payable - Fiber Broadband

In August 2021, the City entered into a lease-leaseback agreement with Citizens Business Bank in an amount not to exceed \$18,250,000 for the purpose of financing fiber optic broadband network equipment. The loan bears a maximum interest rate of 3.55%. Interest payments are due annually commencing August 12, 2022. Principal payments are due annually commencing August 12, 2023. At June 30, 2022, the outstanding balance of the was \$18,031,000.

The annual requirements to amortize the outstanding loan as of June 30, 2022, including interest, are as follows:

For the Years Ending June 30,	Loan Payable - Fiber Broadband		
	Principal	Interest	Total
2023	\$ -	\$ 250,163	\$ 250,163
2024	631,416	648,991	1,280,407
2025	652,426	627,980	1,280,406
2026	677,625	602,781	1,280,406
2027	702,015	578,392	1,280,407
2028-2032	3,906,171	2,495,861	6,402,032
2033-2037	4,661,139	1,740,893	6,402,032
2038-2042	5,564,286	837,746	6,402,032
2043	1,235,922	44,485	1,280,407
Total	\$ 18,031,000	\$ 7,827,292	\$ 25,858,292

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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, 2022 amounted to \$14,506,926.

The annual requirements for the installment sale agreement outstanding as of June 30, 2022, including imputed interest, as follows:

For the Years Ending June 30,	Ontario Ranch Great Park Loan Payable		
	Principal	Interest	Total
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	\$ 14,506,926	\$ 493,073	\$ 14,999,999

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.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

For the Years Ending June 30,	Climatec Loan		
	Principal	Interest	Total
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	1,395,394	594,958	1,990,352
2028-2032	7,522,302	2,429,457	9,951,759
2033-2037	8,520,047	1,431,713	9,951,760
2038-2041	6,628,920	337,311	6,966,231
Total	\$ 29,314,031	\$ 7,507,479	\$ 36,821,510

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. During the year ended June 30, 2022, no principal repayment on the loan was paid and the California Energy Commission amended the repayment schedule.

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

For the Years Ending June 30,	California Energy Commission Loan		
	Principal	Interest	Total
2023	\$ 280,613	\$ 60,682	\$ 341,295
2024	315,837	25,458	341,295
2025	319,071	22,224	341,295
2026	322,270	19,026	341,296
2027	325,500	15,795	341,295
2028-2030	1,334,929	30,252	1,365,181
Total	\$ 2,898,220	\$ 173,437	\$ 3,071,657

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Public offerings:					
Revenue bonds	\$ 64,420,000	\$ 67,550,000	\$ 64,420,000	\$ 67,550,000	\$ 2,360,000
Total	<u>\$ 64,420,000</u>	<u>\$ 67,550,000</u>	<u>\$ 64,420,000</u>	<u>67,550,000</u>	<u>\$ 2,360,000</u>

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 bonds were refunded during the year ended June 30, 2022 by the issuance of the 2021 Water Revenue Bonds.

2021 Water Revenue Bonds

In December 2021, the City issued revenue bonds in the amount of \$67,550,000 to refund all of the outstanding Ontario Public Financing Authority 2013 Water Revenue Bonds. The bonds dated December 2, 2021, mature in 2043, and are payable semiannually on February 1 and August 1 of each year, commencing August 1, 2022, from net revenues, which consist of gross revenues of the City's Water System remaining after the payment of maintenance and operation costs of the City's Water System. The refunding resulted in an overall debt service savings of \$14,912,873. The net present value of the debt service savings is called an economic gain and amounted to \$7,816,238. The outstanding balance on the bonds at June 30, 2022 amounted to \$67,550,000.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest, are as follows:

For the Years Ending June 30,	2021 Water Revenue Bonds		
	Principal	Interest	Total
2023	\$ 2,360,000	\$ 1,716,914	\$ 4,076,914
2024	2,565,000	1,510,831	4,075,831
2025	2,580,000	1,489,994	4,069,994
2026	2,610,000	1,460,544	4,070,544
2027	2,650,000	1,424,629	4,074,629
2028-2032	13,890,000	6,403,463	20,293,463
2033-2037	15,450,000	4,762,488	20,212,488
2038-2042	17,660,000	2,465,969	20,125,969
2043-2044	7,785,000	231,275	8,016,275
Total	\$ 67,550,000	\$ 21,466,107	\$ 89,016,107

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.

9. 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, 2022, totaled \$162,040,000. 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.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

9. NON-CITY OBLIGATIONS, Continued

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:

Multi-Family Mortgage Revenue Bonds	Interest % Rate	Date Issued	Date Series Matures	Outstanding Balance at June 30, 2022
City of Ontario Multi-Family Housing Revenue Bonds, Seasons at Ontario, Series 2017A	Variable	2017	2036	\$ 2,544,547
City of Ontario Multi-Family Housing Revenue Bonds, Vista Verde Apts, Series 2019A	Variable	2019	2038	3,267,733
Total				\$ 5,812,280

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. DEFINED BENEFIT PENSION PLAN

The following is a summary of the City's pension plan amounts for the year ended June 30, 2022:

	Deferred Outflow of Resources	Net Pension Liability (Asset)	Deferred Inflow of Resources	Pension Expense (Income)
Miscellaneous Plan	\$ 8,760,987	\$ (56,995,948)	\$ 44,269,789	\$ (3,094,844)
Safety Police Plan	24,022,525	(54,979,497)	47,256,059	3,396,778
Safety Fire Plan	20,539,624	(38,485,206)	34,242,180	2,197,007
Totals	<u>\$ 53,323,136</u>	<u>\$ (150,460,651)</u>	<u>\$ 125,768,028</u>	<u>\$ 2,498,941</u>

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, 2022 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	10.07%	10.07%

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

* Closed to new entrants

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. DEFINED BENEFIT PENSION PLAN, Continued

A. General Information about the Pension Plans, Continued

	Safety Police Plan		
	Tier 1*	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% (b)	9.00% (b)	12.00%
Required employer contribution rates	21.88%	21.88%	21.88%

(b) The City contributed 0% to employee contribution rate of 9.00% for 2022

	Safety Fire Plan		
	Tier 1*	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	19.36%	19.36%	19.36%

(c) The City contributed 0% to employee contribution rate of 9.00% for 2022

* Closed to new entrants

Employees Covered – As of the June 30, 2021 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, 2022

10. 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, 2022, the contributions that were recognized as a reduction to the net pension liability were \$5,232,930, \$7,489,804, and \$4,913,650, 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, 2021 using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2020 valuation was rolled forward to determine the June 30, 2021 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, 2022

10. DEFINED BENEFIT PENSION PLAN, Continued

B. Net Pension Liability, Continued

All other actuarial assumptions used in the June 30, 2020 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, 2022

10. 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, 2020 Measurement Date	\$ 411,510,229	\$ 409,204,047	\$ 2,306,182
Changes in the year:			
Service cost	9,554,732	-	9,554,732
Interest on the total pension liability	29,123,371	-	29,123,371
Differences between actual and expected experience	1,890,251	-	1,890,251
Net Plan to Plan Resource Movement	-	-	-
Contribution - employer	-	5,232,930	(5,232,930)
Contribution - employees	-	3,680,504	(3,680,504)
Net investment income	-	91,365,820	(91,365,820)
Benefit payments, including refunds of employee contributions	(21,715,949)	(21,715,949)	-
Contributions	-	-	-
Administrative expenses	-	(408,770)	408,770
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	18,852,405	78,154,535	(59,302,130)
Balance at June 30, 2021 Measurement Date	\$ 430,362,634	\$ 487,358,582	\$ (56,995,948)

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. 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, 2020 Measurement Date	\$ 437,334,944	\$ 430,455,442	\$ 6,879,502
Changes in the year:			
Service cost	11,110,950	-	11,110,950
Interest on the total pension liability	31,081,768	-	31,081,768
Differences between actual and expected experience	3,286,194	-	3,286,194
Net Plan to Plan Resource Movement	-	-	-
Contribution - employer	-	7,489,804	(7,489,804)
Contribution - employees	-	3,727,094	(3,727,094)
Net investment income	-	96,551,012	(96,551,012)
Benefit payments, including refunds of employee contributions	(22,933,112)	(22,933,112)	-
Contributions	-	-	-
Administrative expenses	-	(429,999)	429,999
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	22,545,800	84,404,799	(61,858,999)
Balance at June 30, 2021 Measurement Date	\$ 459,880,744	\$ 514,860,241	\$ (54,979,497)

Safety Fire Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 Measurement Date	\$ 318,027,395	\$ 312,613,339	\$ 5,414,056
Changes in the year:			
Service cost	6,831,688	-	6,831,688
Interest on the total pension liability	22,591,435	-	22,591,435
Differences between actual and expected experience	3,455,873	-	3,455,873
Contribution - employer	-	4,913,650	(4,913,650)
Contribution - employees	-	2,428,156	(2,428,156)
Net investment income	-	69,748,734	(69,748,734)
Benefit payments, including refunds of employee contributions	(17,869,994)	(17,869,994)	-
Contributions	-	-	-
Administrative expenses	-	(312,282)	312,282
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	15,009,002	58,908,264	(43,899,262)
Balance at June 30, 2021 Measurement Date	\$ 333,036,397	\$ 371,521,603	\$ (38,485,206)
Total Plans	\$ 1,223,279,775	\$ 1,373,740,426	\$ (150,460,651)

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. 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 (Asset)	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	\$ 786,172	\$ (56,995,948)	\$ (104,790,365)
Safety Police Plan	9,231,375	(54,979,497)	(107,520,159)
Safety Fire Plan	5,556,946	(38,485,206)	(74,831,845)
Total	\$ 15,574,493	\$ (150,460,651)	\$ (287,142,369)

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, 2020), the combined net pension asset for the Miscellaneous Plan, the Safety Police Plan and the Safety Fire Plan was \$150,460,651. For the measurement period ending June 30, 2021, (the measurement date), the City recognized pension (income) expense of \$(3,094,844), \$3,396,778, and \$2,197,007 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, 2022

10. DEFINED BENEFIT PENSION PLAN, Continued

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

As of June 30, 2022, 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	\$ 5,595,658	\$ -
Changes of Assumptions	-	-
Differences between Expected and Actual Experience	3,165,329	-
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	-	(44,269,789)
Miscellaneous Plan Total	<u>\$ 8,760,987</u>	<u>\$ (44,269,789)</u>
<u>Safety Police Plan:</u>		
Contributions made after the measurement date	\$ 8,305,580	\$ -
Changes of Assumptions	-	(420,571)
Differences between Expected and Actual Experience	15,716,945	-
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	-	(46,835,488)
Safety Police Plan Total	<u>\$ 24,022,525</u>	<u>\$ (47,256,059)</u>
<u>Safety Fire Plan:</u>		
Contributions made after the measurement date	\$ 5,912,718	\$ -
Changes of Assumptions	561,397	(467,537)
Differences between Expected and Actual Experience	14,065,509	(7,917)
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	-	(33,766,726)
Safety Fire Plan Total	<u>\$ 20,539,624</u>	<u>\$ (34,242,180)</u>
Total	<u>\$ 53,323,136</u>	<u>\$ (125,768,028)</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, 2022

10. 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	\$ (8,884,828)	\$ (6,553,148)	\$ (4,035,314)
2023	(9,395,728)	(6,052,233)	(4,095,573)
2024	(10,303,612)	(7,557,217)	(4,785,139)
2025	(12,520,292)	(11,780,085)	(8,064,684)
2026	-	403,569	1,004,375
Thereafter	-	-	361,061
Total	\$ (41,104,460)	\$ (31,539,114)	\$ (19,615,274)

11. OTHER POST-EMPLOYMENT BENEFITS

The following is a summary of the City's OPEB plan amounts for the year ended June 30, 2022:

	Deferred Outflow of Resources	Net OPEB Liability (Asset)	Deferred Inflow of Resources	OPEB Expense (Income)
Retiree Healthcare Plan	\$ 8,078,516	\$ (12,152,353)	\$ 135,099,690	\$ (22,548,955)
Totals	\$ 8,078,516	\$ (12,152,353)	\$ 135,099,690	\$ (22,548,955)

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, 2021, 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, 2022

11. OTHER POST-EMPLOYMENT BENEFITS, Continued

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

	Number of Covered Participants
Inactives currently receiving benefits	731
Inactives entitled to but not yet receiving benefits	205
Active employees	1,067
Total	<u>2,003</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 2021-2022, the City paid \$6,570,084 in benefits and made a one-time contribution to the trust (CERBT) of \$5,076,624. 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, 2021 for the measurement period July 1, 2020 through June 30, 2021. The net OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial assumptions:

Actuarial Assumptions - The June 30, 2019 valuation was rolled forward to determine the June 30, 2022 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	6.25% at June 30, 2021 (Long-Term expected asset return)
Inflation	2.50% per annum
Salary Increases	Aggregate - 2.75%
	Merit - Tables from CalPERS 2000-2019 Experience Study
Investment Rate of Return	6.25%
Mortality Rate	CalPERS 2000-2019 Experience Study
Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
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-2021
Cap Increases	Miscellaneous \$ Caps: 0% Safety Tier 1 Premium Caps: Medical Trend

Changes in Assumptions - Inflation rate changed from 2.75% to 2.5%, decreasing the discount rate, medical trend, and aggregate pay increases by 0.25%; Discount rate lowered based on updated capital market assumptions and lower inflation; CalPERS 2000-2019 Experience Study; Kaiser Medicare trend lowered; Medicare Advantage claims removed; Participation at retirement for Miscellaneous; and Mortality improvement scale was updated to Scale MP-2021.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

11. OTHER POST-EMPLOYMENT BENEFITS, Continued

B. Total OPEB Liability, Continued

Discount Rate – The discount rate used to measure the net OPEB liability was 6.25%. 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%	4.56%
Fixed Income	25%	0.78%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	8%	4.06%
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return		6.25%

C. Changes in the Net OPEB Liability

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2021 (June 30, 2020 measurement date)	\$ 168,823,201	\$ 141,637,415	\$ 27,185,786
Changes in the year:			
Service cost	4,643,850	-	4,643,850
Interest	11,460,588	-	11,460,588
Differences between actual and expected experience	(16,740,290)	-	(16,740,290)
Assumption changes	1,635,626	-	1,635,626
Contribution - employer	-	1,485,734	(1,485,734)
Net investment income	-	38,924,113	(38,924,113)
Benefit payments	(7,361,127)	(7,361,127)	-
Administrative expenses	-	(71,934)	71,934
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	(6,361,353)	32,976,786	(39,338,139)
Balance at June 30, 2022 (June 30, 2021 measurement date)	\$ 162,461,848	\$ 174,614,201	\$ (12,152,353)

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, 2022

11. 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 (asset) of the City, as well as what the City's net OPEB liability (asset) 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, 2021:

	Discount Rate		
	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability (Asset)	\$ 11,266,806	\$ (12,152,353)	\$ (31,167,444)

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

The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) 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 (Asset)	\$ (32,081,121)	\$ (12,152,353)	\$ 12,954,666

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

For the fiscal year ended June 30, 2022, the City recognized OPEB income of \$22,548,955. At June 30, 2022, 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	\$ -	\$ 34,270,760
Changes of Assumptions	1,436,162	79,168,466
Net difference between projected and actual earnings on plan investments	-	21,660,464
Contributions made after the measurement date	6,642,354	-
Total	\$ 8,078,516	\$ 135,099,690

The \$6,642,354 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, 2022

11. 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
2023	\$ (29,166,609)
2024	(29,166,609)
2025	(28,687,649)
2026	(24,814,434)
2027	(17,382,875)
Thereafter	(4,445,355)
Total	<u>\$ (133,663,531)</u>

12. 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, 2022

12. 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	\$ 28,548,000	\$ 12,439,140	\$ 5,479,497	\$ 35,507,643
2021-2022	35,507,643	6,835,536	6,244,179	36,099,000

Of the total estimated claims liabilities, \$12,209,058 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, 2022

13. FUND BALANCE CLASSIFICATIONS

Fund balances of governmental funds at June 30, 2022 have been classified as follows:

	General	Measure I	Ontario Housing Authority	Capital Projects	Impact Fees	Other Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable							
Prepaid costs	\$ 158,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,153
Advances to other funds	54,040,183	-	-	-	-	-	54,040,183
Advances to Successor Agency	3,500,000	-	-	-	-	-	3,500,000
Inventory	282,742	-	-	-	-	-	282,742
Total nonspendable	<u>57,981,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,981,078</u>
Restricted							
Endowment/trust	361,579	-	-	-	-	-	361,579
Community development projects	-	-	-	-	-	95,034,387	95,034,387
Public safety	-	-	-	-	-	2,823,515	2,823,515
Park development	-	-	-	-	-	41,678,362	41,678,362
Transportation improvement	-	18,554,812	-	-	-	-	18,554,812
Affordable housing	-	-	20,436,931	-	-	27,785,043	48,221,974
AQMD activities	-	-	-	-	-	1,263,480	1,263,480
Fiber/broadband	-	-	-	-	-	17,321,687	17,321,687
Public services	-	-	-	-	-	8,495,826	8,495,826
Total restricted	<u>361,579</u>	<u>18,554,812</u>	<u>20,436,931</u>	<u>-</u>	<u>-</u>	<u>194,402,300</u>	<u>233,755,622</u>
Committed							
City infrastructure	-	-	-	123,089,757	167,830,650	-	290,920,407
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,089,757</u>	<u>167,830,650</u>	<u>-</u>	<u>290,920,407</u>
Assigned							
Compensated absences	17,230,207	-	-	-	-	-	17,230,207
Continuing appropriations	8,103,085	-	-	-	-	-	8,103,085
Stability arrangement	30,306,253	-	-	-	-	-	30,306,253
Total assigned	<u>55,639,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,639,545</u>
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>\$ 113,982,202</u>	<u>\$ 18,554,812</u>	<u>\$ 20,436,931</u>	<u>\$ 123,089,757</u>	<u>\$ 167,830,650</u>	<u>\$ 194,402,300</u>	<u>\$ 638,296,652</u>

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

14. 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, 2022, the City's investment in the Authority, including its share of Authority's debt, was \$9,893,504.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

14. JOINT VENTURES, Continued

A. Water Facilities Authority, Continued

Audited financial information of the Authority for the year ended June 30, 2022 is summarized as follows:

Water Facilities Authority Net Position	
Total assets	\$ 33,469,866
Total deferred outflows	534,859
Total liabilities	4,412,732
Total deferred inflows	981,513
Total net position	<u>\$ 39,398,970</u>
Water Facilities Authority Changes in Net Position	
Operating revenues	\$ 22,933,269
Operating expenses	<u>23,069,135</u>
Operating gain (loss) before depreciation and amortization	(135,866)
Depreciation and amortization	<u>(1,287,348)</u>
Operating revenue (loss)	(1,423,214)
Nonoperating revenues (expenses)	<u>1,197,423</u>
Changes in net position	(225,791)
Beginning net position	<u>28,836,271</u>
Ending net position	<u>\$ 28,610,480</u>

The current participants and their financial contributions through June 30, 2022 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 Authority can be obtained from the Water Facilities Authority's office located at 1775 North Benson Avenue, Upland, California, 91784.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

14. 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, 2022, the City's investment in the Authority was \$61,074,914.

