



Comprehensive Annual Financial Report

Fiscal Year
Ended June 30, 2020



ON THE COVER

The **Ontario Youth Activities League** (OYAL) hosted a free soccer clinic coached by the Ontario Fury for 150 kids.



Toyota became the new sponsor for the Arena this year.



The annual **Fire Department Open House** was held at Station 3 in October. The event was full of safety demonstrations and family activities.



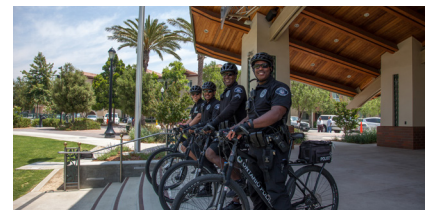
Ontario Mills continues to be the hub of retail activity in the city.



Ontario International Airport continues to thrive with China Airlines completing its 1st year at ONT terminals and international travel booming at the start of 2019.



Ontario Police Department Bike Patrol continues to keep the Civic Center area safe for special events, pedestrians and employees.



Ontario Night Out had 42 registered block parties of residents, all committed to building a healthier and safer community.



The City of Ontario opened its 3rd public **Dog Park** at James R. Bryant Park on April 27, 2019.





City of Ontario, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For Fiscal Year Ending June 30, 2020

**Prepared By:
Fiscal Services Department
Of the Financial Services Agency**



CITY OF ONTARIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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PAUL S. LEON
MAYOR

ALAN D. WAPNER
MAYOR PRO TEM

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

SCOTT OCHOA
CITY MANAGER

SHEILA MAUTZ
CITY CLERK

JAMES R. MILHISER
TREASURER

December 23, 2020

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 Comprehensive Annual Financial Report (CAFR) of the City of Ontario for the fiscal year ended June 30, 2020. This report provides a broad view of the City's financial activities for the 2019-20 Fiscal Year and its financial position as of June 30, 2020. Although addressed to the elected officials and the citizens of the City, this report has a number of other users. Foremost among these other users are bondholders of the City, financial institutions, credit rating agencies, educational institutions, and other governmental entities. In producing a CAFR, 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 CAFR 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 Lance, Soll & Lunghard, LLP, 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, 2020, 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, 2020, 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.

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (MD&A) included in this report on page 3 to obtain the most complete assessment of the City's current financial status and its future prospects.

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 approximately 12,000 businesses, 119,000 jobs and a population of 185,010.

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 1,313 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

Prior to the COVID-19 pandemic, economists were forecasting 2020 to be similar to 2019, where employment reached record highs, international trade increased, and manufacturing output grew. Within the span of a few weeks, many businesses and public gathering spaces were shutdown statewide, consumer spending of non-emergency items plummeted, and unemployment filings shattered old records resulting in an instant global recession. Global economies were brought to a screeching halt as supply chains were

disrupted. Confirmed cases of COVID-19 continues to rise with significant financial impacts on the economies at regional, national, and global levels.

The city of Ontario is taking every precaution to prioritize community health, slow the rate of transmission of COVID-19, and assist community members who are at risk of serious illness. The effects of the COVID-19 Recession are inevitably forcing the City to change the way it conducts business to ensure its future financial stability. Included as part of the General Fund balancing strategies is the reduction of the General Fund Reserve from 18 percent to 15 percent, re-prioritizing community programs and capital projects, and staggering agency proposed reductions. In addition, the Retirement/Separation Incentive Program consisting of a six-month lump sum payment of salary and medical benefits was approved by City Council on June 2, 2020. The Retirement Incentive portion of the program also includes offering two years of additional service credit for designated classifications, departmental or organizational units. The present value cost of both programs is estimated at \$28.3 million or, if amortized over five years, \$6.4 million per year.

Other major challenges are the City's revenues will soon be outpaced in the forthcoming fiscal years by increasing pension expenses, rising medical benefit costs, and the overall cost of labor. The City joined California Employers' Retiree Benefit Trust (CERBT) to pre-fund its Other Post Employment Benefit (OPEB) liability. Section 115 Trust was established in Fiscal Year 2019-20 with the initial deposit of \$140 million and an annual contribution of \$5 million (increased each year by the CPI index) from the OPEB Internal Service Fund.

The 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 reduced from 7.5 percent to 7.0 percent, 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. CalPERS' proposed rates will increase by nearly 45 percent by Fiscal Year 2024-25 and more than 80 percent by Fiscal Year 2029-30.

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 ahead are the overall increase in labor costs and rising cost of medical benefits. 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/Safety have not increased to levels that ensure the sustainability of these services.

Federal, State, and local governments are working diligently to limit the spread of COVID-19. Orders intended to contain the virus, has caused temporary closure of businesses and limited access to retail and service industries. Pandemic uncertainties, increased wild fire occurrences, working from home, childcare issues and bankruptcies are expected to result in uneven gains; with each jurisdiction's experience differing according to the scope and character of individual tax bases. While the economy remains relatively unstable with the presidential election in dispute and the risk of the COVID-19 second wave widespread, economic indicators suggest a slow recovery from the COVID-19 pandemic. Overall recovery and improvement in the economy is not expected to begin until Fiscal Year 2021-22. Revenues are expected to come in at a modest pace during the second quarter and will pick up after the start of the 2021 calendar year. However, it will take several years for revenues to recover to pre-COVID-19 levels. It is unlikely to realize structural balance until the crisis is resolved.

Although there are a lot of unknowns about the rate of the nation's recovery, there is no doubt Ontario will recover. Whether recovery is in the near future or in the coming years, there will be challenging times. For the City to successfully manage these significant fiscal issues, while coping with a lean organization as a result of the recent retirement/separation incentive program, it is recommended that the City continue to practice fiscal discipline and establish proactive measures to safely navigate the current and upcoming fiscal challenges. The upside is that whatever is learned – and how it is applied going forward – will aid the City with future flare-ups of COVID-19 as well as other fiscal crises. The City will be sharper, stronger, and more resilient for it.