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, 2022, is summarized as follows:

Chino Basin Desalter Authority Net Position	
Total assets	\$ 309,281,174
Total deferred outflows	3,304,530
Total liabilities	<u>75,406,572</u>
Total net position	<u>\$ 237,179,132</u>
Chino Basin Desalter Authority Changes in Net Position	
Operating revenues	\$ 65,700,906
Operating expenses	<u>63,288,359</u>
Operating gain (loss) before depreciation and amortization	2,412,547
Depreciation and amortization	<u>(8,813,396)</u>
Operating revenue (loss)	(6,400,849)
Nonoperating revenues (expenses)	3,118,308
Capital contributions	<u>7,699,714</u>
Changes in net position	4,417,173
Beginning net position	<u>232,761,959</u>
Ending net position	<u>\$ 237,179,132</u>

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

14. JOINT VENTURES, Continued

B. Chino Basin Desalter Authority, Continued

The current participants and their financial contributions through June 30, 2022 were as follows:

	Amount	Percent
Jurupa Community Services District	\$ 11,926,812	34.55%
City of Chino Hills	4,589,144	13.30%
City of Chino	5,463,241	15.83%
City of Norco	1,092,548	3.17%
City of Ontario	7,166,449	20.76%
Santa Ana River Co.	1,310,999	3.80%
Western Municipal Water District	2,968,159	8.60%
Total	<u>\$ 34,517,352</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, 2022

14. 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, 2022:

West End Communications Authority Net Position	
Total assets	\$ 1,378,443
Total liabilities	-
Total net position	<u>\$ 1,378,443</u>
West End Communications Authority Changes in Net Position	
Operating revenues	\$ -
Operating expenses	<u>6,442</u>
Operating gain (loss) before depreciation and amortization	<u>(6,442)</u>
Operating revenue (loss)	(6,442)
General revenue	<u>(24,245)</u>
Changes in net position	(30,687)
Beginning net position	<u>1,409,130</u>
Ending net position	<u>\$ 1,378,443</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, 2022

14. 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, 2022:

West End Fire and Emergency Response Commission Net Position	
Total assets	\$ 764,451
Total liabilities	(19,443)
Total net position	<u>\$ 745,008</u>
West End Fire and Emergency Response Commission Changes in Net Position	
Operating revenues	\$ 124,741
Operating expenses	68,184
Operating revenue (loss)	<u>56,557</u>
General revenue	(12,857)
Changes in net position	<u>43,700</u>
Beginning net position	<u>701,308</u>
Ending net position	<u>\$ 745,008</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, 2022

15. OTHER INVESTMENTS

Other investments of \$63,730,042 at June 30, 2022 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, 2022:

Investment Type	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Water Rights	\$ -	\$ -	\$ 55,491,106	\$ 55,491,106
Investment in Stored Water	-	-	64,684,439	64,684,439
Air Quality Credits	-	-	623,710	623,710
Total other investments	\$ -	\$ -	\$ 120,799,255	120,799,255

16. 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, 2022

17. COMMITMENTS

Construction Commitments

The following material construction commitments existed at June 30, 2022:

Project Name	Expenditures to date as of June 30, 2022			Remaining Commitments
	Contract Amount	Capital Projects	Water	
C-Block Parking Structure	\$ 11,824,019	\$ 11,126,566	\$ -	\$ 697,453
Groundwater Wellhead Treatment	12,645,146	-	3,789,732	8,855,414
New Well No. 43	4,446,146	-	1,911,378	2,534,768
Water Pipeline Replacement	12,801,051	-	3,611,567	9,189,484
Fire Station No.1	2,955,000	3,143	-	2,951,857
		Total remaining commitments		\$ 24,228,976

18. 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, 2022, the City abated taxes totaling \$9,544,877 under this program. The City has the following tax abatement agreements:

- 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 2021-2022, the amount paid was \$145,921.
- 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 2021-2022, the amount paid was \$187,745.
- 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 2021-2022, the abatement amounted to \$2,287,961.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. TAX ABATEMENTS, Continued

- 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 2021-2022, the abatement amounted to \$389,770.
- An 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 2021-2022, the abatement amounted to \$639,410.
- An 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 beginning January 1, 2020, provided the City receives not less than \$1.2 million of sales tax revenue from the retailer, the City agreed to rebate 50% of sales tax revenues attributable to taxable sales, not to exceed an annual amount of \$1.8 million. In fiscal year 2021-2022, the abatement amounted to \$1,913,736.
- An 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 not to exceed \$200,000 for any computation year during the eligibility period for (1) computation period up to \$500,000 in aggregate, an amount equal to 50% of the local sales tax revenues received above the quarterly base amount of \$50,000; (2) computation period up to \$1,000,000 in aggregate, an amount equal to 50% of the local sales tax revenues received above the quarterly base amount of \$56,250; (3) computation period up to \$1,950,000 in aggregate, an amount equal to 50% of local sales tax revenues received above the quarterly base amount of \$62,500; and (4) computation period up to \$2,900,000 in aggregate, an amount equal to 50% of the local sales tax revenues received above the quarterly base amount of \$68,750. In fiscal year 2021-2022, the abatement amounted to \$100,192.
- An 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 2021-2022, the abatement amounted to \$1,023,343.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. TAX ABATEMENTS, Continued

- An 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 quarterly up to \$500,000. In fiscal year 2021-2022, the abatement amounted to \$26,809.
- An 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 agreed to make quarterly payments equal to 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 2021-2022, the abatement amounted to \$1,350,871.
- A 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 agreed to pay 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 2021-2022, the abatement amounted to \$179,266
- An operating covenant agreement with a retailer of consumer products that will generate substantial sales tax revenue and create approximately 325 new permanent jobs. The incentives provided in this Agreement are intended to ensure the retailer commences operations and remains in the City for no less than 11.5 years. The eligibility period of this agreement began on October 1, 2020. The City agreed to make quarterly payments equal to 50% of sales tax revenues received. In fiscal year 2021-2022, the abatement amounted to \$983,728.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. TAX ABATEMENTS, Continued

- An operating covenant agreement with an auto dealership who recently established a new state-of-the-art automobile sales and service center in the City. The covenanted operation of the Dealership serves to foster a business and civic environment that may attract additional businesses and investment in the community due to the availability of the increased public and private services and economic activity resulting therefrom. The eligibility period of this agreement began on January 1, 2021. During the eligibility period the City agreed to pay on an annual basis for (1) operating years 1-4, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$100,000 and (2) for operating years 5-8, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$125,000 for a period of up to eight (8) years or a maximum amount of \$800,000. In fiscal year 2021-2022, the abatement amounted to \$251,231.
- An operating covenant agreement with an industrial equipment company distributing more than 1.5 million metalworking and other industrial products. By establishing the Ontario sales offices, the company will consolidate other office locations across Southern California to the City. This will, in turn, result in an increase revenue to the City, and there may be other community and public improvements that might not otherwise be available to the community for many years. The eligibility period of this agreement began on January 1, 2022. The City agreed to make quarterly payments equal to 50% of sales tax revenue received. In fiscal year 2021-2022, the abatement amounted to \$64,893.

19. 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, 2022

19. 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, 2022, cash and investments were reported in the accompanying financial statements as follows:

Cash and investments	\$ 9,633,450
Cash and investments with fiscal agent	<u>1,152,961</u>
Total cash and investments	<u>\$ 10,786,411</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, 2022, was \$35,000.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

19. 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, 2022, 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, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Public offerings:					
1993 Tax Allocation Bonds	\$ 27,147,126	\$ -	\$ (5,213,685)	\$ 21,933,441	\$ 5,842,021
1995 Tax Allocation Bonds	2,400,474	-	(461,015)	1,939,459	516,579
2002 Refunding Revenue Bonds	675,000	-	(675,000)	-	-
Direct borrowings:					
Loans payable	7,402,443	-	(663,079)	6,739,364	698,222
Advance from City	3,500,000	-	-	3,500,000	-
Total	\$ 41,125,043	\$ -	\$ (7,012,779)	34,112,264	\$ 7,056,822
			Unamortized bond premium	7,106	
			Total	\$ 34,119,370	

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, 2022, amounted to \$21,933,441.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

19. 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
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	\$ 21,933,441	\$ 4,851,990	\$ 26,785,431

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, 2022, amounted to \$1,939,459.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

19. 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
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	<u>\$ 1,939,459</u>	<u>\$ 1,697,514</u>	<u>\$ 3,636,973</u>

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, 2022, amounted to \$0.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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

D. Long-Term Debt, Continued

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, 2022, amounted to \$6,739,364.

At June 30, 2022, 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
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	858,434	174,226	1,032,660
2028-2030	2,858,058	232,427	3,090,485
Total	<u>\$ 6,739,364</u>	<u>\$ 1,525,309</u>	<u>\$ 8,264,673</u>

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, 2022

19. 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 \$9,451,821 and the debt service obligation on the bonds was \$9,917,767.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

20. PRIOR PERIOD ADJUSTMENTS

The City recorded the following prior period adjustments:

	Net Position/ Fund Balance as Previously	Prior Period Adjustments					Fund type Reclassifications	Net Position/ Fund Balance Net Position
		Accounts Receivable	Capital Assets	Property Held for Resale	Related to OPEB	Other Liabilities		
<i>Government-wide</i>								
Governmental activities	\$ 1,346,065,241	\$ 166,987	\$ 14,704,884	\$ 777,774	\$ 25,892,619	\$ 6,561,464	\$ (35,738,737)	\$ 1,358,430,232
Business-type activities	479,321,195	-	(30,216,032)	-	(25,892,619)	-	-	423,212,544
<i>Fund Financials</i>								
Governmental Funds								
General Fund	126,701,209	-	-	-	-	1,460,840	-	128,162,049
Ontario Housing Authority	20,261,931	-	-	777,774	-	-	-	21,039,705
Impact Fees	134,155,056	166,987	-	-	-	-	-	134,322,043
Nonmajor Governmental Funds	189,734,859	-	-	-	-	-	(35,738,737)	153,996,122
Enterprise Funds								
Water Fund	414,249,526	-	(18,937,953)	-	(14,939,036)	-	-	380,372,537
Sewer Fund	89,954,712	-	(11,242,961)	-	(4,408,240)	-	-	74,303,511
Integrated Waste Fund	44,044,435	-	(35,118)	-	(22,804,719)	-	-	21,204,598
Internal Service Funds								
Equipment Services Fund	68,696,820	-	1,947,588	-	(6,655,578)	-	-	63,988,830
Self Insurance Fund	7,005,085	-	-	-	(1,037,234)	-	-	5,967,851
Information Technology Fund	17,535,043	-	76,534	-	(9,277,473)	-	-	8,334,104
OPEB Fund	(142,418,527)	-	-	-	59,122,279	5,076,624	-	(78,219,624)
Fiduciary Funds								
Successor Agency	(18,388,795)	-	-	-	-	-	249,457	(18,139,338)
Custodial Funds	93,308,155	-	-	-	-	-	(18,279,836)	75,028,319

Prior period adjustments were to correct accounts receivable for a negative balance, to correct capital assets accumulated depreciation for prior years error in calculation, to record land purchased in a prior year not recorded with land held for resale, to correct allocation of OPEB amounts to the enterprise and internal service funds, to correct prior year CERBT contribution and deposits payable, to remove duplicate amounts reported in the Redevelopment Financing Agency custodial fund and move the fund's remaining balances to the Successor Agency, and to reclassify NMC CFD and OMC CFD funds reported as capital project funds in prior year to custodial funds as of beginning of the current year.

21. SUBSEQUENT EVENTS

On September 15, 2022, the Community Facilities District issued a new special tax bond (non-City obligation) for Community Facilities District No. 57 (District) in the total amount of \$12,915,000. The proceeds will be used for development within the District.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of Ontario
Required Supplementary Information
For the Year Ended June 30, 2022

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, 2022, 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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 199,121,754	\$ 225,046,610	\$ 243,176,826	\$ 18,130,216
Licenses and permits	4,752,000	9,737,125	10,772,502	1,035,377
Intergovernmental	15,033,623	5,116,496	15,306,488	10,189,992
Charges for services	41,471,754	48,859,318	47,443,658	(1,415,660)
Use of money and property	1,661,198	1,462,798	(2,618,811)	(4,081,609)
Fines and forfeitures	703,000	966,789	1,060,576	93,787
Miscellaneous	9,417,060	7,683,281	9,466,875	1,783,594
Total revenues	272,160,389	298,872,417	324,608,114	25,735,697
EXPENDITURES:				
General government				
Mayor and city council	565,154	602,249	465,444	136,805
Planning commissioners	42,975	42,975	25,296	17,679
City treasurer/city clerk	118,350	118,530	99,822	18,708
Records management	870,811	1,012,939	963,325	49,614
City attorney	389,900	389,900	2,478,037	(2,088,137)
Office of the city manager	1,675,752	1,868,107	1,673,711	194,396
General government	491,630	491,630	374,174	117,456
Financial services administration	904,983	1,048,574	655,828	392,746
Fiscal services	8,281,853	9,073,996	6,388,659	2,685,337
Business licenses	1,053,726	1,159,846	1,124,435	35,411
Central services	486,118	858,100	540,655	317,445
Human resources	4,224,127	5,147,684	3,852,774	1,294,910
Economic development	10,882,466	14,455,352	13,268,681	1,186,671
Airport HR and risk management services	162,818	173,821	193,345	(19,524)
Communication and community services	1,027,955	1,093,786	860,854	232,932
Innovation and performance audit	888,721	1,082,898	913,328	169,570
Total general government	32,067,339	38,620,387	33,878,368	4,742,019

City of Ontario

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

General Fund (Continued)

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Public safety				
Police administration	4,185,703	5,145,178	5,159,662	(14,484)
Traffic support services	4,384,465	4,775,896	4,641,655	134,241
Community engagement team	3,856,464	5,391,187	4,749,689	641,498
Patrol	38,199,646	40,708,710	39,898,769	809,941
Extra duty - other	361,830	1,052,307	1,092,173	(39,866)
Canine	1,621,005	1,743,670	1,712,614	31,056
Air support	3,516,263	3,795,624	3,704,267	91,357
Crime analysis and prevention	751,351	79,463	108,222	(28,759)
Communications/records	5,387,309	5,981,174	5,598,462	382,712
Personnel recruit and training	1,896,747	2,323,928	2,390,545	(66,617)
Airport operations bureau	12,598,679	14,988,965	14,271,838	717,127
Detective division	10,276,544	10,785,257	10,966,200	(180,943)
Career criminal division	7,563,466	8,274,627	8,099,658	174,969
ID/evidence	2,121,577	2,359,932	2,272,774	87,158
Office of the fire chief	2,356,820	2,830,674	2,902,838	(72,164)
Fire prevention bureau	2,749,009	2,983,544	2,796,875	186,669
Emergency services	40,458,249	42,344,842	48,252,759	(5,907,917)
Personnel training and development	2,612,764	2,742,315	2,603,762	138,553
E.M.S. technical services	1,337,385	2,391,018	1,973,610	417,408
Emergency management	312,061	438,028	378,336	59,692
Operations support services	2,307,019	3,227,923	2,996,122	231,801
Community improvement	4,319,443	5,842,105	4,914,042	928,063
SWAT	412,769	619,087	514,673	104,414
Office of the police chief	1,928,313	2,411,613	2,507,038	(95,425)
Fire communications	2,197,633	2,493,435	2,401,925	91,510
Airport fire operations	7,635,807	8,641,355	8,302,482	338,873
Fire station No. 9	7,032,181	7,519,669	7,520,913	(1,244)
Police/Ontario ranch	2,091,101	2,234,633	1,783,967	450,666
Total public safety	174,471,603	194,126,159	194,515,870	(389,711)

City of Ontario

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

General Fund (Continued)

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Community development				
Community life and culture admin.	1,763,129	2,007,677	1,546,521	461,156
Recreation administration	3,189,039	3,834,573	3,626,933	207,640
Sports/fitness	929,763	899,528	699,156	200,372
Special events/facility rental	323,637	591,250	480,865	110,385
Community programs	2,054,900	2,289,176	2,208,434	80,742
Development administration	1,406,155	1,532,625	1,200,550	332,075
Planning administration	669,203	819,811	770,712	49,099
Planning land development	1,647,979	2,348,378	1,819,892	528,486
Advanced long range planning	1,722,298	2,780,439	1,391,206	1,389,233
Building	4,308,362	5,411,715	4,560,851	850,864
Engineering administration	1,695,572	1,844,935	1,497,559	347,376
Engineering land development	3,715,636	4,485,560	3,960,671	524,889
Transportation	402,705	427,286	298,553	128,733
Traffic engineer and signal operation	2,974,847	3,348,708	3,117,007	231,701
Field services	368,862	444,190	382,332	61,858
Museum	1,515,220	1,685,729	1,283,597	402,132
Community outreach	3,885,612	4,529,705	3,521,627	1,008,078
Senior services	632,251	804,106	476,312	327,794
Youth/teen services	979,324	1,024,879	655,825	369,054
CIP design administration	32,160	29,543	20,492	9,051
Town Square Park	274,863	279,994	215,878	64,116
Library administration	1,070,048	1,381,170	1,335,278	45,892
Ovitt Family Community Library	3,464,645	3,921,779	3,359,328	562,451
Branch library	750,700	839,439	869,861	(30,422)
Total community development	39,776,910	47,562,195	39,299,440	8,262,755
Public works				
Paint striping and sign maintenance	7,500	-	200	(200)
Sidewalk	1,716,009	1,913,622	1,623,608	290,014
Street lighting maintenance	744,335	881,832	730,423	151,409
Parks and maintenance supervision	322,859	424,214	377,100	47,114
Park maintenance	6,100,779	6,383,579	5,653,302	730,277
Parkway tree trimming	1,380,510	1,956,771	1,818,556	138,215
Public grounds maintenance	2,258,811	2,390,376	1,924,942	465,434
Civic center grounds maintenance	196,724	198,731	174,335	24,396
Public facilities building maintenance	1,131,182	1,203,631	845,950	357,681
Community events	42,574	42,574	4,743	37,831
Graffiti	620,535	631,961	605,863	26,098
Storm drain maintenance	21,967	-	83,965	(83,965)
Weed and refuse abatement	138,394	151,730	53,004	98,726
Total public works	14,682,179	16,179,021	13,895,991	2,283,030

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General Fund (Continued) For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt service:				
Principal retirement	-	-	560,000	(560,000)
Interest and fiscal charges	-	-	1,121,331	(1,121,331)
Total debt service	-	-	1,681,331	(1,681,331)
Total expenditures	260,998,031	296,487,762	283,271,000	13,216,762
REVENUES OVER (UNDER) EXPENDITURES	11,162,358	2,384,655	41,337,114	12,518,935
OTHER FINANCING SOURCES (USES):				
Transfers in	4,000,000	-	-	-
Transfers out	(10,860,303)	(55,716,457)	(55,516,961)	199,496
Total other financing sources (uses)	(6,860,303)	(55,716,457)	(55,516,961)	199,496
Net change in fund balances	<u>\$ 4,302,055</u>	<u>\$ (53,331,802)</u>	<u>(14,179,847)</u>	<u>\$ 12,718,431</u>
FUND BALANCES:				
Beginning of year			128,162,049	
End of year			<u>\$ 113,982,202</u>	

City of Ontario

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

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,547,532	\$ 3,547,532	\$ 4,690,545	\$ 1,143,013
Use of money and property	-	-	(62,469)	(62,469)
Miscellaneous	-	-	-	-
Total revenues	3,547,532	3,547,532	4,628,076	1,080,544
EXPENDITURES:				
Current:				
Community development	31,916,034	31,916,034	3,120,177	28,795,857
Total expenditures	31,916,034	31,916,034	3,120,177	28,795,857
REVENUES OVER (UNDER)				
EXPENDITURES	(28,368,502)	(28,368,502)	1,507,899	(27,715,313)
Net change in fund balances	\$ (28,368,502)	\$ (28,368,502)	1,507,899	\$ (27,715,313)
FUND BALANCES:				
Beginning of year, as restated			17,046,913	
End of year			\$ 18,554,812	

City of Ontario

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

Ontario Housing Authority

For the year ended June 30, 2022

	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	5,027,300	5,027,300	-	(5,027,300)
Use of money and property	508,630	508,630	2,122,106	1,613,476
Miscellaneous	66,800	66,800	95,902	29,102
Total revenues	10,602,730	10,602,730	2,218,008	(8,384,722)
EXPENDITURES:				
Current:				
Community development	15,731,271	15,731,271	2,812,282	12,918,989
Debt service:				
Principal retirement	-	-	12,000	(12,000)
Total expenditures	15,731,271	15,731,271	2,824,282	12,906,989
REVENUES OVER (UNDER) EXPENDITURES	(5,128,541)	(5,128,541)	(606,274)	(21,291,711)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,500	3,500
Total other financing sources (uses)	-	-	3,500	3,500
Net change in fund balances	\$ (5,128,541)	\$ (5,128,541)	(602,774)	\$ (21,288,211)
FUND BALANCES:				
Beginning of year			21,039,705	
End of year			\$ 20,436,931	

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City of Ontario
Required Supplementary Information
For the year ended June 30, 2022

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 February 2022, the City completed a study to update the physical condition assessment of the streets. The prior assessment study was completed in March 2021. 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, 2022

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 February 2022, the City's average street and its related subsystem's PCI rating was 80.8, with the detail condition as follows:

<u>Condition</u>	<u>% of Streets</u>
Excellent to Very Good	79%
Good to fair	18%
Poor to Failed	3%

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

<u>Report's Date</u>	<u>PCI Index</u>
February 2022	80.8
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 February 2022, 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, 2022

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 \$8.3 million on street maintenance for the fiscal year ended June 30, 2022. 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 2022 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, 2022, the City had approximately 115,365,840 square feet (551.9 centerline miles) of streets with a carrying amount of \$371,827,139 and a replacement cost of approximately \$1,048,745,500.

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, 2022, the City expended \$8 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	2022
Streets	Estimated	\$ 13,008,613	\$ 12,441,858	\$ 12,273,799	\$ 12,694,852	\$ 11,151,458	\$ 11,865,000
	Actuals	8,219,379	8,696,188	11,067,305	9,155,000	7,112,536	8,356,883
Sidewalks	Estimated	1,669,078	1,700,699	1,790,476	1,698,940	1,586,450	1,913,622
	Actuals	1,578,819	1,488,652	1,602,108	1,649,357	1,557,834	1,623,608
Storm Drain	Estimated	1,894,890	1,735,524	1,824,635	2,587,972	2,255,702	2,276,383
	Actuals	1,714,063	1,452,261	1,407,071	1,925,921	1,856,150	1,765,742
Traffic Signal/Street Lights	Estimated	4,383,271	4,687,717	4,744,781	5,004,117	4,707,980	4,873,341
	Actuals	4,024,946	4,330,956	4,108,176	4,279,727	4,509,065	4,628,351

City of Ontario
Required Supplementary Information
For the year ended June 30, 2022

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, 2019-20, and 2020-21 there were none.

2018	2019	2020	2021
\$ 8,293,305	\$ 8,873,061	\$ 9,303,101	\$ 9,554,732
24,357,078	26,179,759	27,711,756	29,123,371
833,264	7,329,159	2,223,422	1,890,251
(3,104,763)	-	-	-
(14,285,430)	(15,269,344)	(16,860,141)	(21,715,949)
16,093,454	27,112,635	22,378,138	18,852,405
345,926,002	362,019,456	389,132,091	411,510,229
<u>\$ 362,019,456</u>	<u>\$ 389,132,091</u>	<u>\$ 411,510,229</u>	<u>\$ 430,362,634</u>
\$ 8,845,306	\$ 9,750,907	\$ 113,590,085	\$ 5,232,930
4,098,899	3,976,957	4,187,458	3,680,504
21,684,987	18,145,412	14,846,554	91,365,820
(14,285,430)	(15,269,344)	(16,860,141)	(21,715,949)
(1,183)	-	3,753	-
(402,453)	(197,990)	(414,257)	(408,770)
(764,265)	641	-	-
19,175,861	16,406,583	115,353,452	78,154,535
258,268,151	277,444,012	293,850,595	409,204,047
<u>\$ 277,444,012</u>	<u>\$ 293,850,595</u>	<u>\$ 409,204,047</u>	<u>\$ 487,358,582</u>
<u>\$ 84,575,444</u>	<u>\$ 95,281,496</u>	<u>\$ 2,306,182</u>	<u>\$ (56,995,948)</u>
76.64%	75.51%	99.44%	113.24%
\$ 48,007,553	\$ 51,795,345	\$ 55,145,826	\$ 57,593,322
176.17%	183.96%	4.18%	-98.96%

City of Ontario
Required Supplementary Information
For the year ended June 30, 2022

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, 2019-20, and 2020-21 there were none.

2018	2019	2020	2021
\$ 8,903,620	\$ 9,490,945	\$ 10,397,206	\$ 11,110,950
25,115,253	27,456,414	29,448,493	31,081,768
3,330,790	14,622,182	8,260,014	3,286,194
(1,542,087)	-	-	-
(15,142,297)	(17,240,114)	(18,358,394)	(22,933,112)
20,665,279	34,329,427	29,747,319	22,545,800
352,592,919	373,258,198	407,587,625	437,334,944
<u>\$ 373,258,198</u>	<u>\$ 407,587,625</u>	<u>\$ 437,334,944</u>	<u>\$ 459,880,744</u>

\$ 12,590,271	\$ 13,281,118	\$ 154,440,411	\$ 7,489,804
3,082,481	3,171,669	3,557,026	3,727,094
20,500,833	17,108,327	14,435,085	96,551,012
(15,142,297)	(17,240,114)	(18,358,394)	(22,933,112)
(60)	-	(3,755)	-
(375,070)	(185,998)	(390,183)	(429,999)
(712,265)	603	-	-

19,943,893	16,135,605	153,680,190	84,404,799
240,695,754	260,639,647	276,775,252	430,455,442
<u>\$ 260,639,647</u>	<u>\$ 276,775,252</u>	<u>\$ 430,455,442</u>	<u>\$ 514,860,241</u>

<u>\$ 112,618,551</u>	<u>\$ 130,812,373</u>	<u>\$ 6,879,502</u>	<u>\$ (54,979,497)</u>
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69.83%	67.91%	98.43%	111.96%
\$ 28,650,190	\$ 30,612,990	\$ 33,746,205	\$ 36,465,213
393.08%	427.31%	20.39%	-150.77%

City of Ontario
Required Supplementary Information
For the year ended June 30, 2022

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, 2019-20, and 2020-21 there were none.

2018	2019	2020	2021
\$ 5,450,102	\$ 5,774,916	\$ 6,188,402	\$ 6,831,688
18,731,153	20,209,053	21,509,141	22,591,435
5,431,927	9,490,435	6,351,419	3,455,873
(1,280,641)	-	-	-
(12,416,436)	(13,911,900)	(14,806,228)	(17,869,994)
15,916,105	21,562,504	19,242,734	15,009,002
261,306,052	277,222,157	298,784,661	318,027,395
<u>\$ 277,222,157</u>	<u>\$ 298,784,661</u>	<u>\$ 318,027,395</u>	<u>\$ 333,036,397</u>

\$ 7,480,185	\$ 7,800,187	\$ 103,651,019	\$ 4,913,650
1,996,292	2,057,562	2,467,276	2,428,156
15,891,350	13,135,037	10,819,335	69,748,734
(12,416,436)	(13,911,900)	(14,806,228)	(17,869,994)
(468)	-	-	-
(295,680)	(144,039)	(297,147)	(312,282)
(561,501)	468	-	-

12,093,742	8,937,315	101,834,255	58,908,264
189,748,027	201,841,769	210,779,084	312,613,339
<u>\$ 201,841,769</u>	<u>\$ 210,779,084</u>	<u>\$ 312,613,339</u>	<u>\$ 371,521,603</u>

<u>\$ 75,380,388</u>	<u>\$ 88,005,577</u>	<u>\$ 5,414,056</u>	<u>\$ (38,485,206)</u>
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72.81%	70.55%	98.30%	111.56%
\$ 19,029,023	\$ 20,523,547	\$ 22,228,457	\$ 25,162,755
396.13%	428.80%	24.36%	-152.95%

City of Ontario
Required Supplementary Information
For the year ended June 30, 2022

*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, 2020

Actuarial cost method: Entry Age Normal

Amortization of unfunded
actuarial accrued liability:

Driver	(Gain) / Loss		Source		
	Investment	Non-Investment	Assumption/ Method Change	Benefit Change	Golden Handshake
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: 7.15%

Overall pay growth: 2.75%

Inflation: 2.50%

Retirement age: 2017 CalPERS Experience Study

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

2018	2019	2020	2021	2022
\$ 8,845,306 (8,845,306)	\$ 9,750,907 (9,750,907)	\$ 11,520,393 (113,590,085)	\$ 5,233,815 (5,233,815)	\$ 5,595,658 (5,595,658)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (102,069,692)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 48,007,553 18.42%	\$ 51,795,345 18.83%	\$ 55,145,826 205.98%	\$ 51,492,952 10.16%	\$ 54,124,236 10.34%
\$ 12,590,271 (12,590,271)	\$ 13,281,118 (13,281,118)	\$ 15,237,147 (154,440,411)	\$ 7,489,804 (7,489,804)	\$ 8,305,580 (8,305,580)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (139,203,264)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,650,190 43.94%	\$ 30,612,990 43.38%	\$ 33,746,205 457.65%	\$ 33,334,679 22.47%	\$ 34,988,941 23.74%
\$ 7,480,185 (7,480,185)	\$ 7,800,187 (7,800,187)	\$ 9,470,927 (103,651,019)	\$ 4,913,650 (4,913,650)	\$ 5,912,718 (5,912,718)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (94,180,092)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,029,023 39.31%	\$ 20,523,547 38.01%	\$ 22,228,457 466.30%	\$ 25,162,755 19.53%	\$ 26,648,320 22.19%

City of Ontario
Required Supplementary Information
For the year ended June 30, 2022

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

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service cost	\$ 12,423,938	\$ 10,440,905	\$ 9,940,301	\$ 4,576,154	\$ 4,643,850
Interest on the total OPEB liability	8,541,783	9,882,614	10,698,499	11,065,136	11,460,588
Actual and expected experience difference	-	-	(31,315,151)	-	(16,740,290)
Changes in assumptions	(37,838,070)	(13,680,004)	(90,154,275)	(2,893,024)	1,635,626
Benefit payments	(4,213,032)	(5,398,279)	(6,094,869)	(6,553,703)	(7,361,127)
Net change in the total OPEB liability	(21,085,381)	1,245,236	(106,925,495)	6,194,563	(6,361,353)
Total OPEB liability - beginning	289,394,278	268,308,897	269,554,133	162,628,638	168,823,201
Total OPEB liability - ending (a)	268,308,897	269,554,133	162,628,638	168,823,201	162,461,848
Plan Fiduciary Net Position (1)					
Contribution - employer	4,213,032	5,398,279	6,108,661	146,570,084	1,485,734
Net investment income	-	-	-	1,670,786	38,924,113
Benefit payments	(4,213,032)	(5,398,279)	(6,094,869)	(6,553,703)	(7,361,127)
Administrative expense	-	-	(13,792)	(49,752)	(71,934)
Net change in plan fiduciary net position	-	-	-	141,637,415	32,976,786
Plan fiduciary net position - beginning	-	-	-	-	141,637,415
Plan fiduciary net position - ending (b)	-	-	-	141,637,415	174,614,201
Net OPEB liability/asset - ending (a) - (b)	\$ 268,308,897	\$ 269,554,133	\$ 162,628,638	\$ 27,185,786	\$ (12,152,353)
Covered-employee payroll	\$ 111,311,408	\$ 127,657,357	\$ 135,622,457	\$ 137,353,524	\$ 115,761,497
Net OPEB liability as a percentage of covered-employee payroll	241.04%	211.15%	119.91%	122.91%	140.34%

* 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, 2022

*Schedule of OPEB Contributions - Last 10 Years**

	2018	2019	2020	2021	2022
Actuarially determined contribut	\$ 26,527,000	\$ 28,414,000	\$ 30,643,000	\$ 7,470,000	\$ 7,806,000
Contribution in relation to the actuarially determined contribution	(5,398,279)	(6,108,661)	(146,570,084)	(1,485,734)	(6,642,354)
Contribution deficiency (excess)	21,128,721	22,305,339	(115,927,084)	5,984,266	1,163,646
Covered-employee payroll	\$ 127,657,357	\$ 135,622,457	\$ 142,599,181	\$ 137,353,524	\$ 115,761,497
Contributions as a percentage of covered-employee payroll	-4.23%	-4.50%	-102.78%	-1.08%	-5.74%

* 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	2.50% per annum
Discount rate	6.25%
Medical trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scape MP-2021

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SUPPLEMENTARY INFORMATION

City of Ontario
Nonmajor Governmental Funds
Year Ended June 30, 2022

Special Revenue Funds:

Special Gas Tax Fund is used to account for the receipts and disbursements of the state gas tax allocation that may be used for street related purposes.