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:

- \$ 3,343,512 in parks and public facility improvement projects;
- \$ 5,717,223 in street and traffic improvements;
- \$ 11,353,885 in water and sewer projects; and
- \$ 6,500,000 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, and continue programs that promote its standing as the economic leader in the Inland Empire, and a formidable player in California and the nation.

Relevant Financial Policies

Fund Balance Policy

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

Included in the Fund Balance Policy is the 18 Percent Stabilization Plan – the goal of City Council to achieve a minimum of 18 percent of the annual general fund appropriations, as Assigned Fund Balance in the general fund. Based on the current year general fund appropriations, the amount assigned to the 18 percent Stabilization Plan will either increase or decrease accordingly. This assigned balance is intended to be used for specific and defined emergency events, such as an earthquake, to address immediate needs in resources without impacting City services and to minimize the potential for disruption of municipal services to its citizens. However, included as part of the General Fund balancing strategies for Fiscal Year 2020-21 is the reduction of the General Fund Reserve from 18 percent to 15 percent. As of June 30, 2020, the City's General Fund had an assigned fund balance for the stability arrangement of \$51.27 million, which achieves the goal of 15 percent of the General Fund Adopted Budget for Fiscal Year 2020-21.

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

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, 2020, the City of Ontario's cash and investments were \$721,640,657.

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’s Urban Lifestyle Project includes the Ontario Ranch – the 8,200 acre master planned development where new homes and commercial space are artfully woven into unique communities where families can gather at clubhouses, parks and retail centers. The Ontario Ranch will add approximately 47,000 homes and 165,000 new residents to Ontario.

The Ontario Plan

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

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

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

Fiber Optic Master Plan

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

Service to the Community

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

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ontario for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the thirtieth consecutive year that the City has received this prestigious award. In order to be awarded the annual certificate for excellence, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must also satisfy both generally acceptable accounting principles and applicable legal requirements. We believe our current comprehensive annual financial report conforms to the GFOA Certificate of Achievement Program and are submitting it for review and consideration.

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

Sincerely,



Armen Harkalyan
Executive Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Ontario
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF ONTARIO
List of Officials & Executive Staff

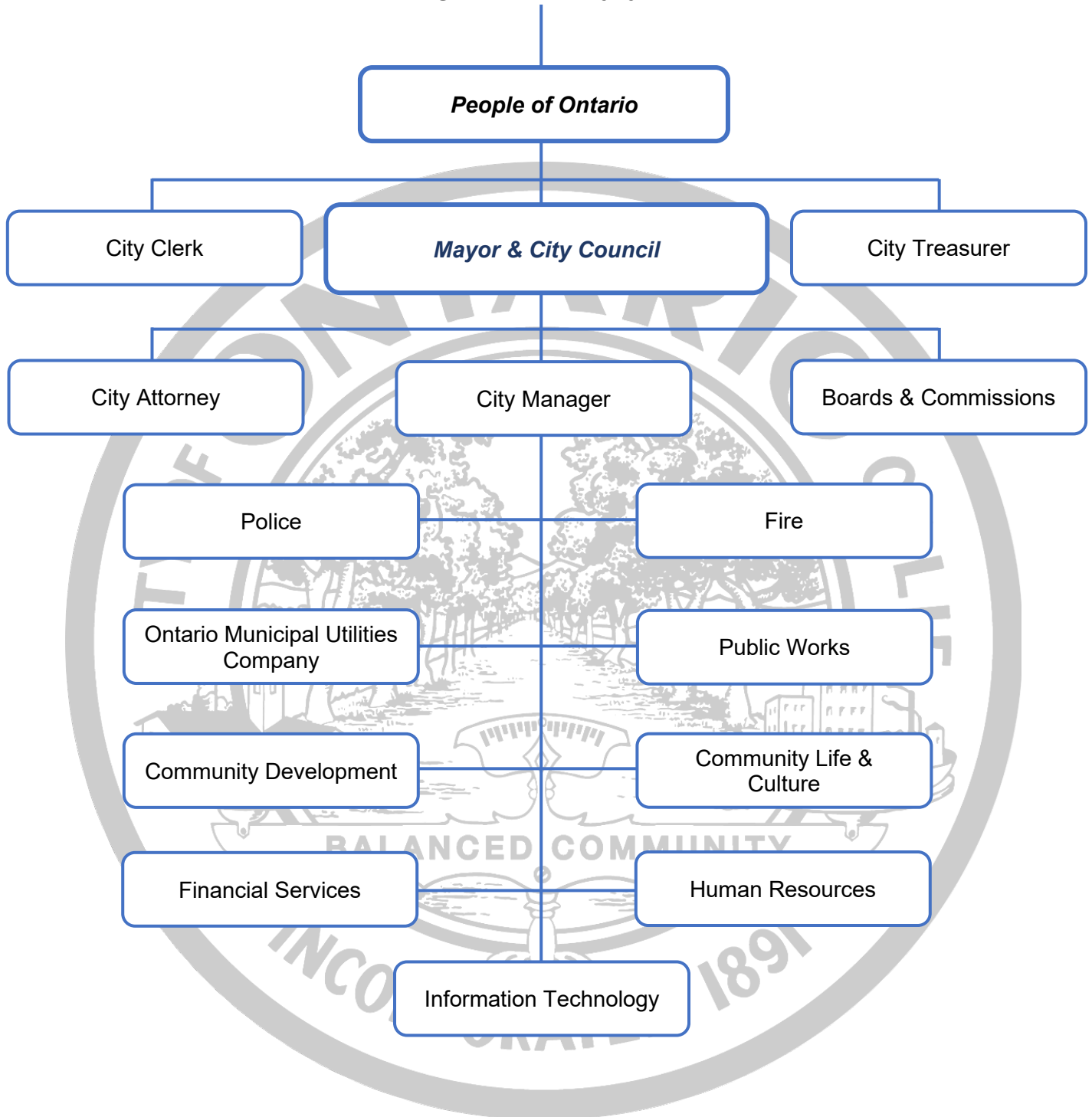
Elected Officials

Paul S. Leon..... Mayor
Alan Wapner..... Mayor Pro Tem
Jim W. Bowman Council Member
Debra Dorst-Porada Council Member
Ruben Valencia Council Member
James R. Milhiser City Treasurer
Sheila Mautz..... City Clerk