Quiet Home Program Fund is used to account for purchase of house near the City of Ontario Airport to reduce the interior noise level within treated homes.

Park Impact / Quimby Fund is used to account for impact fees collected in relation to the use of the park and recreational facilities by inhabitants and the impact fees will be used to improve or rehabilitate existing parks.

Community Development Fund is used to account for housing rehab loan/grants from the California Department of Housing and Community development for single-family rehabilitation and first time buyer.

Asset Seizure Fund is used to account for receipt of seized assets that were the proceeds from, or used in illegal activities.

Mobile Source Air Pollution Fund is used to account for motor vehicle registration received from the South Coast Air Quality Management District to reduce air pollution from motor vehicles under the California Clean Air Act of 1988.

Special Assessment / Fee Districts Fund is used to account for handling the financial transactions of the City's assessment districts, including Parks, Street Lights, and CFD Admin.

Grants Funds is used to account for miscellaneous grants monies that were received and are not accounted for in other specific grant funds

Cable Access Fund is used to account for PEG fee that was established to account for cost related to local public education and government access stations

Storm Drain Maintenance Fund is used to account for annual inspection and cleaning of all city storm drain and cleaning of debris and clearance of drainage system

Historic Preservation Fund is used to provide funding for the conservation, preservation, restoration and rehabilitation of historic resources within the city

NMC Public Services Fund is used to account for special revenues related to development projects that are then used for future public services needed due to those developments.

Broadband/Fiber Fund is used to account for assessment, design, and financially model the operational structure and technical requirements for the city-wide "Ontario Net" broadband initiative.

Affordability in Lieu Fund is used to account for non developer impact fee charged to the builders who are choosing to opt out of the construction of affordable housing.

City of Ontario
Nonmajor Governmental Funds, Continued
Year Ended June 30, 2022

Fire Mutual Aid Fund is used to account for financial transactions for any outside fire services provided to other agencies for local, state, or federal fire support.

NMC CFD Fund is used to account for newly created Ontario Ranch Areas special tax districts with imposed tax on properties to fund services, public improvements or infrastructure, schools, parks, fire, police to the development areas.

OMC Fund is used to account for established Ontario Area with special tax districts with imposed tax on properties to funds services, public improvements or infrastructure, schools, parks, fire, police to the development areas.

City of Ontario
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Special Gas Tax	Quiet Home Program	Park Impact / Quimby	Community Development
ASSETS				
Cash and investments	\$ 7,630,010	\$ 1,037,780	\$ 41,516,143	\$ -
Receivables:				
Accounts	946,712	-	-	1,839,132
Taxes	-	-	-	-
Notes and loans	-	-	-	10,398,778
Accrued interest	29,814	-	162,219	-
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	8,606,536	58,870,012	41,678,362	18,286,134
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	485,491	-	-	413,635
Accrued liabilities	54,325	-	-	22,446
Unearned revenues	-	863,420	-	8,012,591
Deposits payable	-	-	-	-
Due to other governments	-	-	-	2,489,326
Due to other funds	-	-	-	648,248
Advances from other funds	-	-	-	-
Total liabilities	539,816	863,420	-	11,586,246
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	8,066,720	58,006,592	-	6,699,888
Public safety	-	-	-	-
Park development	-	-	41,678,362	-
Affordable housing	-	-	-	-
AQMD activities	-	-	-	-
Fiber/broadband	-	-	-	-
Public services	-	-	-	-
Total fund balances	8,066,720	58,006,592	41,678,362	6,699,888
Total liabilities, deferred inflows of resources and fund balances	\$ 8,606,536	\$ 58,870,012	\$ 41,678,362	\$ 18,286,134

Special Revenue Funds						
Asset Seizure	Mobile Source Air Pollution	Special Assessment / Fee Districts	Grants	Cable Access	Storm Drain Maintenance	
\$ 3,343,202	\$ 1,345,232	\$ 5,752,659	\$ -	\$ 2,045,411	\$ 574,426	
950	59,861	17,611	5,640,591	51,252	67,273	
-	-	8,914	-	-	-	
-	-	-	14,729,325	-	-	
13,063	5,256	9,082	-	7,993	2,245	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
3,357,215	1,410,349	5,788,266	20,369,916	2,104,656	643,944	
-	146,391	150,202	1,703,782	-	62,047	
75,869	478	12,494	31,028	-	23,195	
-	-	-	576,820	-	-	
432,672	-	-	44,241	-	29,782	
-	-	-	-	-	-	
-	-	-	3,053,717	-	-	
-	-	-	-	-	-	
508,541	146,869	162,696	5,409,588	-	115,024	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	5,625,570	14,960,328	-	528,920	
2,823,515	-	-	-	-	-	
-	-	-	-	-	-	
25,159	-	-	-	-	-	
-	1,263,480	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	2,104,656	-	
2,848,674	1,263,480	5,625,570	14,960,328	2,104,656	528,920	
\$ 3,357,215	\$ 1,410,349	\$ 5,788,266	\$ 20,369,916	\$ 2,104,656	\$ 643,944	

City of Ontario
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Historic Preservation	NMC Public Services	Broadband /Fiber	Affordability in Lieu
ASSETS				
Cash and investments	\$ 1,141,907	\$ 4,470,962	\$ 809,939	\$ 27,651,837
Receivables:				
Accounts	-	345,233	295,568	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	4,462	17,471	3,165	108,047
Advances to other funds	-	-	-	-
Inventories	-	-	2,698,632	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	14,169,590	-
Total assets	1,146,369	4,833,666	17,976,894	27,759,884
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	514,322	-
Accrued liabilities	-	-	140,885	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	-	655,207	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	1,146,369	-	-	-
Public safety	-	-	-	-
Park development	-	-	-	-
Affordable housing	-	-	-	27,759,884
AQMD activities	-	-	-	-
Fiber/broadband	-	-	17,321,687	-
Public services	-	4,833,666	-	-
Total fund balances	1,146,369	4,833,666	17,321,687	27,759,884
Total liabilities, deferred inflows of resources and fund balances	\$ 1,146,369	\$ 4,833,666	\$ 17,976,894	\$ 27,759,884

Special Revenue Funds			Capital Project Funds			Total Nonmajor Governmental Funds
Fire Mutual Aid	NMC CFD	OMC CFD	NMC CFD	OMC CFD		
\$ 1,015,107	\$ 206,441	\$ 98,218	\$ -	\$ -	\$ 98,639,274	
-	368,576	-	-	-	9,632,759	
-	126,840	514	-	-	136,268	
-	-	-	-	-	25,128,103	
3,967	139	-	-	-	366,923	
-	-	-	-	-	5,961,399	
-	-	-	-	-	2,698,632	
-	-	-	-	-	57,883,282	
-	-	-	-	-	35,775	
-	-	-	-	-	14,169,590	
1,019,074	701,996	98,732	-	-	214,652,005	
-	(106,278)	-	-	-	3,369,592	
-	-	-	-	-	360,720	
-	-	-	-	-	9,452,831	
-	-	-	-	-	506,695	
-	-	-	-	-	2,489,326	
-	-	-	-	-	3,701,965	
-	-	-	-	-	-	
-	(106,278)	-	-	-	19,881,129	
-	368,576	-	-	-	368,576	
-	368,576	-	-	-	368,576	
-	-	-	-	-	95,034,387	
-	-	-	-	-	2,823,515	
-	-	-	-	-	41,678,362	
-	-	-	-	-	27,785,043	
-	-	-	-	-	1,263,480	
-	-	-	-	-	17,321,687	
1,019,074	439,698	98,732	-	-	8,495,826	
1,019,074	439,698	98,732	-	-	194,402,300	
\$ 1,019,074	\$ 701,996	\$ 98,732	\$ -	\$ -	\$ 214,652,005	

City of Ontario
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022

	Special Revenue Funds			
	Special Gas Tax	Quiet Home Program	Park Impact / Quimby	Community Development
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessment taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	7,934,252	-	-	3,737,132
Contribution from property owners	-	-	-	-
Charges for services	-	-	14,133,834	-
Use of money and property	(127,131)	-	(733,108)	180,036
Fines and forfeitures	-	-	-	-
Miscellaneous	13,848	-	-	-
Total revenues	7,820,969	-	13,400,726	3,917,168
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	174,445
Community development	4,398,553	-	33,109	3,391,187
Public works	1,861,538	-	-	171,500
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	4,675,812	-
Interest and fiscal charges	-	-	324,188	-
Total expenditures	6,260,091	-	5,033,109	3,737,132
REVENUES OVER (UNDER) EXPENDITURES	1,560,878	-	8,367,617	180,036
OTHER FINANCING SOURCES (USES):				
Transfers in	90,000	-	-	-
Transfers out	(67,104)	-	-	-
Notes and loans issued	-	-	-	-
Total other financing sources (uses)	22,896	-	-	-
Special item	-	-	-	-
Net change in fund balances	1,583,774	-	8,367,617	180,036
FUND BALANCES:				
Beginning of year	6,482,946	58,006,592	33,310,745	6,519,852
Restatement	-	-	-	-
Beginning of year, as restated	6,482,946	58,006,592	33,310,745	6,519,852
End of year	\$ 8,066,720	\$ 58,006,592	\$ 41,678,362	\$ 6,699,888

Special Revenue Funds

Asset Seizure	Mobile Source Air Pollution	Special Assessment / Fee Districts	Grants	Cable Access	Storm Drain Maintenance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,021,338	-	263,969	-
-	-	-	-	-	-
199,795	235,212	-	21,860,197	-	6,939
-	-	-	-	-	-
-	-	-	-	-	1,263,087
(61,743)	(22,296)	(49,524)	-	(35,669)	(8,676)
-	-	-	-	-	-
-	-	2,112,055	539,992	-	-
138,052	212,916	3,083,869	22,400,189	228,300	1,261,350
-	1,677	739,093	-	-	-
112,893	-	-	1,120,221	-	-
-	153,040	3,152,347	6,334,425	-	749,779
-	549,595	1,085,850	-	-	427,492
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
112,893	704,312	4,977,290	7,454,646	-	1,177,271
25,159	(491,396)	(1,893,421)	14,945,543	228,300	84,079
-	-	238,983	258,351	-	22,500
-	(1,231)	(176,975)	-	-	(27,513)
-	-	-	-	-	-
-	(1,231)	62,008	258,351	-	(5,013)
-	-	-	-	-	-
25,159	(492,627)	(1,831,413)	15,203,894	228,300	79,066
2,823,515	1,756,107	7,456,983	(243,566)	1,876,356	449,854
-	-	-	-	-	-
2,823,515	1,756,107	7,456,983	(243,566)	1,876,356	449,854
\$ 2,848,674	\$ 1,263,480	\$ 5,625,570	\$ 14,960,328	\$ 2,104,656	\$ 528,920

City of Ontario
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022

	Special Revenue Funds			
	Historic Preservation	NMC Public Services	Broadband /Fiber	Affordability in Lieu
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessment taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Contribution from property owners	-	-	-	-
Charges for services	661,736	4,122,064	1,056,580	5,800,850
Use of money and property	(16,691)	(90,022)	(14,703)	(467,653)
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	62,599	-
Total revenues	645,045	4,032,042	1,104,476	5,333,197
EXPENDITURES:				
Current:				
General government	-	-	3,502,134	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	3,502,134	-
REVENUES OVER (UNDER)				
EXPENDITURES	645,045	4,032,042	(2,397,658)	5,333,197
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	37,500	-
Transfers out	-	(9,819,324)	(29,078)	-
Notes and loans issued	-	-	18,031,000	-
Total other financing sources (uses)	-	(9,819,324)	18,039,422	-
Special item	-	-	-	-
Net change in fund balances	645,045	(5,787,282)	15,641,764	5,333,197
FUND BALANCES:				
Beginning of year	501,324	10,620,948	1,679,923	22,426,687
Restatement	-	-	-	-
Beginning of year, as restated	501,324	10,620,948	1,679,923	22,426,687
End of year	\$ 1,146,369	\$ 4,833,666	\$ 17,321,687	\$ 27,759,884

Special Revenue Funds			Capital Project Funds		Total Nonmajor Governmental Funds
Fire Mutual Aid	NMC CFD	OMC CFD	NMC CFD	OMC CFD	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	10,377,606	112,791	-	-	11,775,704
-	-	-	-	-	-
1,829,140	-	-	-	-	35,802,667
-	-	-	-	-	-
-	-	-	-	-	27,038,151
(5,665)	(1,678)	(547)	-	-	(1,455,070)
-	-	-	-	-	-
(477)	-	-	-	-	2,728,017
1,822,998	10,375,928	112,244	-	-	75,889,469
-	10,033,504	13,827	-	-	14,290,235
1,503,924	-	-	-	-	2,911,483
-	224,917	5,350	-	-	18,442,707
-	-	-	-	-	4,095,975
-	-	-	-	-	-
-	-	-	-	-	4,675,812
-	-	-	-	-	324,188
1,503,924	10,258,421	19,177	-	-	44,740,400
319,074	117,507	93,067	-	-	31,149,069
700,000	-	-	-	-	1,347,334
-	-	-	-	-	(10,121,225)
-	-	-	-	-	18,031,000
700,000	-	-	-	-	9,257,109
-	-	-	-	-	-
1,019,074	117,507	93,067	-	-	40,406,178
-	322,191	5,665	35,716,683	22,054	189,734,859
-	-	-	(35,716,683)	(22,054)	(35,738,737)
-	322,191	5,665	-	-	153,996,122
\$ 1,019,074	\$ 439,698	\$ 98,732	\$ -	\$ -	\$ 194,402,300

City of Ontario

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

Special Gas Tax

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 8,609,538	\$ 8,609,538	\$ 7,934,252	\$ (675,286)
Use of money and property	76,550	76,550	(127,131)	(203,681)
Miscellaneous	-	-	13,848	13,848
Total revenues	8,686,088	8,686,088	7,820,969	(865,119)
EXPENDITURES:				
Current:				
Community development	9,552,363	9,552,363	4,398,553	5,153,810
Public works	2,261,391	2,261,391	1,861,538	399,853
Total expenditures	11,813,754	11,813,754	6,260,091	5,553,663
REVENUES OVER (UNDER)				
EXPENDITURES	(3,127,666)	(3,127,666)	1,560,878	(6,418,782)
OTHER FINANCING SOURCES (USES):				
Transfers in	90,000	90,000	90,000	-
Transfers out	(67,104)	(67,104)	(67,104)	-
Total other financing sources (uses)	22,896	22,896	22,896	-
Net change in fund balances	\$ (3,104,770)	\$ (3,104,770)	1,583,774	\$ (6,418,782)
FUND BALANCES:				
Beginning of year			6,482,946	
End of year			\$ 8,066,720	

City of Ontario

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

Quiet Home Program

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 439,000	\$ 439,000	\$ -	\$ (439,000)
Contribution from property owners	627,550	627,550	-	(627,550)
Total revenues	1,066,550	1,066,550	-	(1,066,550)
EXPENDITURES:				
Current:				
Community development	1,066,550	1,066,550	-	1,066,550
Total expenditures	1,066,550	1,066,550	-	1,066,550
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	-	(2,133,100)
Net change in fund balances	\$ -	\$ -	-	\$ (2,133,100)
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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 2,617,000	\$ 2,617,000	\$ 14,133,834	\$ 11,516,834
Use of money and property	469,125	469,125	(733,108)	(1,202,233)
Total revenues	3,086,125	3,086,125	13,400,726	10,314,601
EXPENDITURES:				
Current:				
Community development	2,803,098	2,803,098	33,109	2,769,989
Debt service:				
Principal retirement	4,598,104	4,598,104	4,675,812	(77,708)
Interest and fiscal charges	401,896	401,896	324,188	77,708
Total expenditures	7,803,098	7,803,098	5,033,109	2,769,989
REVENUES OVER (UNDER)				
EXPENDITURES	(4,716,973)	(4,716,973)	8,367,617	7,544,612
Net change in fund balances	\$ (4,716,973)	\$ (4,716,973)	8,367,617	\$ 7,544,612
FUND BALANCES:				
Beginning of year			33,310,745	
End of year			<u>\$ 41,678,362</u>	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Community Development For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 8,953,806	\$ 8,953,806	\$ 3,737,132	\$ (5,216,674)
Use of money and property	-	-	180,036	180,036
Total revenues	8,953,806	8,953,806	3,917,168	(5,036,638)
EXPENDITURES:				
Current:				
General government	44,682	44,682	-	44,682
Public safety	189,783	189,783	174,445	15,338
Community development	8,542,656	8,542,656	3,391,187	5,151,469
Public works	175,000	175,000	171,500	3,500
Total expenditures	8,952,121	8,952,121	3,737,132	5,214,989
REVENUES OVER (UNDER)				
EXPENDITURES	1,685	1,685	180,036	(10,251,627)
Net change in fund balances	\$ 1,685	\$ 1,685	180,036	\$ (10,251,627)
FUND BALANCES:				
Beginning of year			6,519,852	
End of year			\$ 6,699,888	

City of Ontario

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

Asset Seizure

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 199,795	\$ 199,795
Use of money and property	-	-	(61,743)	(61,743)
Total revenues	-	-	138,052	138,052
EXPENDITURES:				
Current:				
Public safety	661,000	661,000	112,893	548,107
Total expenditures	661,000	661,000	112,893	548,107
REVENUES OVER (UNDER)				
EXPENDITURES	(661,000)	(661,000)	25,159	(410,055)
Net change in fund balances	<u>\$ (661,000)</u>	<u>\$ (661,000)</u>	25,159	<u>\$ (410,055)</u>
FUND BALANCES:				
Beginning of year			2,823,515	
End of year			<u>\$ 2,848,674</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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 215,000	\$ 215,000	\$ 235,212	\$ 20,212
Use of money and property	24,495	24,495	(22,296)	(46,791)
Total revenues	239,495	239,495	212,916	(26,579)
EXPENDITURES:				
Current:				
General government	1,646	1,646	1,677	(31)
Community development	211,259	211,259	153,040	58,219
Public works	1,089,014	1,089,014	549,595	539,419
Total expenditures	1,301,919	1,301,919	704,312	597,607
REVENUES OVER (UNDER)				
EXPENDITURES	(1,062,424)	(1,062,424)	(491,396)	(624,186)
OTHER FINANCING SOURCES (USES):				
Transfers out	(805)	(805)	(1,231)	(426)
Total other financing sources (uses)	(805)	(805)	(1,231)	(426)
Net change in fund balances	\$ (1,063,229)	\$ (1,063,229)	(492,627)	\$ (624,612)
FUND BALANCES:				
Beginning of year			1,756,107	
End of year			\$ 1,263,480	

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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessment taxes	\$ 1,045,000	\$ 1,045,000	\$ 1,021,338	\$ (23,662)
Use of money and property	107,310	107,310	(49,524)	(156,834)
Miscellaneous	2,842,900	2,842,900	2,112,055	(730,845)
Total revenues	3,995,210	3,995,210	3,083,869	(911,341)
EXPENDITURES:				
Current:				
General government	357,799	357,799	739,093	(381,294)
Community development	3,666,913	3,666,913	3,152,347	514,566
Public works	1,695,723	1,695,723	1,085,850	609,873
Total expenditures	5,720,435	5,720,435	4,977,290	743,145
REVENUES OVER (UNDER)				
EXPENDITURES	(1,725,225)	(1,725,225)	(1,893,421)	(1,654,486)
OTHER FINANCING SOURCES (USES):				
Transfers in	397,000	397,000	238,983	(158,017)
Transfers out	(176,975)	(176,975)	(176,975)	-
Total other financing sources (uses)	220,025	220,025	62,008	(158,017)
Net change in fund balances	\$ (1,505,200)	\$ (1,505,200)	(1,831,413)	\$ (1,812,503)
FUND BALANCES:				
Beginning of year			7,456,983	
End of year			\$ 5,625,570	

City of Ontario

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

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 40,932,775	\$ 40,932,775	\$ 21,860,197	\$ (19,072,578)
Miscellaneous	685,780	685,780	539,992	(145,788)
Total revenues	41,618,555	41,618,555	22,400,189	(19,218,366)
EXPENDITURES:				
Current:				
General government	72,225	72,225	-	72,225
Public safety	2,998,284	2,998,284	1,120,221	1,878,063
Community development	38,809,367	38,809,367	6,334,425	32,474,942
Total expenditures	41,879,876	41,879,876	7,454,646	34,425,230
REVENUES OVER (UNDER)				
EXPENDITURES	(261,321)	(261,321)	14,945,543	(53,643,596)
OTHER FINANCING SOURCES (USES):				
Transfers in	258,351	258,351	258,351	-
Total other financing sources (uses)	258,351	258,351	258,351	-
Net change in fund balances	\$ (2,970)	\$ (2,970)	15,203,894	\$ (53,643,596)
FUND BALANCES:				
Beginning of year			(243,566)	
End of year			<u>\$ 14,960,328</u>	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Cable Access For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessment taxes	\$ 200,000	\$ 200,000	\$ 263,969	\$ 63,969
Use of money and property	-	-	(35,669)	(35,669)
Total revenues	200,000	200,000	228,300	28,300
EXPENDITURES:				
Current:				
Community development	52,000	52,000	-	52,000
Total expenditures	52,000	52,000	-	52,000
REVENUES OVER (UNDER) EXPENDITURES	148,000	148,000	228,300	(23,700)
Net change in fund balances	\$ 148,000	\$ 148,000	228,300	\$ (23,700)
FUND BALANCES:				
Beginning of year			1,876,356	
End of year			\$ 2,104,656	

City of Ontario

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

Storm Drain Maintenance

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 6,939	\$ 6,939
Charges for services	1,380,000	1,380,000	1,263,087	(116,913)
Use of money and property	7,400	7,400	(8,676)	(16,076)
Total revenues	1,387,400	1,387,400	1,261,350	(126,050)
EXPENDITURES:				
Current:				
Community development	997,489	997,489	749,779	247,710
Public works	518,299	518,299	427,492	90,807
Total expenditures	1,515,788	1,515,788	1,177,271	338,517
REVENUES OVER (UNDER)				
EXPENDITURES	(128,388)	(128,388)	84,079	(464,567)
OTHER FINANCING SOURCES (USES):				
Transfers in	22,500	22,500	22,500	-
Transfers out	(27,513)	(27,513)	(27,513)	-
Total other financing sources (uses)	(5,013)	(5,013)	(5,013)	-
Net change in fund balances	\$ (133,401)	\$ (133,401)	79,066	\$ (464,567)
FUND BALANCES:				
Beginning of year			449,854	
End of year			\$ 528,920	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Historic Preservation For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ -	\$ 661,736	\$ 661,736
Use of money and property	6,250	6,250	(16,691)	(22,941)
Total revenues	6,250	6,250	645,045	638,795
Net change in fund balances	\$ 6,250	\$ 6,250	645,045	\$ 638,795
FUND BALANCES:				
Beginning of year			501,324	
End of year			\$ 1,146,369	

City of Ontario

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

NMC Public Services

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 1,140,000	\$ 1,140,000	\$ 4,122,064	\$ 2,982,064
Use of money and property	248,610	248,610	(90,022)	(338,632)
Total revenues	1,388,610	1,388,610	4,032,042	2,643,432
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,900,000)	(4,900,000)	(9,819,324)	(4,919,324)
Total other financing sources (uses)	(4,900,000)	(4,900,000)	(9,819,324)	(4,919,324)
Net change in fund balances	\$ (3,511,390)	\$ (3,511,390)	(5,787,282)	\$ (2,275,892)
FUND BALANCES:				
Beginning of year			10,620,948	
End of year			\$ 4,833,666	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Broadband/Fiber For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 1,500,621	\$ 1,500,621	\$ 1,056,580	\$ (444,041)
Use of money and property	56,075	56,075	(14,703)	(70,778)
Miscellaneous	-	-	62,599	62,599
Total revenues	1,556,696	1,556,696	1,104,476	(452,220)
EXPENDITURES:				
Current:				
General government	17,879,895	17,879,895	3,502,134	14,377,761
Community development	6,431	6,431	-	6,431
Total expenditures	17,886,326	17,886,326	3,502,134	14,384,192
REVENUES OVER (UNDER)				
EXPENDITURES	(16,329,630)	(16,329,630)	(2,397,658)	(14,836,412)
OTHER FINANCING SOURCES (USES):				
Transfers in	37,500	37,500	37,500	-
Transfers out	(29,078)	(29,078)	(29,078)	-
Notes and loans issued	-	-	18,031,000	18,031,000
Total other financing sources (uses)	8,422	8,422	18,039,422	18,031,000
Net change in fund balances	\$ (16,321,208)	\$ (16,321,208)	15,641,764	\$ 3,194,588
FUND BALANCES:				
Beginning of year			1,679,923	
End of year			<u>\$ 17,321,687</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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 5,694,000	\$ 5,694,000	\$ 5,800,850	\$ 106,850
Use of money and property	255,100	255,100	(467,653)	(722,753)
Total revenues	5,949,100	5,949,100	5,333,197	(615,903)
EXPENDITURES:				
Current:				
Community development	9,730,190	9,730,190	-	9,730,190
Total expenditures	9,730,190	9,730,190	-	9,730,190
REVENUES OVER (UNDER) EXPENDITURES	(3,781,090)	(3,781,090)	5,333,197	(10,346,093)
Net change in fund balances	\$ (3,781,090)	\$ (3,781,090)	5,333,197	\$ (10,346,093)
FUND BALANCES:				
Beginning of year			22,426,687	
End of year			<u>\$ 27,759,884</u>	

City of Ontario

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

Fire Mutual Aid

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	1,420,000	1,420,000	1,829,140	409,140
Use of money and property	-	-	(5,665)	(5,665)
Miscellaneous	-	-	(477)	(477)
Total revenues	1,420,000	1,420,000	1,822,998	402,998
EXPENDITURES:				
Current:				
Public safety	1,418,000	1,418,000	1,503,924	(85,924)
Total expenditures	1,418,000	1,418,000	1,503,924	(85,924)
REVENUES OVER (UNDER)				
EXPENDITURES	2,000	2,000	319,074	488,922
OTHER FINANCING SOURCES (USES):				
Transfers in	700,000	700,000	700,000	-
Total other financing sources (uses)	700,000	700,000	700,000	-
Net change in fund balances	\$ 702,000	\$ 702,000	1,019,074	\$ 488,922
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 1,019,074	

City of Ontario

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

NMC CFD

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessment taxes	\$ 10,229,656	\$ 10,229,656	\$ 10,377,606	\$ 147,950
Use of money and property	2,375	2,375	(1,678)	(4,053)
Total revenues	10,232,031	10,232,031	10,375,928	143,897
EXPENDITURES:				
Current:				
General government	620,000	620,000	10,033,504	(9,413,504)
Community development	74,000	74,000	224,917	(150,917)
Total expenditures	694,000	694,000	10,258,421	(9,564,421)
REVENUES OVER (UNDER)				
EXPENDITURES	9,538,031	9,538,031	117,507	9,708,318
Net change in fund balances	\$ 9,538,031	\$ 9,538,031	117,507	\$ 9,708,318
FUND BALANCES:				
Beginning of year			322,191	
End of year			\$ 439,698	

City of Ontario

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

OMC CFD

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessment taxes	\$ 112,934	\$ 112,934	\$ 112,791	\$ (143)
Use of money and property	652	652	(547)	(1,199)
Total revenues	113,586	113,586	112,244	(1,342)
EXPENDITURES:				
Current:				
General government	9,000	9,000	13,827	(4,827)
Community development	16,000	16,000	5,350	10,650
Total expenditures	25,000	25,000	19,177	5,823
REVENUES OVER (UNDER)				
EXPENDITURES	88,586	88,586	93,067	(7,165)
Net change in fund balances	\$ 88,586	\$ 88,586	93,067	\$ (7,165)
FUND BALANCES:				
Beginning of year			5,665	
End of year			\$ 98,732	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Capital Projects For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 532,097	\$ 532,097	\$ 60,545	\$ (471,552)
Use of money and property	144,110	144,110	(104,060)	(248,170)
Miscellaneous	693,896	693,896	1,879,410	1,185,514
Total revenues	1,370,103	1,370,103	1,835,895	465,792
EXPENDITURES:				
Current:				
General government	-	-	54,590	(54,590)
Public safety	2,961,699	2,961,699	260,283	2,701,416
Community development	71,476,410	71,476,410	15,632,272	55,844,138
Public works	-	-	13,048	(13,048)
Debt service:				
Principal retirement	-	-	34,516,908	(34,516,908)
Total expenditures	74,438,109	74,438,109	50,477,101	23,961,008
REVENUES OVER (UNDER) EXPENDITURES				
	(73,068,006)	(73,068,006)	(48,641,206)	(23,495,216)
OTHER FINANCING SOURCES (USES):				
Transfers in	6,509,095	6,509,095	6,464,116	(44,979)
Notes and loans issued	51,500,000	51,500,000	136,526,765	85,026,765
Total other financing sources (uses)	58,009,095	58,009,095	142,990,881	84,981,786
Net change in fund balances	\$ (15,058,911)	\$ (15,058,911)	94,349,675	\$ 61,486,570
FUND BALANCES:				
Beginning of year			28,740,082	
End of year			\$ 123,089,757	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Impact Fees For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 12,996,000	\$ 12,996,000	\$ 55,761,707	\$ 42,765,707
Use of money and property	2,881,390	2,881,390	(3,373,046)	(6,254,436)
Miscellaneous	-	-	23,493	23,493
Total revenues	15,877,390	15,877,390	52,412,154	36,534,764
EXPENDITURES:				
Current:				
General government	5,701	5,701	-	5,701
Public safety	7,782,150	7,782,150	1,764,294	6,017,856
Community development	79,722,053	79,722,053	26,958,577	52,763,476
Total expenditures	87,509,904	87,509,904	28,722,871	58,787,033
REVENUES OVER (UNDER)				
EXPENDITURES	(71,632,514)	(71,632,514)	23,689,283	(22,252,269)
OTHER FINANCING SOURCES (USES):				
Transfers in	4,900,000	4,900,000	9,819,324	4,919,324
Total other financing sources (uses)	4,900,000	4,900,000	9,819,324	4,919,324
Net change in fund balances	\$ (66,732,514)	\$ (66,732,514)	33,508,607	\$ (17,332,945)
FUND BALANCES:				
Beginning of year			134,322,043	
End of year			\$ 167,830,650	

City of Ontario
Internal Service Funds
Year Ended June 30, 2022

Equipment Services Fund is used to account for costs of City's Vehicle and equipment maintenance.

Self Insurance Fund is used to account for costs of operating self insurance programs for general liability and worker's compensation.

Information Technology Fund is used to account for support for the operational departments with reliable system and information on a daily basis.

Facility Maintenance Fund is used to account for the maintenance of all city facilities. This includes improvements to existing facilities such as parks and city buildings.

Other Post Employment Benefits Fund is used to account for liability for all the benefit that the employee may receive after their retirement.

Pension Benefits Fund is used to account for liability and annual CALPERS contribution for employee retirement benefit.