Executive Staff

Scott Ochoa..... City Manager/Executive Director of the Housing Authority
Darlene Sanchez..... Assistant City Manager
Ruben Duran City Attorney
Mike Lorenz..... Police Chief
Ray Gayk Fire Chief
Scott Burton..... Utilities General Manager
Tito Haes..... Executive Director Public Works
Scott Murphy Executive Director Community Development
Helen McAlary Executive Director Community Life & Culture
Armen Harkalyan..... Executive Director of Finance
Angela Lopez Executive Director Human Resources
Colin Fernandes Executive Director Information Technology

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







INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ontario, California, (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ontario, California, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund, Measure I, Ontario Housing Authority, the modified approach for the City's infrastructure capital assets, the schedule of changes in net pension liability and related ratios, the schedule of pension plan contributions, the schedule of changes in OPEB liability and related ratios, and the schedule of OPEB contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules and the statistical section 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 schedules are the responsibility of management and were derived from and relate 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 schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

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



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lingham, LLP

Brea, California
December 21, 2020

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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, 2020. This narrative discussion and analysis focuses 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 \$1.76 billion (net position). Of this amount, \$360.36 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, 2020, total net position increased by \$15.53 million before a (\$1.10) million restatement. Total revenues from all sources were \$469.15 million and total expenses for all functions/programs were \$453.62 million.
- Of total revenues, program revenues were \$294.21 million and general revenues were \$174.94 million. Program revenues are broken into three categories: Charges for Services, \$236.78 million; Operating Contributions and Grants, \$6.68 million; and Capital Contributions and Grants, \$50.75 million.

Fund Based

- For the fiscal year ended June 30, 2020, the assigned fund balance of the General Fund was \$99.86 million. The assigned portion of \$51.27 million represents the City Council's goal to achieve a minimum of 18 percent of the annual general fund appropriations (stabilization policy).
- For the General Fund, actual resources (inflows) available for appropriation were \$421.00 million, which was more than the final budget of \$419.47 million by \$1.53 million. Actual charges (outflows) of \$313.45 million were \$17.77 million more than the final budget of \$295.68 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of 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, integrated waste, and broadband/fiber operations 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*. Although legally separate, these component units' function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

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 of 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-one individual governmental funds. These funds report financial transactions using the modified accrual accounting method. Information for five out of the twenty 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 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, 2020. Management has included comparative data from fiscal year ended June 30, 2019 in its analysis.

Net Position (Table 1)
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$ 663.97	\$ 841.93	\$ 336.99	\$ 387.07	\$ 1,000.96	\$ 1,229.00
Capital Assets	<u>1,084.36</u>	<u>1,023.72</u>	<u>248.89</u>	<u>251.40</u>	<u>1,333.25</u>	<u>1,275.12</u>
Total Assets	<u>1,748.33</u>	<u>1,865.65</u>	<u>585.88</u>	<u>638.47</u>	<u>2,334.21</u>	<u>2,504.12</u>
Deferred Charges on Refunding	-	-	0.80	0.85	0.80	0.85
Deferred Pension Related Items	391.32	65.72	36.87	5.46	428.19	71.18
Deferred OPEB Related Items	<u>130.03</u>	<u>5.13</u>	<u>16.54</u>	<u>0.98</u>	<u>146.57</u>	<u>6.11</u>
Total Deferred Outflows of Resources	<u>521.34</u>	<u>70.85</u>	<u>54.21</u>	<u>7.29</u>	<u>575.55</u>	<u>78.14</u>
Long-term Debt Outstanding	800.32	579.72	115.91	136.99	916.23	716.71
Other Liabilities	<u>64.42</u>	<u>51.18</u>	<u>21.11</u>	<u>18.91</u>	<u>85.53</u>	<u>70.09</u>
Total Liabilities	<u>864.74</u>	<u>630.90</u>	<u>137.02</u>	<u>155.90</u>	<u>1,001.76</u>	<u>786.80</u>
Deferred Charges on Refunding	1.00	1.06	-	-	1.00	1.06
Deferred Pension Related Items	7.25	8.94	0.72	0.64	7.98	9.58
Deferred OPEB Related Items	<u>124.17</u>	<u>33.77</u>	<u>15.80</u>	<u>6.43</u>	<u>139.97</u>	<u>40.21</u>
Total Deferred Inflows of Resources	<u>132.43</u>	<u>43.77</u>	<u>16.52</u>	<u>7.07</u>	<u>148.95</u>	<u>50.84</u>
Net Position:						
Net Investment in Capital Asset	997.86	959.78	182.09	184.56	1,179.94	1,144.34
Restricted	215.61	204.45	3.14	-	218.75	204.45
Unrestricted	<u>59.05</u>	<u>97.60</u>	<u>301.32</u>	<u>298.23</u>	<u>360.36</u>	<u>395.83</u>
Total Net Position	<u>\$ 1,272.51</u>	<u>\$ 1,261.83</u>	<u>\$ 486.54</u>	<u>\$ 482.79</u>	<u>\$ 1,759.05</u>	<u>\$ 1,744.62</u>

The City's Government-wide total net position was \$1.76 billion, with assets of \$2.33 billion, deferred outflows of \$575.55 million, liabilities of \$1.00 billion and deferred inflows of \$148.95 million. The net investment in capital assets of \$1.18 billion represents 67.1 percent of the City's total net position. This is an increase of \$35.60 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 \$218.75 million (12.4 percent of the total net position) represents resources that are subject to external restrictions in how they may be used. The remaining balance of \$360.36 million or 20.5 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 \$14.42 million (see Table 2 on the following page).