City of Ontario
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Equipment Services	Self Insurance	Information Technology	Facility Maintenance
ASSETS				
Current Assets:				
Cash and investments	\$ 37,262,353	\$ 36,023,032	\$ 6,543,599	\$ 7,804,898
Receivables:				
Accounts	357,007	-	155,535	-
Accrued interest	145,600	13,732	25,569	31,790
Notes and loans	-	-	-	-
Prepaid costs	2,440	539,470	2,472,354	-
Due from other funds	-	-	-	-
Inventories	932,626	-	-	-
Restricted:				
Cash with fiscal agent	-	435,314	-	4,525,282
Total current assets	38,700,026	37,011,548	9,197,057	12,361,970
Noncurrent:				
Advances to other funds	3,792,438	7,347,036	1,895,719	-
Land held for resale	-	-	-	-
Net pension asset	2,633,213	410,371	3,670,539	-
OPEB asset	561,440	87,496	782,611	-
Capital assets:				
Nondepreciable	846,675	-	6,934,656	26,950,361
Depreciable	80,663,322	-	14,247,183	1,645,116
Less accumulated depreciation	(49,447,046)	-	(7,723,502)	(27,419)
Net capital assets	32,062,951	-	13,458,337	28,568,058
Total noncurrent assets	39,050,042	7,844,903	19,807,206	28,568,058
Total assets	77,750,068	44,856,451	29,004,263	40,930,028
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension related items	404,798	63,087	564,264	-
Deferred OPEB related items	373,227	58,166	520,257	-
Total deferred outflows of resources	778,025	121,253	1,084,521	-
LIABILITIES				
Current liabilities:				
Accounts payable	236,694	947,632	734,972	125,734
Accrued liabilities	93,199	32,884	163,835	62,632
Accrued interest	-	-	-	251,501
Deposits payable	-	1,002,452	-	-
Compensated absences - current	221,881	27,083	506,503	75,328
Claims and judgements - current	-	12,209,058	-	-
Long-term debt - current portion	-	-	-	1,604,667
Total current liabilities	551,774	14,219,109	1,405,310	2,119,862
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Compensated absences	39,155	4,779	111,184	13,293
Claims and judgements	-	23,889,942	-	-
Long-term debt	-	-	-	30,607,584
Total noncurrent liabilities	39,155	23,894,721	111,184	30,620,877
Total liabilities	590,929	38,113,830	1,516,494	32,740,739
DEFERRED INFLOWS OF RESOURCES				
Deferred pension related items	2,045,265	318,743	2,850,973	-
Deferred OPEB related items	6,241,606	972,718	8,700,420	-
Total deferred inflows of resources	8,286,871	1,291,461	11,551,393	-
NET POSITION				
Net investment in capital assets	32,062,951	-	13,458,337	881,089
Unrestricted	37,587,342	5,572,413	3,562,560	7,308,200
Total net position	\$ 69,650,293	\$ 5,572,413	\$ 17,020,897	\$ 8,189,289

Other Post Employment Benefits	Pension Benefits Fund	Totals
\$ 141,648	\$ 49,352,036	\$ 137,127,566
6,462,583	2,661,999	9,637,124
553	-	217,244
-	-	-
2,783	-	3,017,047
-	-	-
-	-	932,626
-	45,007	5,005,603
<u>6,607,567</u>	<u>52,059,042</u>	<u>155,937,210</u>
-	-	13,035,193
-	56,632,051	56,632,051
-	-	6,714,123
7,165,028	-	8,596,575
-	-	34,731,692
-	-	96,555,621
-	-	(57,197,967)
-	-	74,089,346
<u>7,165,028</u>	<u>56,632,051</u>	<u>159,067,288</u>
<u>13,772,595</u>	<u>108,691,093</u>	<u>315,004,498</u>
-	-	1,032,149
<u>4,763,092</u>	-	<u>5,714,742</u>
<u>4,763,092</u>	-	<u>6,746,891</u>
13,530	-	2,058,562
-	-	352,550
-	1,358,501	1,610,002
-	-	1,002,452
-	-	830,795
-	-	12,209,058
-	5,190,000	6,794,667
<u>13,530</u>	<u>6,548,501</u>	<u>24,858,086</u>
-	94,805,640	94,805,640
-	-	168,411
-	-	23,889,942
-	223,665,000	254,272,584
-	318,470,640	373,136,577
<u>13,530</u>	<u>325,019,141</u>	<u>397,994,663</u>
-	-	5,214,981
<u>79,654,777</u>	-	<u>95,569,521</u>
<u>79,654,777</u>	-	<u>100,784,502</u>
-	-	46,402,377
<u>(61,132,620)</u>	<u>(216,328,048)</u>	<u>(223,430,153)</u>
<u>\$ (61,132,620)</u>	<u>\$ (216,328,048)</u>	<u>\$ (177,027,776)</u>

City of Ontario

Combining Statement of Revenues, Expenditures and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2022

	Equipment Services	Self Insurance	Information Technology	Facility Maintenance
OPERATING REVENUES:				
Interdepartmental charges	\$ 17,796,218	\$ 14,890,025	\$ 14,694,387	\$ 10,910,597
Miscellaneous	401,737	8,260	36,982	56,739
Total operating revenues	18,197,955	14,898,285	14,731,369	10,967,336
OPERATING EXPENSES:				
Administration and general	3,689,334	14,640,848	5,151,387	6,982,099
Source and supply	5,251,242	-	7,565,138	-
Claims expense	-	573,574	-	-
Depreciation expense	6,294,311	-	1,592,993	27,419
Total operating expenses	15,234,887	15,214,422	14,309,518	7,009,518
Operating income (loss)	2,963,068	(316,137)	421,851	3,957,818
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	(376,313)	(78,154)	(8,262)	(75,678)
Interest expense	-	-	-	(880,431)
Gain on joint venture	-	-	-	-
Gain on sale of other investments	-	-	1,980	-
Total nonoperating revenues (expenses)	(376,313)	(78,154)	(6,282)	(956,109)
Income before contributions and transfers	2,586,755	(394,291)	415,569	3,001,709
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	3,203,100	23,100	8,419,300	9,831
Transfers out	(128,392)	(24,247)	(148,076)	-
Total contributions and transfers	3,074,708	(1,147)	8,271,224	9,831
Change in net position	5,661,463	(395,438)	8,686,793	3,011,540
NET POSITION:				
Beginning of year	68,696,820	7,005,085	17,535,043	5,177,749
Restatements	(4,707,990)	(1,037,234)	(9,200,939)	-
Beginning of year, as restated	63,988,830	5,967,851	8,334,104	5,177,749
End of year	\$ 69,650,293	\$ 5,572,413	\$ 17,020,897	\$ 8,189,289

Other Post Employment Benefits	Pension Benefits Fund	Totals
\$ 40,620	\$ -	\$ 58,331,847
6,462,583	33,080,973	40,047,274
<u>6,503,203</u>	<u>33,080,973</u>	<u>98,379,121</u>
(5,191,752)	518,842	25,790,758
-	-	12,816,380
-	-	573,574
-	-	7,914,723
<u>(5,191,752)</u>	<u>518,842</u>	<u>47,095,435</u>
<u>11,694,955</u>	<u>32,562,131</u>	<u>51,283,686</u>
1,310	226,882	(310,215)
-	(9,856,207)	(10,736,638)
-	-	-
-	11,879,452	11,881,432
<u>1,310</u>	<u>2,250,127</u>	<u>834,579</u>
<u>11,696,265</u>	<u>34,812,258</u>	<u>52,118,265</u>
5,390,739	30,800,000	47,846,070
-	-	(300,715)
<u>5,390,739</u>	<u>30,800,000</u>	<u>47,545,355</u>
17,087,004	65,612,258	99,663,620
(142,418,527)	(281,940,306)	(325,944,136)
64,198,903	-	49,252,740
<u>(78,219,624)</u>	<u>(281,940,306)</u>	<u>(276,691,396)</u>
<u>\$ (61,132,620)</u>	<u>\$ (216,328,048)</u>	<u>\$ (177,027,776)</u>

City of Ontario
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2022

	Equipment Services	Self Insurance	Information Technology	Facility Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from/(paid to) interfund services	\$ 18,287,989	\$ 14,870,111	\$ 14,629,372	\$ 12,019,593
Cash paid to suppliers for goods and services	(5,809,749)	727,771	(8,870,152)	-
Cash paid to employees for services	(5,443,084)	(14,922,393)	(7,554,596)	(7,020,168)
Net cash provided by (used in) operating activities	7,035,156	675,489	(1,795,376)	4,999,425
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash transfers in	3,203,100	23,100	8,419,300	9,831
Cash transfers out	(128,392)	(24,247)	(148,076)	-
Due to other funds	-	-	-	-
Advance from other funds	5,146,004	10,282,882	73,002	-
Interest paid on pension obligation bonds	-	-	-	-
Principal paid on pension obligation bonds	-	-	-	-
Grant subsidy	-	-	-	-
Net cash provided by (used in) noncapital financing activities	8,220,712	10,281,735	8,344,226	9,831
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(4,935,970)	-	(6,029,550)	(14,483,915)
Acquisition of other investments	-	-	-	-
Interest paid on capital debt	-	-	-	(757,961)
Principal paid on debt	-	-	-	(1,232,392)
Proceed from issuance of debt	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(4,935,970)	-	(6,029,550)	(16,474,268)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Change in investments	-	-	-	-
Interest received	(521,913)	(91,887)	(31,851)	(107,390)
Net cash provided by (used in) investing activities	(521,913)	(91,887)	(31,851)	(107,390)
Net cash flows	9,797,985	10,865,337	487,449	(11,572,402)
CASH AND INVESTMENTS - Beginning of year	27,464,368	25,593,009	6,056,150	23,902,582
CASH AND INVESTMENTS - End of year	\$ 37,262,353	\$ 36,458,346	\$ 6,543,599	\$ 12,330,180
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 2,963,068	\$ (316,137)	\$ 421,851	\$ 3,957,818
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	6,294,311	-	1,592,993	27,419
(Increase) decrease in accounts receivable	90,034	(28,174)	(101,997)	1,052,257
(Increase) decrease in prepaid expense	(1,976)	(539,470)	(324,727)	3,891
(Increase) decrease in inventories	(89,709)	-	-	-
Increase (decrease) in accounts payable	(479,739)	232,278	(1,015,653)	(45,881)
Increase (decrease) in accrued liabilities	12,917	14,728	35,366	7,950
Increase (decrease) in unearned revenues	-	-	-	-
Increase (decrease) in deposits payable	-	1,002,452	-	-
Increase (decrease) in claims and judgements	-	591,357	-	-
Increase (decrease) in compensated absences	(3,610)	(8,796)	36,380	(4,029)
Increase (decrease) in net pension liability	(2,739,758)	(426,975)	(3,819,057)	-
Increase (decrease) in deferred pension related items	2,338,257	364,403	3,259,389	-
Increase (decrease) in OPEB liability	(1,817,423)	(283,234)	(2,533,376)	-
Increase (decrease) in deferred OPEB related items	468,784	73,057	653,455	-
Net cash provided by (used in) operating activities	\$ 7,035,156	\$ 675,489	\$ (1,795,376)	\$ 4,999,425

Other Post Employment Benefits	Pension Benefits Fund	Totals
\$ 5,934,366	\$ 30,441,312	\$ 96,182,743
-	(52,572)	(14,004,702)
<u>(11,637,246)</u>	<u>(518,842)</u>	<u>(47,096,329)</u>
(5,702,880)	29,869,898	35,081,712
5,390,739	30,800,000	47,846,070
-	-	(300,715)
-	(1,494)	(1,494)
-	(33,650,096)	(18,148,208)
-	(9,180,719)	(9,180,719)
-	(4,360,000)	(4,360,000)
-	-	-
<u>5,390,739</u>	<u>(16,392,309)</u>	<u>15,854,934</u>
-	-	(25,449,435)
-	23,813,113	23,813,113
-	-	(757,961)
-	-	(1,232,392)
-	-	-
<u>-</u>	<u>23,813,113</u>	<u>(3,626,675)</u>
-	-	-
<u>1,867</u>	<u>12,106,334</u>	<u>11,355,160</u>
1,867	12,106,334	11,355,160
(310,274)	49,397,036	58,665,131
<u>451,922</u>	<u>7</u>	<u>83,468,038</u>
<u>\$ 141,648</u>	<u>\$ 49,397,043</u>	<u>\$ 142,133,169</u>
\$ 11,694,955	\$ 32,562,131	\$ 51,283,686
-	-	7,914,723
(568,837)	(2,639,661)	(2,196,378)
368,669	-	(493,613)
-	-	(89,709)
13,530	(52,572)	(1,348,037)
-	-	70,961
-	-	-
-	-	1,002,452
-	-	591,357
-	-	19,945
-	-	(6,985,790)
-	-	5,962,049
(23,193,767)	-	(27,827,800)
<u>5,982,570</u>	<u>-</u>	<u>7,177,866</u>
<u>\$ (5,702,880)</u>	<u>\$ 29,869,898</u>	<u>\$ 35,081,712</u>

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**City of Ontario
Custodial Funds
Year Ended June 30, 2022**

Redevelopment Financing Authority Fund was used to account for amounts related to the redevelopment agency's financing authority. The City made the determination to roll the fund up into the Successor Agency Fund during the current year, and as such, the fund will no longer be separately reported after June 30, 2022.

West End Communications Authority Fund is used to account for the financial activities of the 7 member, now dissolved, JPA Board with the purpose of providing a cooperative voluntary association, to establish, operate and maintain a consolidated 800 MHZ communication system designed to serve public safety agencies throughout the western end of San Bernardino County, California.

Assessment District Bond Redemption Funds are used to account for the financial activities of old Community Facilities Districts, these funds are the older version of modern CFD funds, the City is the fiduciary for any special tax levies used for bond payments, services, and facilities.

Sanitary Collection Treatment Fund is used to account for the collection of wastewater fees, some of which are collected on behalf of Inland Empire Utilities Agency and then passed through as payments to them.

West End Fire Emergency Response Commission Fund is used to account for the financial activities of the five member Commission formed by a JPA for which Ontario is the treasurer. The Commission was established as a hazardous materials response team to carry out the abatement and emergency control of hazardous waste conditions and to stabilize such conditions until they can be turned over to the County Environmental Health Department.

NMC CFD Funds are used to account for newly created Ontario Ranch Areas special tax districts with imposed tax on properties to fund services, public improvements or infrastructure.

OMC CFD Funds are used to account for established Ontario Area with special tax districts with imposed tax on properties to fund services, public improvements or infrastructure.

CFD Fund is used to account for the purpose of financing public improvement services, the services may include streets, water, sewage, electrical, schools, or parks and other public services to newly developed areas.

City of Ontario
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	Redevelopment Financing Authority	West End Communications Authority	Assessment District 106 Bond Redemption	Sanitary Collection Treatment
ASSETS				
Cash and investments	\$ -	\$ 1,373,078	\$ 165,195	\$ 27,510,733
Receivables:				
Accounts	-	-	-	21,839
Taxes	-	-	-	-
Notes and leases	-	-	-	-
Accrued interest	-	5,365	645	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	-	1,378,443	165,840	27,532,572
LIABILITIES				
Accounts payable	-	-	-	-
Due to other governments	-	-	-	10,929,507
Total liabilities	-	-	-	10,929,507
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	-	1,378,443	165,840	16,603,065
Held in trust for private purposes	-	-	-	-
Total Net Position	\$ -	\$ 1,378,443	\$ 165,840	\$ 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
\$ -	\$ -	\$ -	\$ -	\$ 140,666	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	550	-
-	-	-	-	-	-
-	-	-	-	141,216	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	141,216	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 141,216	\$ -

City of Ontario
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	West End Fire and Emergency Response Commission	NMC CFD Developer Deposits	NMC CFD #28	NMC CFD #30
ASSETS				
Cash and investments	\$ 757,383	\$ 721,035	\$ 62,728	\$ (80,035)
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	6,830	9,746
Notes and leases	-	-	-	-
Accrued interest	2,959	-	1,334	1,031
Restricted assets:				
Cash and investments with fiscal agents	-	-	1,293,552	1,855,692
Total assets	<u>764,451</u>	<u>721,035</u>	<u>1,364,444</u>	<u>1,786,434</u>
LIABILITIES				
Accounts payable	19,443	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>19,443</u>	<u>721,035</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	745,008	-	1,364,444	1,786,434
Held in trust for private purposes	-	-	-	-
Total Net Position	<u>\$ 745,008</u>	<u>\$ -</u>	<u>\$ 1,364,444</u>	<u>\$ 1,786,434</u>

NMC CFD #34	NMC CFD #24	NMC CFD #25	NMC CFD #26	NMC CFD #31	NMC CFD #39
\$ 25,128	\$ 41,145	\$ (58,031)	\$ (51,560)	\$ 238,964	\$ 214,701
-	-	-	-	-	-
4,974	8,216	11,632	5,893	-	-
-	-	-	-	-	-
674	1,789	688	923	1,701	1,194
1,036,038	1,934,291	1,237,993	1,663,887	913,000	639,708
1,066,814	1,985,441	1,192,282	1,619,143	1,153,665	855,603
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,066,814	1,985,441	1,192,282	1,619,143	1,153,665	855,603
-	-	-	-	-	-
\$ 1,066,814	\$ 1,985,441	\$ 1,192,282	\$ 1,619,143	\$ 1,153,665	\$ 855,603

City of Ontario
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	OMC CFD #5	OMC CFD #13	NMC CFD #38	CFD #33
ASSETS				
Cash and investments	\$ -	\$ 237,033	\$ 13,944	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	10,236	-
Notes and leases	-	-	-	-
Accrued interest	-	1,340	1,258	-
Restricted assets:				
Cash and investments with fiscal agents	-	743,178	2,146,152	-
Total assets	-	981,551	2,171,590	-
LIABILITIES				
Accounts payable	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	-	981,551	2,171,590	-
Held in trust for private purposes	-	-	-	-
Total Net Position	\$ -	\$ 981,551	\$ 2,171,590	\$ -

NMC CFD #40	NMC CFD #43	NMC CFD #45	NMC CFD #33	NMC CFD #46	NMC CFD #41
\$ 36,580	\$ (8,553)	\$ 417,973	\$ 508,635	\$ (55,433)	\$ 530
-	-	-	-	-	-
2,207	6,366	8,904	3,316	9,513	62,018
-	-	-	-	-	-
1,184	1,468	6,560	1,454	2,555	8,714
<u>1,873,184</u>	<u>2,640,046</u>	<u>8,864,401</u>	<u>1,220,508</u>	<u>4,599,885</u>	<u>15,677,332</u>
<u>1,913,155</u>	<u>2,639,327</u>	<u>9,297,838</u>	<u>1,733,913</u>	<u>4,556,520</u>	<u>15,748,594</u>
106,280	-	-	-	-	-
-	-	-	-	-	-
<u>106,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,806,875	2,639,327	9,297,838	1,733,913	4,556,520	15,748,594
-	-	-	-	-	-
<u>\$ 1,806,875</u>	<u>\$ 2,639,327</u>	<u>\$ 9,297,838</u>	<u>\$ 1,733,913</u>	<u>\$ 4,556,520</u>	<u>\$ 15,748,594</u>