The overall cost of all governmental and business-type activities this year was \$453.61 million and was an overall net increase of \$2.36 million or less than one percent compared to the prior year.

Total revenue of all governmental and business-type activities was \$469.15 million for this fiscal year; a decrease of \$69.44 million or 12.9 percent. Program revenues were \$294.21 million and general revenues were \$174.94 million. The largest single revenue category was Charges for Services, at \$236.78 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 \$0.71 million or less than one percent. Sales Taxes, which are considered *general revenues*, were the second largest revenue at \$90.29 million. The third largest revenue source was Property Taxes (*general revenue*) at \$67.24 million. Capital Contributions and Grants, another *program revenue* source, at \$50.75 million was the fourth largest revenue category.

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

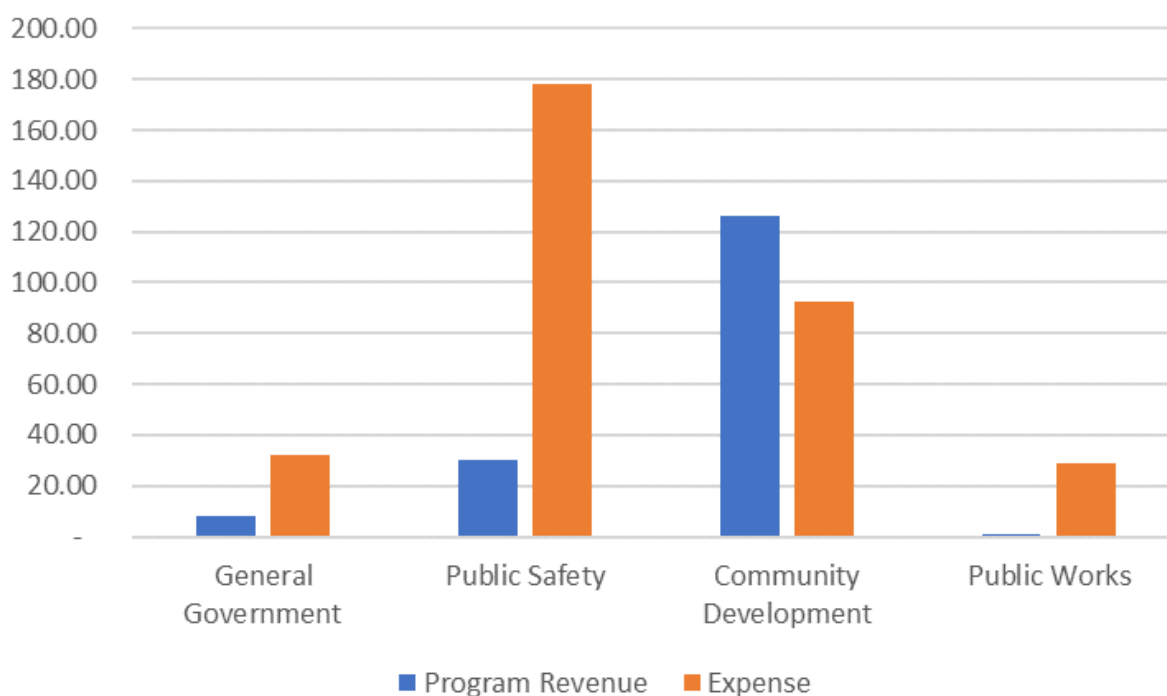
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services	\$ 112.33	\$ 113.71	\$ 124.45	\$ 122.36	\$ 236.78	\$ 236.07
Operating Contributions and Grants	6.54	8.85	0.14	0.12	6.68	8.97
Capital Contributions and Grants	46.20	58.83	4.55	4.46	50.75	63.29
Sub-total Program Revenues	165.07	181.39	129.14	126.94	294.21	308.33
General Revenues:						
Property Taxes	67.24	63.16	-	-	67.24	63.16
Sales Taxes	90.29	94.49	-	-	90.29	94.49
Business Licenses Taxes	7.79	7.79	-	-	7.79	7.79
Franchise Taxes	3.43	3.42	-	-	3.43	3.42
Transient Occupancy Taxes	12.16	14.94	-	-	12.16	14.94
Other Taxes	4.04	4.50	-	-	4.04	4.50
Motor Vehicle In-Lieu	0.14	0.08	-	-	0.14	0.08
Use of Money and Property	18.60	32.11	8.35	7.87	26.95	39.98
Other	4.20	1.65	0.47	0.25	4.67	1.90
Gain on Sale of Other Investments	0.61	-	-	-	0.61	-
Special Item (Note 15)	(42.37)	-	-	-	(42.37)	-
Sub-total General Revenues	166.12	222.14	8.82	8.12	174.94	230.26
Total Revenues	\$ 331.19	\$ 403.53	\$ 137.96	\$ 135.06	\$ 469.15	\$ 538.59
Expenses						
General government	\$ 31.86	\$ 34.59	\$ -	\$ -	\$ 31.86	\$ 34.59
Public safety	177.84	178.04	-	-	177.84	178.04
Community development	92.31	76.42	-	-	92.31	76.42
Public works	28.83	40.40	-	-	28.83	40.40
Interest on long-term debt	3.49	2.66	-	-	3.49	2.66
Water	-	-	57.70	52.90	57.70	52.90
Sewer	-	-	23.26	24.73	23.26	24.73
Integrated Waste	-	-	34.38	39.48	34.38	39.48
I.T. Fiber	-	-	3.94	2.03	3.94	2.03
Total Expenses	\$ 334.33	\$ 332.11	\$ 119.28	\$ 119.14	\$ 453.61	\$ 451.25
Change in Net Position before Transfers	\$ (3.14)	\$ 71.42	\$ 18.68	\$ 15.92	\$ 15.54	\$ 87.34
Transfers	14.47	4.65	(14.47)	(4.65)	-	-
Change in Net Position	\$ 11.34	\$ 76.07	\$ 4.21	\$ 11.27	\$ 15.54	\$ 87.34
Restatement of Net Position	(0.66)	45.93	(0.45)	(36.20)	(1.10)	9.73
Net Position at Beginning of Year	1,261.83	1,139.83	482.79	507.72	1,744.61	1,647.55
Net Position at End of Year	\$ 1,272.51	\$ 1,261.83	\$ 486.54	\$ 482.79	\$ 1,759.05	\$ 1,744.62

Governmental Activities

Under the governmental activities, the City's *net position* at the end of the year increased to \$1.27 billion after a (\$3.14) million net difference between revenue and expense, transfers of \$14.47 million and restatement of (\$0.66) million. The cost of all governmental activities this year was \$334.33 million or 73.7 percent of the government-wide total expenses and was an increase of \$2.22 million or less than one 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 \$31.86 million or 9.5 percent of total Governmental Activities expenses. Of this amount, \$7.83 million was funded by program revenues, while the remaining \$24.03 million was funded by general revenues. General Government expenditures decreased \$2.73 million or 7.9 percent compared to the previous year as a result of reduced administrative expenditures.

Public Safety expenses were \$177.84 million or 53.2 percent of the total Governmental Activities expenses. Of this amount, \$30.04 million was funded by program revenues, while the remaining \$147.8 million was funded by general revenues. Expenses for Public Safety decreased slightly by \$0.20 million or less than one percent.

Expenses in *Community Development* were \$92.31 million or 27.6 percent of the total Governmental Activities expenditures. These expenses increased by \$15.89 million or 20.8 percent due to development activities in the Ontario Ranch planned community. Program revenues relating to the funding of community development activities amounted to \$126.16 million, which were primarily from charges for services of \$78.67 million and capital contributions and grants of \$45.02 million.

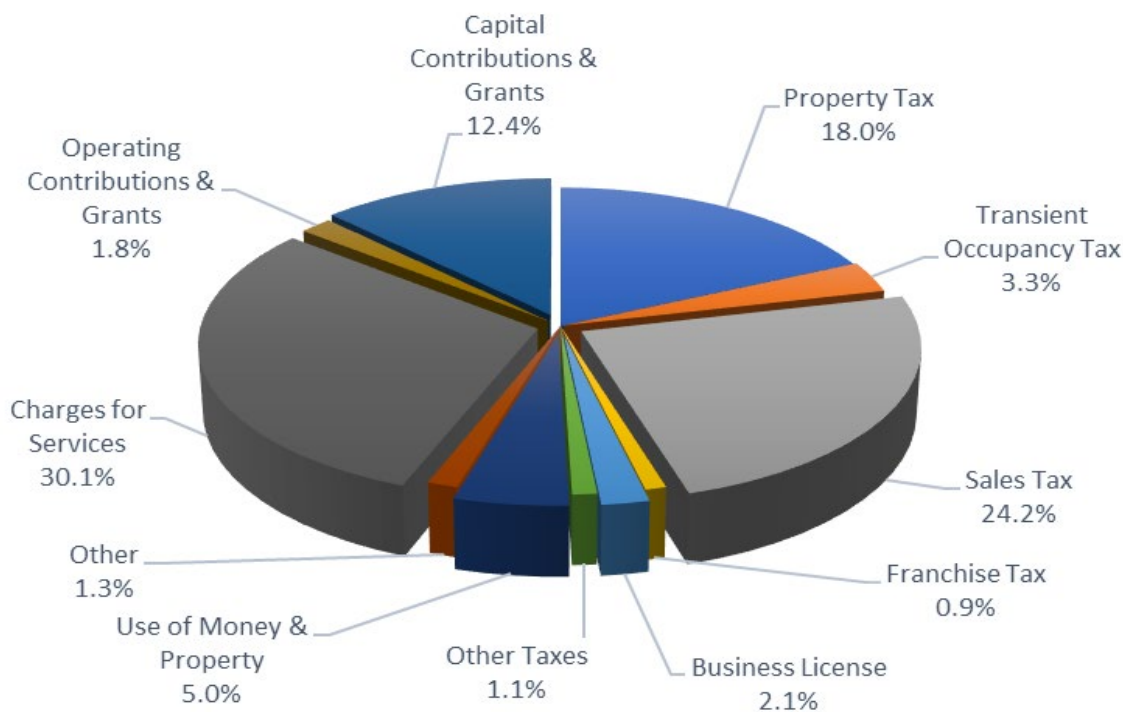
Public Works expenses were \$28.83 million or 8.6 percent of the total Governmental Activities expenditures. Of this amount, \$1.04 million was funded by program revenues, with the remaining \$27.79 million funded by general revenues. Public Works expenses decreased by \$11.57 million or 28.6 percent from the prior year due to the reduction of capital improvement projects completed in the current year.

Interest on long-term debt had expenses of \$3.49 million or one 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 \$331.19 million (before transfers); a decrease of \$72.34 million or 17.9 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 *Capital Contributions and Grants*.

Charges for Services (program revenue) was \$112.33 million or 30.1 percent of total governmental activities revenue. Compared to the prior year, charges for services revenue slightly declined \$1.38 million or 1.2 percent. *Sales Taxes* (general revenue) were \$90.29 million or 24.2 percent of total governmental activities revenue. It had a decrease of \$4.20 million or 4.4 percent compared to the previous fiscal year – primarily from the economic slowdown resulting from COVID-19 stay in place and business shut down orders. *Property Taxes* (general revenue) was \$67.24 million or 18.0 percent of total governmental activities revenue. Growth in assessed valuations and new development are primarily the reason for this increase in revenue. *Capital Contributions and Grants* (program revenue) was \$46.20 million or 12.4 percent of the total governmental activities revenue. This program revenue experienced a decrease of \$12.62 million or 21.5 percent over the prior year – mainly due to the sluggish economy from the COVID19 pandemic.

Revenues by Source – Governmental Activities (Graph 2)



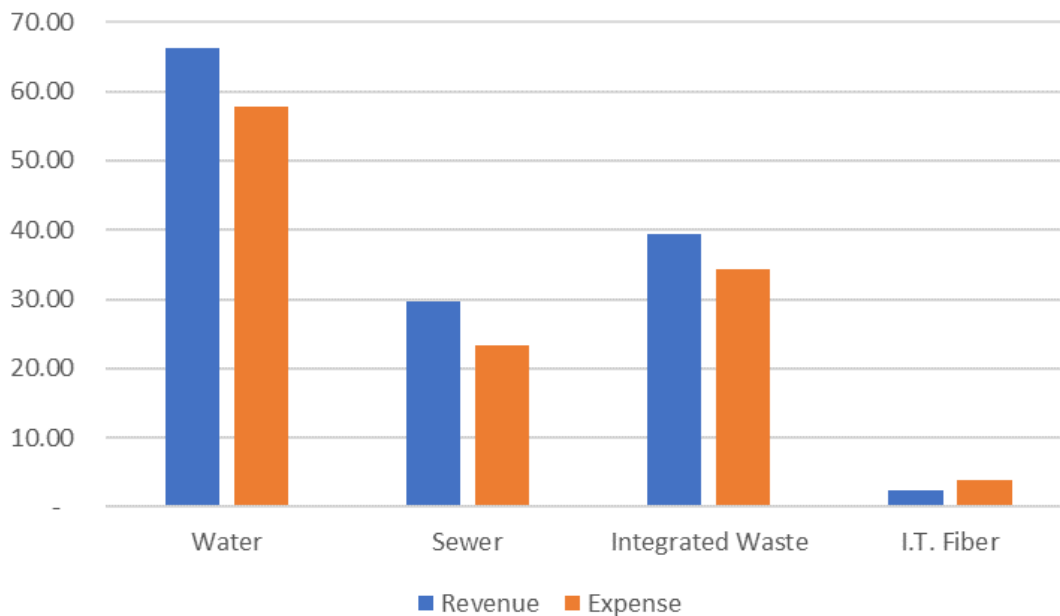
Business-type Activities

Net position for business-type activities was \$486.54 million at June 30, 2020, with assets of \$585.88 million, deferred outflows of resources of \$54.21 million, liabilities of \$137.02. million and deferred inflows of resources of \$16.52 million. Unrestricted net position of \$301.32 million represented 61.9 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 \$182.09 million represented 37.4 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 increased slightly by \$3.75 million or less than one percent.

Total revenue (excluding transfers) for the City’s business-type activities was \$137.96 million, which represented a small gain of \$2.90 million or 2.1 percent from the prior year. Program revenues amounted to \$129.14 million or 93.6. percent of total business-type related revenue. Program revenues increased \$2.20 million or 1.7 percent. General revenue for business-type activities was \$8.82 million. Business-type activities incurred \$119.28 million of expenditures for the year; relatively flat compared to the prior year amount of \$119.14 million.

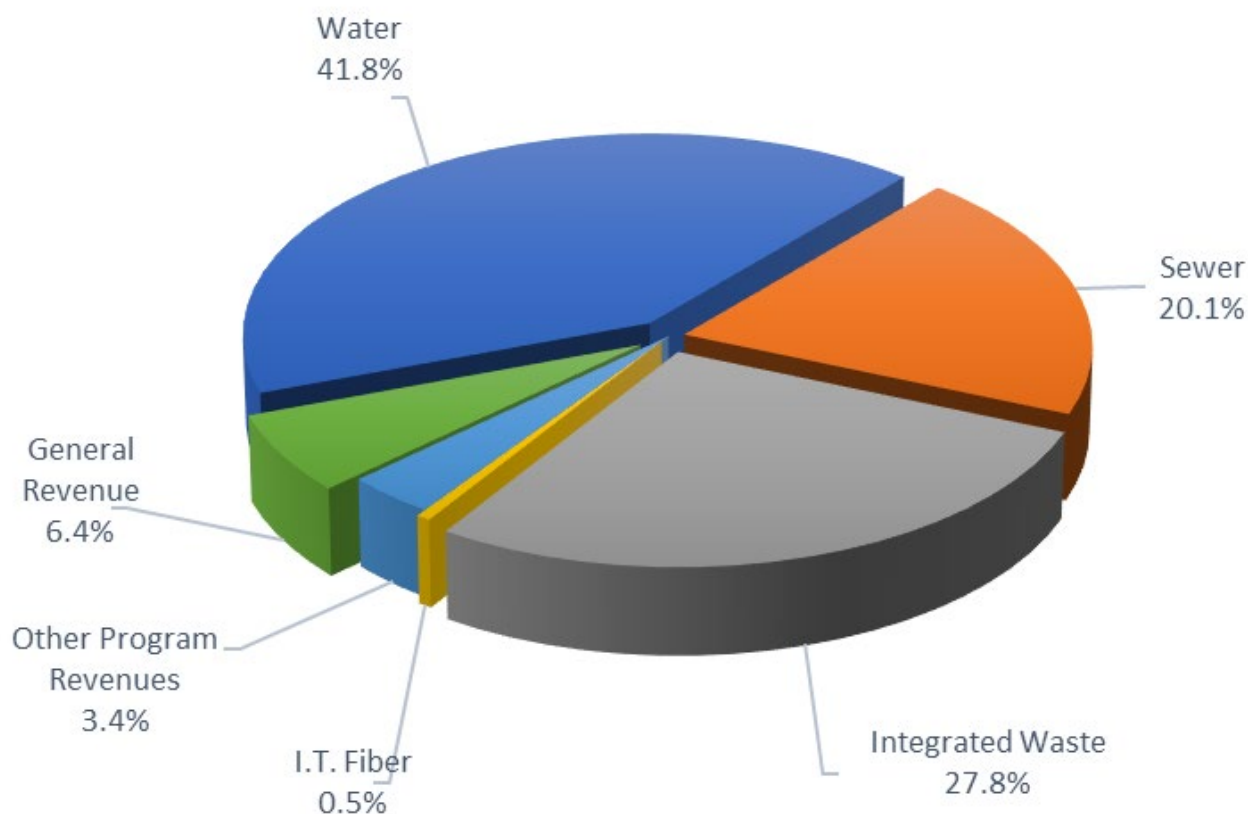
Graph 3 presents the costs of each of the City’s business activities and the associated program revenue. Since business-type activities are primarily used when the City charges customers for the services it provides, program revenues (charges for services) should be comparable to the costs of these programs and represent the major funding source for these activities.