City of Ontario
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	NMC CFD #42	NMC CFD #53	NMC CFD #54	NMC CFD #55
ASSETS				
Cash and investments	\$ 8,567	\$ (68,638)	\$ 8,654	\$ 105,440
Receivables:				
Accounts	-	-	-	-
Taxes	1,706	27,852	6,345	1,940
Notes and leases	-	-	-	-
Accrued interest	222	11,547	3,457	-
Restricted assets:				
Cash and investments with fiscal agents	7,113,859	20,757,874	6,431,195	-
Total assets	<u>7,124,354</u>	<u>20,728,635</u>	<u>6,449,651</u>	<u>107,380</u>
LIABILITIES				
Accounts payable	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	7,124,354	20,728,635	6,449,651	107,380
Held in trust for private purposes	-	-	-	-
Total Net Position	<u>\$ 7,124,354</u>	<u>\$ 20,728,635</u>	<u>\$ 6,449,651</u>	<u>\$ 107,380</u>

NMC CFD #57	Total Custodial Funds
\$ 140,655	\$ 32,406,517
-	21,839
-	187,694
-	-
1	58,613
-	82,641,775
<u>140,656</u>	<u>115,320,547</u>
-	125,723
<u>-</u>	<u>10,929,507</u>
<u>-</u>	<u>11,776,265</u>
140,656	103,544,282
-	-
<u>\$ 140,656</u>	<u>\$ 103,544,282</u>

City of Ontario
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	Redevelopment Financing Authority	West End Communications Authority	Assessment District 106 Bond Redemption	Sanitary Collection Treatment
ADDITIONS:				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest and change in fair value of investments	-	(24,245)	(2,909)	-
Fee collections for other governments	-	-	-	-
Bond proceeds and premiums	-	-	-	-
Total additions	-	(24,245)	(2,909)	-
DEDUCTIONS:				
Administrative expenses	-	6,442	-	-
Payments on conduit bonds - principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Contributions to other governments	-	-	-	-
Total deductions	-	6,442	-	-
Change in net position	-	(30,687)	(2,909)	-
NET POSITION:				
Beginning of year	54,018,572	1,409,130	168,749	16,603,065
Restatements	(54,018,572)	-	-	-
Beginning of year, as restated	-	1,409,130	168,749	16,603,065
End of year	<u>\$ -</u>	<u>\$ 1,378,443</u>	<u>\$ 165,840</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	(2,473)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(2,473)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(2,473)	-
-	-	-	-	143,689	-
-	-	-	-	-	-
-	-	-	-	143,689	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,216</u>	<u>\$ -</u>

City of Ontario
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	West End Fire and Emergency Response Commission	NMC CFD Developer Deposits	NMC CFD #28	NMC CFD #30
ADDITIONS:				
Taxes	\$ -	\$ -	\$ 627,766	\$ 965,362
Interest and change in fair value of investments	(12,857)	-	(227)	1,317
Fee collections for other governments	124,741	-	414	88
Bond proceeds and premiums	-	-	-	-
Total additions	111,884	-	627,953	966,767
DEDUCTIONS:				
Administrative expenses	68,184	-	67,500	92,552
Payments on conduit bonds - principal	-	-	180,000	280,000
Interest and fiscal charges	-	-	377,394	511,619
Contributions to other governments	-	-	406	48
Total deductions	68,184	-	625,300	884,219
Change in net position	43,700	-	2,653	82,548
NET POSITION:				
Beginning of year	701,308	-	1,360,406	1,696,019
Restatements	-	-	1,385	7,867
Beginning of year, as restated	701,308	-	1,361,791	1,703,886
End of year	<u>\$ 745,008</u>	<u>\$ -</u>	<u>\$ 1,364,444</u>	<u>\$ 1,786,434</u>

NMC CFD #34		NMC CFD #24		NMC CFD #25		NMC CFD #26		NMC CFD #31		NMC CFD #39	
\$	540,957	\$	1,099,572	\$	691,202	\$	697,899	\$	360,102	\$	402,895
	129		1,442		1,068		1,467		(3,097)		(5,367)
	73		789,609		47,627		314,862		5,855		33
	-		-		-		-		-		-
	541,159		1,890,623		739,897		1,014,228		362,860		397,561
	51,423		15,220		107,650		1,655,095		38,934		40,146
	160,000		335,000		145,000		150,000		105,000		100,000
	291,756		652,169		376,575		384,550		202,843		191,200
	27		789,594		31		221,093		5,414		18
	503,206		1,791,983		629,256		2,410,738		352,191		331,364
	37,953		98,640		110,641		(1,396,510)		10,669		66,197
	1,015,797		1,886,769		1,059,586		1,221,893		995,519		784,948
	13,064		32		22,055		1,793,760		147,477		4,458
	1,028,861		1,886,801		1,081,641		3,015,653		1,142,996		789,406
\$	1,066,814	\$	1,985,441	\$	1,192,282	\$	1,619,143	\$	1,153,665	\$	855,603

City of Ontario
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	OMC CFD #5	OMC CFD #13	NMC CFD #38	CFD #33
ADDITIONS:				
Taxes	\$ -	\$ 308,437	\$ 807,946	\$ -
Interest and change in fair value of investments	-	(3,738)	1,116	-
Fee collections for other governments	-	6	103	-
Bond proceeds and premiums	-	-	-	-
Total additions	-	304,705	809,165	-
DEDUCTIONS:				
Administrative expenses	-	34,876	126,040	-
Payments on conduit bonds - principal	-	3,610,000	180,000	-
Interest and fiscal charges	-	201,353	460,369	-
Contributions to other governments	-	3	39	-
Total deductions	-	3,846,232	766,448	-
Change in net position	-	(3,541,527)	42,717	-
NET POSITION:				
Beginning of year	-	4,523,077	1,431,026	-
Restatements	-	1	697,847	-
Beginning of year, as restated	-	4,523,078	2,128,873	-
End of year	\$ -	\$ 981,551	\$ 2,171,590	\$ -

NMC CFD #40	NMC CFD #43	NMC CFD #45	NMC CFD #33	NMC CFD #46	NMC CFD #41
\$ 495,628	\$ 1,062,970	\$ 645,219	\$ 502,951	\$ 539,614	\$ 606,082
(1,094)	(1,539)	(1,916)	(3,275)	4,369	12,685
6,213	5,138	72	60	157,864	14,334,955
-	-	-	-	-	15,275,783
500,747	1,066,569	643,375	499,736	701,847	30,229,505
2,916,730	4,633,678	686,864	5,377,361	3,950,479	60,601
95,000	200,000	140,000	100,000	-	-
293,396	709,044	395,336	308,135	227,790	408,330
6,174	5,038	30	22	157,864	14,334,955
3,311,300	5,547,760	1,222,230	5,785,518	4,336,133	14,803,886
(2,810,553)	(4,481,191)	(578,855)	(5,285,782)	(3,634,286)	15,425,619
677,298	1,495,801	871,384	821,197	422,922	-
3,940,130	5,624,717	9,005,309	6,198,498	7,767,884	322,975
4,617,428	7,120,518	9,876,693	7,019,695	8,190,806	322,975
\$ 1,806,875	\$ 2,639,327	\$ 9,297,838	\$ 1,733,913	\$ 4,556,520	\$ 15,748,594

City of Ontario
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	NMC CFD #42	NMC CFD #53	NMC CFD #54	NMC CFD #55
ADDITIONS:				
Taxes	\$ 327,189	\$ 1,041,597	\$ 283,061	\$ 119,611
Interest and change in fair value of investments	(5)	18,309	4,465	-
Fee collections for other governments	6,436,129	22,883,960	116,690	-
Bond proceeds and premiums	7,138,628	24,627,006	6,218,830	-
Total additions	13,901,941	48,570,872	6,623,046	119,611
DEDUCTIONS:				
Administrative expenses	26,976	4,176,906	26,039	12,231
Payments on conduit bonds - principal	-	-	-	-
Interest and fiscal charges	320,848	915,035	81,913	-
Contributions to other governments	6,436,129	22,883,960	116,690	-
Total deductions	6,783,953	27,975,901	224,642	12,231
Change in net position	7,117,988	20,594,971	6,398,404	107,380
NET POSITION:				
Beginning of year	-	-	-	-
Restatements	6,366	133,664	51,247	-
Beginning of year, as restated	6,366	133,664	51,247	-
End of year	\$ 7,124,354	\$ 20,728,635	\$ 6,449,651	\$ 107,380

NMC CFD #57	Total Custodial Funds
\$ 156,059	\$ 12,282,119
-	(16,375)
-	45,224,492
-	53,260,247
<u>156,059</u>	<u>110,750,483</u>
15,403	24,187,330
-	5,780,000
-	7,309,655
-	44,957,535
<u>15,403</u>	<u>82,234,520</u>
140,656	28,515,963
-	93,308,155
-	(18,279,836)
-	75,028,319
<u>\$ 140,656</u>	<u>\$ 103,544,282</u>

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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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 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	\$ 1,106,500,917
Restricted	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	234,997,596
Unrestricted	128,154,505	137,590,247	(66,639,420)	(1,666,599)	179,846,318	16,250,642	95,440,937	59,045,553	42,386,017	170,115,808
Total governmental activities net position	<u>\$ 1,175,068,576</u>	<u>\$ 1,204,568,972</u>	<u>\$ 1,012,325,404</u>	<u>\$ 1,063,068,002</u>	<u>\$ 1,288,966,291</u>	<u>\$ 1,139,830,481</u>	<u>\$ 1,261,827,709</u>	<u>\$ 1,272,509,266</u>	<u>\$ 1,377,567,399</u>	<u>\$ 1,511,614,321</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 143,491,186
Restricted	4,270,391	10,578,881	5,289,769	1,528,395	369	373	378	3,140,719	3,171,019	371,996
Unrestricted	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	333,795,739
Total business-type activities net position	<u>\$ 397,118,743</u>	<u>\$ 427,222,924</u>	<u>\$ 417,560,633</u>	<u>\$ 437,201,718</u>	<u>\$ 472,706,248</u>	<u>\$ 507,718,850</u>	<u>\$ 482,787,059</u>	<u>\$ 486,544,383</u>	<u>\$ 479,321,195</u>	<u>\$ 477,658,921</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 1,249,992,103
Restricted	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	235,369,592
Unrestricted	368,509,159	410,659,411	204,757,905	297,669,772	508,891,400	362,177,376	393,665,053	360,362,499	354,546,546	503,911,547
Total primary government net position	<u>\$ 1,572,187,319</u>	<u>\$ 1,631,791,896</u>	<u>\$ 1,429,886,037</u>	<u>\$ 1,500,269,720</u>	<u>\$ 1,761,672,539</u>	<u>\$ 1,647,549,331</u>	<u>\$ 1,744,614,768</u>	<u>\$ 1,759,053,649</u>	<u>\$ 1,856,888,594</u>	<u>\$ 1,989,273,242</u>

Source: Statement of net position
primary government

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 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	\$ 53,007,368
Public safety	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	171,919,144
Community development	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	97,855,487
Library	3,745,405	4,602,190	4,542,196	4,850,620	5,026,299	5,938,560	-	-	-	-
Public works	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	5,178,760
Interest on long-term debt	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	12,602,410
Total governmental activities expenses	\$ 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	\$ 340,563,169
Business-type activities:										
Water	\$ 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	\$ 32,072,665
Sewer	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	26,519,496
Integrated Waste	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	36,928,273
I.T. Fiber	-	-	-	-	993,456	1,770,591	2,027,814	3,943,666	-	-
Total business-type activities expenses	\$ 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	\$ 95,520,434
Total primary government expenses	\$ 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	\$ 436,083,603
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 7,124,318
Public safety	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	24,510,827
Community development	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	109,380,406
Library	124,581	121,043	155,962	131,407	137,689	122,329	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Operating contributions and grants	7,859,746	12,081,691	15,015,783	8,710,100	10,220,710	12,542,758	8,465,032	6,542,904	61,503,453	50,334,363
Capital contributions and grants	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	44,168,230
Total governmental activities program revenues	\$ 51,048,208	\$ 75,559,711	\$ 93,550,393	\$ 87,021,691	\$ 142,898,750	\$ 146,523,453	\$ 181,392,310	\$ 165,070,632	\$ 208,915,582	\$ 235,518,144
Business-type activities:										
Charges for services:										
Water	\$ 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	\$ 73,241,767
Sewer	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	28,308,242
Integrated Waste	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	46,404,294
I.T. Fiber	-	-	-	4,126	38,954	276,033	466,522	747,095	-	-
Operating grants and contributions	100,546	145,881	539,519	174,073	133,279	126,452	119,686	137,783	112,134	2,245,127
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	538,336
Total business-type activities program revenues	\$ 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	\$ 150,737,766
Total primary government program revenues	\$ 162,216,123	\$ 197,358,793	\$ 216,490,423	\$ 212,519,707	\$ 279,545,155	\$ 292,063,859	\$ 308,329,154	\$ 294,207,606	\$ 352,715,137	\$ 386,255,910
Net (Expense)/Revenue										
Governmental activities	\$ (156,479,981)	\$ (138,640,042)	\$ (203,092,011)	\$ (142,655,963)	\$ (125,703,158)	\$ (154,659,336)	\$ (150,722,490)	\$ (169,259,240)	\$ (143,572,826)	\$ (105,045,025)
Business-type activities	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	55,217,332
Total primary government net expense	\$ (101,628,669)	\$ (86,957,177)	\$ (175,918,085)	\$ (100,739,623)	\$ (75,338,129)	\$ (103,838,795)	\$ (142,923,752)	\$ (159,402,062)	\$ (136,492,794)	\$ (49,827,693)

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes - general purpose	\$ 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	\$ 79,329,716
Transient occupancy taxes	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	16,400,754
Sales taxes	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	129,332,341
Franchise taxes	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	3,824,973
Business licenses taxes	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	8,856,928
Other taxes	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	5,997,517
Intergovernmental, unrestricted:										
Motor vehicle in lieu	74,047	-	71,526	68,099	76,099	91,740	85,244	141,091	134,124	210,261
Use of money and property	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	(6,213,473)
Other	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	9,067,222
Gain on sale of capital asset	1,000,000	-	87,267	-	1,953,200	-	-	605,267	862	11,881,432
Special Item Note 15	-	-	-	-	-	-	-	(42,373,148)	-	-
Extraordinary gain on dissolution of RDA	-	-	-	-	-	-	-	-	-	-
Transfers	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	(458,557)
Total governmental activities	\$ 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	\$ 258,229,114
Business-type activities:										
Use of money and property	\$ 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	\$ (1,229,512)
Other	17,237	23,416	105,193	8,455	13,917	24,988	245,676	474,940	-	-
Transfers	(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)	458,557
Total business-type activities	\$ (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)	\$ (770,955)
Total primary government	\$ 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	\$ 257,458,159
Change in Net Position										
Governmental activities	\$ 11,948,917	\$ 29,500,396	\$ (14,336,021)	\$ 56,067,726	\$ 66,025,967	\$ 51,278,925	\$ 76,068,373	\$ 11,336,748	\$ 99,709,691	\$ 153,184,089
Business-type activities	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)	54,446,377
Total primary government	\$ 41,599,650	\$ 60,885,344	\$ (8,383,879)	\$ 75,708,811	\$ 101,530,497	\$ 85,863,272	\$ 87,338,952	\$ 15,542,230	\$ 88,142,311	\$ 207,630,466

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 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	\$ 243,176,826
Special assessment taxes	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	11,775,704
Licenses and permits	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	10,772,502
Intergovernmental	27,864,489	39,695,371	44,390,225	37,492,730	35,412,862	24,359,686	21,912,280	17,814,256	51,794,726	55,860,245
Charges for services	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	130,243,516
Use of money and property	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	(5,491,350)
Fines and forfeitures	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	1,060,576
Contributions from property owners	-	-	-	-	24,682,518	25,349,912	34,658,232	15,503,662	38,408,435	-
Miscellaneous	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	14,193,697
Contributions	-	-	-	-	-	-	928,875	-	-	-
Total Revenues	\$ 191,127,371	\$ 214,316,620	\$ 255,996,407	\$ 270,233,821	\$ 299,613,706	\$ 329,187,019	\$ 388,343,619	\$ 374,314,254	\$ 413,265,388	\$ 461,591,716
Expenditures										
Current:										
General government	\$ 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	\$ 48,223,193
Public safety	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	199,451,930
Community development	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	106,265,455
Library	4,077,037	4,196,204	4,368,241	4,568,202	4,654,465	4,768,627	-	-	-	-
Public works	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	18,005,014
Debt service:										
Principal retirement	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	39,764,720
Interest and fiscal charges	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	1,445,519
Bond issuance costs	-	965,190	-	-	-	526,390	-	-	-	-
Pass-through agreement payments	-	-	-	-	-	4,770,057	-	-	-	-
Total Expenditures	\$ 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	\$ 413,155,831
Excess (deficiency) of revenues over (under) expenditures	\$ (16,965,203)	\$ (964,772)	\$ (56,017,841)	\$ (19,487,623)	\$ 11,272,574	\$ 41,425,441	\$ 65,031,984	\$ 3,878,459	\$ 42,593,399	\$ 48,435,885