Expenses and Program Revenues – Business-type Activities (Graph 3)
(in millions)



Graph 4 presents revenues by source for business-type activities. Total revenue for business-type activities was \$137.96 million (before transfers); this was a small increase of \$2.90 million or 2.1 percent compared to the previous year. Charges for Services (program revenue) amounted to \$124.45 million or 90.2 percent of total business-type activities revenues. The remaining revenues by source of 9.8 percent is from Capital Contributions and Grants (\$4.55 million), General Revenues (\$8.82 million) and Operating Contributions and Grants (\$0.14 million). Revenue from Water Services is the largest revenue source at \$57.70 million or 41.8 percent of the total revenues from business-type activities. It had a minor increase of \$2.23 million or 4.0 percent compared to the previous fiscal year due to additional usage from a drier winter and the COVID-19 stay in place orders. The second largest revenue source was revenue from Integrated Waste services at \$38.34 million or 27.8 percent of total business-type activities revenues. Integrated Waste services revenue had a slight decrease of approximately \$20,000 or less than one percent.

Revenues by Source – Business-Type Activities (Graph 4)



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, 2020, governmental funds reported combined ending fund balances of \$479.61 million. Approximately 26.1 percent or \$124.98 million of this total amount constitutes assigned/unassigned fund balance. The remaining fund balance of \$354.63 million is comprised of the following: Nonspendable (\$4.05 million), Restricted (\$215.61 million), and Committed (\$134.97 million). Included in the Nonspendable fund balance are as follows: Advances to Other Funds (\$3.50 million); Inventories (\$0.30 million); Prepaid costs (\$0.18 million); and Notes and Loans (\$0.07 million). For the Restricted fund balance (external enforceable limitations on usage), they are comprised as follows: Community Development projects (\$90.74 million); Public Services (\$37.65 million); Affordable Housing projects (\$37.30 million); Park Development projects (\$24.30 million); Bond Improvement projects (\$18.60 million); Transportation improvement projects (\$4.84 million); AQMD activities (\$1.60 million); Endowment and trusts (\$0.42 million) and Public Safety (\$0.16 million). Included in the Committed fund balance (self-imposed limitations on usage) is \$134.97 million for City Facilities infrastructure improvements and capital replacement.

Governmental Revenues

Revenues of governmental funds for Fiscal Year 2019-20 were \$374.31 million, with a decrease of \$13.99 million or 3.6 percent compared to the previous fiscal year. This small reduction in governmental revenue is primarily attributable to decreased revenues in Contribution from Property Owners and Impact Fees from developer completed infrastructure in the Ontario Ranch planned community.

Table 3 below presents a summary of governmental fund revenues for the fiscal year ended June 30, 2020, with comparative amounts from the prior year.

Comparison of Major Governmental Revenues (Table 3)
Fiscal Years 2019-20 and 2018-19

	Amount FY 19-20	% of Total Revenues	Amount FY 18-19	% of Total Revenues	\$ Increase / (Decrease)	% Increase / (Decrease)
Property Tax	\$ 66,821,934	17.9%	\$ 63,156,933	16.3%	\$ 3,665,001	5.8%
Sales Tax	90,290,690	24.1%	94,486,731	24.3%	(4,196,041)	-4.4%
Transient Occupancy Tax	12,160,235	3.2%	14,945,483	3.8%	(2,785,248)	-18.6%
Parking Tax	2,771,083	0.7%	3,235,108	0.8%	(464,025)	-14.3%
Business Licenses Tax	7,793,962	2.1%	7,786,821	2.0%	7,141	0.1%
Other Taxes	13,019,343	3.5%	8,287,241	2.1%	4,732,102	57.1%
Licenses & Permits	5,488,023	1.5%	5,067,374	1.3%	420,649	8.3%
Intergovernmental	17,814,256	4.8%	21,912,280	5.6%	(4,098,024)	-18.7%
Contribution from Property Owners and Impact Fees	15,503,662	4.1%	35,587,107	9.2%	(20,083,445)	100.0%
Charges for Services	114,818,886	30.7%	109,518,406	28.2%	5,300,480	4.8%
Use of Money & Property	18,759,439	5.0%	14,861,752	3.8%	3,897,687	26.2%
Fines and Forfeitures	786,630	0.2%	1,185,128	0.3%	(398,498)	-33.6%
Miscellaneous	8,286,111	2.2%	8,275,990	2.1%	10,121	0.1%
TOTAL	\$ 374,314,254	100.0%	\$ 388,306,354	100.0%	\$ (13,992,100)	-3.6%

Governmental Expenditures

Total expenditures for Fiscal Year 2019-20 were \$370.44 million, an increase of \$47.12 million or 14.6 percent compared to the prior year. This is primarily due to an increase of \$27.74 million in Community Development from development related projects at the Ontario Ranch planned community and an increase of \$19.23 million in Public Safety due to the purchase a helicopter and increase public safety service levels at Ontario Ranch.

Table 4 presents a summary of governmental fund expenditures for the Fiscal Year ended June 30, 2020 with comparative amounts from the prior year.

**Comparison of Major Governmental Expenditures (Table 4)
Fiscal Years 2019-20 and 2018-19**

	<u>Amount FY 19-20</u>	<u>% of Total Expenditures</u>	<u>Amount FY 18-19</u>	<u>% of Total Expenditures</u>	<u>\$ Increase / (Decrease)</u>	<u>% Increase/ (Decrease)</u>
General Government	\$ 33,754,652	9.1%	\$ 33,100,934	10.2%	\$ 653,718	2.0%
Public Safety	180,119,824	48.6%	160,884,992	49.8%	19,234,832	12.0%
Community Development	130,014,298	35.1%	102,279,086	31.6%	27,735,212	27.1%
Public Works	<u>22,694,083</u>	<u>6.1%</u>	<u>24,047,574</u>	<u>7.4%</u>	<u>(1,353,491)</u>	<u>-5.6%</u>
Total Operating Expenditures	\$ 366,582,857	99.0%	\$ 320,312,586	99.1%	\$46,270,271	14.4%
Debt Service	<u>3,852,938</u>	<u>1.0%</u>	<u>2,999,049</u>	<u>0.9%</u>	<u>853,889</u>	<u>28.5%</u>
TOTAL	<u>\$ 370,435,795</u>	<u>100.0%</u>	<u>\$ 323,311,635</u>	<u>100.0%</u>	<u>\$47,124,160</u>	<u>14.6%</u>

Proprietary Funds

The City's Proprietary funds consist of four Enterprise Funds and five 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 2019-20 were \$122.78 million, while non-operating revenues were \$10.63 million. Operating expenses for Fiscal Year 2019-20 were \$118.52 million, while non-operating expenses were \$3.27 million. During the fiscal year, the net amount transferred out to the City's Governmental Funds was \$14.47 million to support for the various governmental activities.

The City also has five Internal Service funds to allocate costs of the City's information systems, equipment services, risk management, other post-employment benefits, and pension benefits operations to the various departments. The interdepartmental charges for service (revenues) in Fiscal Year 2019-20 were \$42.19 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 twenty-five activities for which the City has a fiduciary responsibility. These include: the Redevelopment Financing Authority, a JPA formed between the City and the Agency to establish a vehicle to reduce local borrowing costs and promote greater use of new and existing financial instruments; 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 \$107.55 million as of June 30, 2020 had a decrease of \$23.85 million compared to the previous year. This is primarily due to the City's forgiveness of a \$42.37 million receivable for services associated with the transfer of the Ontario International Airport (ONT) to a local joint powers authority: Ontario International Airport Authority (OIAA). 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 \$102.49 million represents 95.3 percent of total General Fund fund balance, while the total Nonspendable, Restricted, and Committed fund balance amounts to \$5.07 million and comprises 4.7 percent of the total fund balance.

Total fund balance of the General Fund consists of four components: 1) Nonspendable fund balance of \$4.05 million – represents \$3.50 million in advances to other funds and \$0.55 million in prepaid, inventory, and notes and loans; 2) Restricted fund balance of \$0.42 million – consists of endowment and trust funds; 3) Committed fund balance of \$0.60 million – represents City infrastructure (\$370,412) and Ontario Motor Speedway (\$225,057) – to be used for community activities, facilities, and projects; and 4) Assigned fund balance of \$99.86 million – consists of the stability arrangement of \$51.27 million, economic uncertainty of \$20.00 million, compensated absences of \$17.23 million, City facilities and capital replacement of \$6.20 million, and continuing appropriations of \$5.16 million.

For additional details of the City's General Fund Balance, please refer to Note 14 in the Notes to the Basic Financial Statements.

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

For Fiscal Year 2019-20, General Fund revenues were \$241.43 million, a decline of \$4.40 million or 1.8 percent from the prior fiscal year. Sales Tax revenues were \$90.29 million, a decrease of \$4.20 million from the prior fiscal year mainly due to the economic slowdown resulting from the COVID-19 stay at home and business shut down orders. Transient Occupancy Tax was \$12.16 million, a decline of \$2.79 million or 18.6 percent as result of the closure of many hotels due to the shut down orders and reduced travel from the COVID-19 sanctions. Charges for Services revenue was \$36.17 million, a decrease of \$2.61 million or 6.7 percent due to slight decline in developmental activities. However, Property Tax revenues were \$66.82 million, an increase of \$3.67 million or 5.8 percent from the prior year because of increased property assessed valuations.

**General Fund Revenues (Table 5)
Fiscal Years 2019-20 and 2018-19**

	FY 19-20	% of Total	FY 18-19	\$ Increase / (Decrease) to Last Year	% of Increase (Decrease)
Property Tax	\$ 66,821,934	27.7%	\$ 63,156,933	\$ 3,665,001	5.8%
Sales Tax	90,290,690	37.4%	94,486,731	(4,196,041)	-4.4%
Transient Occupancy