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses)										
Transfers in	\$ 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	\$ 17,634,274
Transfers out	(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)	(65,638,186)
Long-term debt issued	-	33,390,000	-	-	-	26,810,000	-	23,780,842	-	154,557,765
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)	\$ 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)	\$ 106,553,853
Special Item	-	-	-	-	-	-	-	(42,373,148)	-	-
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 9,182,816	\$ 49,389,098	\$ (30,638,680)	\$ 6,816,576	\$ 17,785,544	\$ 51,652,880	\$ 63,458,202	\$ 8,947,075	\$ 34,134,300	\$ 154,989,738
Total Current Expenditures	\$ 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	\$ 413,155,831
Less: Capital outlay	(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)	(44,644,973)
Total Non-Capital Expenditures	\$ 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	\$ 368,510,858
Total Debt Service Expenditures	\$ 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	\$ 41,210,239
Debt service as a percentage of non-capital expenditures	1.7%	1.7%	1.2%	1.5%	1.3%	1.5%	1.0%	1.3%	2.8%	11.2%

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 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	57,981,078
Restricted	408,576	412,411	415,723	419,644	424,497	430,484	438,872	417,464	361,579	361,579
Committed	42,685,082	43,817,117	42,436,574	23,195,527	28,877,191	21,066,012	415,884	595,469	-	-
Assigned	64,892,830	77,628,587	56,798,002	80,398,228	52,081,697	47,410,303	84,063,218	99,862,976	135,143,086	55,639,545
Unassigned	-	-	-	-	-	-	-	2,622,364	-	-
Total General Fund	\$ 111,855,645	\$ 126,770,083	\$ 103,435,453	\$ 124,016,201	\$ 115,277,226	\$ 115,225,241	\$ 131,390,776	\$ 107,550,370	\$ 139,505,854	\$ 113,982,202
All Other Governmental Funds										
Nonspendable	\$ 107,297,677	\$ 108,638,002	\$ 108,436,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,759	\$ -
Restricted	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	233,394,043
Committed	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	290,920,407
Assigned	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	(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	\$ 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	\$ 524,314,450
Grand Total Governmental Funds	\$ 328,980,457	\$ 378,369,555	\$ 347,730,875	\$ 354,831,055	\$ 372,616,599	\$ 407,444,863	\$ 470,700,303	\$ 479,610,113	\$ 529,444,695	\$ 638,296,652

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			Total Direct Tax Rate ^(a)
	Secured	Unsecured	Less: Exemptions		Secured	Unsecured	Taxable Assessed Value	
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	1.0035
2022	21,666,906	3,257,643	(112,096)	24,812,452	6,723,763	781,204	7,504,967	1.0035

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
Basic Levy	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Chaffey Community College Bond	0.0111	0.0157	0.0109	0.0113	0.0116	0.0088	0.0153	0.0241	0.0111	0.0177
Chaffey High School Bond	0.0101	0.0371	0.0294	0.0409	0.0319	0.0279	0.0402	0.0375	0.0352	0.0371
Chino Unified School Bond	0.0357	0.0358	0.0331	0.0331	0.0383	0.0934	0.0849	0.0790	0.0897	0.0862
Metropolitan Water Agency	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Mt. View Elementary	0.0328	0.0351	0.0336	0.0314	0.0255	0.0263	0.0206	0.0180	0.0183	0.0615
Ontario-Montclair Elementary Bond	0.0274	0.0294	0.0260	0.0268	0.0264	0.0557	0.0555	0.0428	0.0458	0.0455
Total Direct & Overlapping Tax Rates	1.1206	1.1566	1.1365	1.1470	1.1372	1.2156	1.2200	1.2049	1.2036	1.2515
City's Share of 1% Levy Per Prop 13	0.1681	0.1681	0.1681	0.1681	0.1681	0.1681	0.1681	0.1681	0.1681	0.1681
Total Direct Rate	0.3840	0.1705	0.1706	0.1706	0.1706	0.1706	0.1708	0.1709	0.1703	0.1708

Source: The HDL Companies (San Bernardino County Assessor 2012/13 - 2021-22 tax rate table)

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

Taxpayer	2022		2013	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
United Parcel Service Company	709,439,327	2.19%	367,419,177	1.98%
Prologis	690,196,633	2.13%	196,075,546	1.06%
Ontario Mills LP	421,371,045	1.30%	253,294,667	1.37%
Watson Land Company	365,371,221	1.13%		
Costco Wholesale Corporation	326,162,037	1.01%		
Vineyard Industrial LLC	296,324,795	0.92%		
Palmer Ontario Properties LP	240,101,984	0.74%		
Bre Jupiter WCA LLC	215,206,680	0.67%		
Colony Commerce Ontario West LP	203,437,590	0.63%		
Ontario Land Ventures	200,968,925	0.62%		
Catellus Finance 1 LLC			217,639,189	1.17%
Majestic-CCC IV Partners			124,049,070	0.67%
SVF Safari LLC			113,563,778	0.61%
Niagara Bottling LLC			108,035,401	0.58%
Comref So California Industrial			94,644,660	0.51%
Southwest Airlines Company Inc			92,794,870	0.50%
Landmark Pr I Ontario LLC			89,815,303	0.48%
Total Top 10 Taxpayers	3,668,580,237	11.34%	1,657,331,661	8.94%
Total Taxable Value	32,357,655,207	100.00%	18,536,210,794	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
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	39,415,629	99.22%	341,296	39,756,925	100.08%
2022	43,670,142	43,614,885	99.87%	496,967	44,111,852	101.01%

Schedule presents **City's property tax only.**

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Apparel Stores	\$ 446,381	\$ 478,292	\$ 506,104	\$ 562,564	\$ 602,679	\$ 626,122	\$ 635,194	\$ 390,225	\$ 622,351
General Merchandise	191,762	208,902	214,164	221,327	220,619	235,038	224,960	221,697	277,662
Food Stores	58,711	57,522	59,020	59,541	60,947	62,372	62,246	70,451	74,885
Eating and Drinking Places	312,764	337,848	364,330	387,981	414,198	445,640	469,215	366,872	486,401
Building Materials	372,428	431,208	439,564	433,389	472,341	500,052	507,223	514,306	555,770
Auto Dealers and Supplies	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	612,272	630,762	512,482	476,927	533,997	646,417	633,924	417,895	651,993
Other Retail Stores	613,435	637,249	680,245	707,379	665,723	516,980	530,573	459,994	619,767
All Other Outlets	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	\$ 6,873,215	\$ 7,375,207	\$ 7,972,275	\$ 8,898,262	\$ 8,661,391	\$ 8,995,941	\$ 9,357,948	\$ 9,222,628	\$ 11,124,832

*Information for 2022 was not yet available. As such, the above schedule presents information for the most recent available past 10 years.

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
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%
2022	-	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.

The 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	Term Loan	Certificates of Participation	Total Business-type Activities			
2013	\$ 40,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,425	\$ 44,425	\$ 84,842	3.66%	\$ 508
2014	72,067	-	-	-	-	-	74,808	74,808	146,875	4.82%	877
2015	70,647	-	-	-	-	-	73,488	73,488	144,136	4.65%	852
2016	69,158	-	-	-	-	-	72,119	72,119	141,277	4.38%	832
2017	67,593	-	-	149	-	-	67,742	70,700	138,442	4.38%	794
2018	63,153	-	-	137	-	-	63,290	69,225	132,515	3.85%	754
2019	62,881	-	-	127	-	-	63,008	67,696	130,704	3.76%	722
2020	298,558 ^c	-	-	23,907	-	-	322,466	67,596	390,062	10.19%	2,108
2021	293,943	-	-	52,754	-	-	346,697	66,012	412,708	10.03%	2,231
2022	393,158 ^d	-	-	64,841 ^e	-	-	457,999	67,550 ^b	525,549	11.51%	2,953

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

- a See Schedule 17 for personal and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b The City issued revenue bonds in the amount of \$67.550 million to refund all of the outstanding Ontario Public Financing Authority 2013 Water Revenue Bonds.
- c 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.
- d The Ontario Public Financing Authority issued lease revenue bonds in the amount of \$35.045 million to provide funds to fully refund the 2013 Lease Revenue Bonds and issued lease revenue bonds in the amount of \$90.830 million to finance the acquisition and construction of capital projects.
- e 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 \$158,566; the city entered into a loan agreement with CBB to provide funding of financing fiber optic broadband network in the amount of \$18,250,000, 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, 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, and 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.

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 ^c	
	General Obligation Bonds	Redevelopment Bonds		Total	Assessed Value ^a of Property	Per Capita ^b
		Tax Allocation Bonds	Revenue Bonds			
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	239,573	-	-	239,573	0.87%	1,294.92
2021	293,943	-	-	293,943	0.99%	1,588.80
2022	393,158	-	-	393,158	1.22%	2,209.21

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 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.
- d The Ontraio Public Financing Authority issued lease revenue bonds in the amount of \$90.830 million to finance the acquisition and construction of capital projects.

Schedule 14 - Direct and Overlapping Governmental Activities Debt

City Assessed Valuation	32,317,419,137		
Redevelopment Agency Incremental Valuation	7,504,967,166		*Does not include deduction of the homeowner's exception of \$111,223
Total Assessed Valuation	\$ 39,822,386,303 *		

	Outstanding Debt 6/30/2022	Percentage Applicable ^a	Est. Share of Overlapping Debt 6/30/2022
Overlapping Debt Repaid with Property Taxes:			
Metropolitan Water District	\$ 20,175,000	0.953%	\$ 192,268
Chaffey Community College District	302,930,000	23.839%	72,215,483
Chino Valley Unified School District	682,369,867	6.624%	45,200,180
Chaffey Union High School District	513,636,737	42.192%	216,713,612
Ontario-Montclair School District	105,895,015	69.532%	73,630,922
Mountain View School District School Facilities Improvement District No. 1	8,494,676	99.466%	8,449,314
Mountain View School District School Facilities Improvement District No. 2	18,985,000	98.655%	18,729,652
Mountain View School District CFD No. 1997-1	434,000	100.000%	434,000
Ontario Community Facilities District No. 13	3,205,000	100.000%	3,205,000
Ontario Community Facilities District No. 24	14,600,000	100.000%	14,600,000
Ontario Community Facilities District No. 25	8,220,000	100.000%	8,220,000
Ontario Community Facilities District No. 26	8,520,000	100.000%	8,520,000
Ontario Community Facilities District No. 28	8,320,000	100.000%	8,320,000
Ontario Community Facilities District No. 30	13,185,000	100.000%	13,185,000
Ontario Community Facilities District No. 31	4,680,000	100.000%	4,680,000
Ontario Community Facilities District No. 33	5,890,000	100.000%	5,890,000
Ontario Community Facilities District No. 34	7,455,000	100.000%	7,455,000
Ontario Community Facilities District No. 38	10,090,000	100.000%	10,090,000
Ontario Community Facilities District No. 39	4,915,000	100.000%	4,915,000
Ontario Community Facilities District No. 40	6,245,000	100.000%	6,245,000
Ontario Community Facilities District No. 41	13,845,000	100.000%	13,845,000
Ontario Community Facilities District No. 42	7,085,000	100.000%	7,085,000
Ontario Community Facilities District No. 43	15,595,000	100.000%	15,595,000
Ontario Community Facilities District No. 45	8,860,000	100.000%	8,860,000
Ontario Community Facilities District No. 46	7,130,000	100.000%	7,130,000
Ontario Community Facilities District No. 53	21,455,000	100.000%	21,455,000
Ontario Community Facilities District No. 54	6,135,000	100.000%	6,135,000
Total overlapping debt repaid with property taxes	1,828,350,295		610,995,431
Overlapping General Fund Debt:			
San Bernardino County General Fund Obligations	188,035,000	12.139%	22,825,569
San Bernardino County Pension Obligation Bonds	119,835,000	12.139%	14,546,771
San Bernardino County Flood Control District GF Obligation	44,780,000	12.139%	5,435,844
Chaffey Community College District Certificates of Participation	27,675,000	23.839%	6,597,443
Cucamonga School District Certificate of Participation	3,426,000	52.684%	1,804,954
City of Ontario General Fund Obligations	150,895,000	100.000%	150,895,000
City of Ontario Pension Obligation Bonds	228,855,000	100.000%	228,855,000
City of Ontario General Fund Obligations-Unamortized			
Bond Premium and Discount	13,408,167		13,408,167
Loans Payable	64,840,743		64,840,743
West Valley Vector Control District Certificate of Participation	1,866,938	32.945%	615,063
Total overlapping general fund debt	843,616,848		509,824,553
Overlapping Tax Increment Debt (Successor Agency):	\$ 23,872,900	100.00%	23,872,900
Total overlapping debt			686,693,974
City direct debt			457,998,910
Total direct and overlapping debt			\$ 1,144,692,884

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 8 in notes to Basic Financial Statements.
- City Loans Payable can be obtained from Note 8 in notes to financial statements.

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed valuation ^a	\$ 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	\$ 24,812,452
Conversion percentage ^b	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 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	\$ 6,203,113
Debt limit percentage ^c	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	\$ 515,294	\$ 529,281	\$ 557,175	\$ 586,117	\$ 608,116	\$ 650,990	\$ 723,071	\$ 786,818	\$ 846,212	\$ 930,467
Total net debt applicable to limit:										
General obligation bonds	39,995	72,035	70,625	69,145	67,590	60,200	60,035	295,570	291,080	379,750
Legal debt margin	<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>\$ 491,248</u>	<u>\$ 555,132</u>	<u>\$ 550,717</u>
Total debt applicable to the limit as a percentage of debt limit	7.76%	13.61%	12.68%	11.80%	11.11%	9.25%	8.30%	37.57%	34.40%	40.81%

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 of Ontario
Pledged Revenue
Coverage
(Dollars in thousands)**

Fiscal Year Ended June 30	Pledged-Revenue Coverage (Dollars In Thousands) Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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	1,485	3,282	2.32
2022	72,949	46,774	26,176	1,545	3,213	5.50

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.

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)
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%
2022	177,963	4,392,483	24,682	6.8%

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%

**Information for 2022 was not yet available. As such, the above schedule presents information for the most recent available year and 9 years prior.*

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

Source: EDD
City of Ontario Business License Dept

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

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%

**Information for 2022 was not yet available. As such, the above schedule presents information for the most recent available year and 9 years prior.*

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	103	148	137	147	122	126	144	149	138	141
Public Safety	492	495	499	506	596	600	624	640	640	603
Community Development	118	145	157	156	183	131	133	195	127	110
Public Works	331	285	289	289	296	355	376	329	417	406
Total	1,044	1,073	1,082	1,098	1,197	1,212	1,277	1,313	1,322	1,260

Source: City of Ontario, FY 2021-22 Adopted Budget, p.63, 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Building permits issued	3,550	3,724	3,987	4,353	4,231	5,130	4,652	4,568	5,827	7,499
Police										
Physical arrests	8,959	8,546	8,280	8,916	10,433	10,024	7,955	6,415	5,142	4,258
Citations	13,161	9,377	8,469	7,957	6,733	7,058	9,415	5,340	4,078	4,989
Fire										
Emergency response	15,783	16,736	16,794	18,326	19,418	20,223	20,258	20,623	22,211	22,634
Fire inspections	4,227	4,168	4,650	6,986	3,269	2,843	2,938	3,200	7,146	
Public works										
Street resurfacing (miles)	16.10	18.50	15.20	11.26	8.97	11.00	13.50	8.00	5.4	3.6
Parks and recreation										
Number of recreation classes	1,402	1,299	1,265	1,233	1,202	1,106	1,125	806	202	199
Number of facility rentals	4,337	6,118	6,259	5,761	6,754	6,468	5,472	3,181	3,771	2,636
Library										
Total volumes of books borrowed	387,092	393,308	390,740	466,189	433,527	407,395	419,646	312,583	147,781	278,069
Total volumes of audio/visual items borrowed	129,435	133,041	121,908	127,989	120,066	100,901	100,333	65,548	21,577	16,630
Water										
Number of recycled water connections	221	220	244	290	333	339	417	426	442	497
Number of potable connections	33,304	33,134	33,504	34,000	34,468	35,308	36,831	30,912	37,631	41,567
Average daily potable consumption (MGD)	32	34	29	30	26	30	27	26	28	26.94
Solid waste										
Refuse collected (tons per day)	545	564	592	598	655	683	678	739	799	793
Recyclables collected (tons per day)	49	49	48	50	54	55	61	75	98	97
Recyclables recovered (tons per day)	33	38	38	39	37	40	41	49	59	58
Organic-Food Waste Collection Avg Tons/Day										2
Green Waste Collection Avg Tons/Day										93

Source: City of Ontario, various departments

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Police stations	2	2	2	2	2	2	2	2	2	2
Fire										
Fire stations	8	8	8	8	8	9	9	9	10	10
Public works										
Streets (miles) ^a	552	552	543	503	503	486	508	499	510	530
Traffic signals	191	191	191	191	207	207	209	217	228	237

^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
SCOTT OCHOA

EXECUTIVE DIRECTOR OF FINANCE
ARMEN HARKALYAN

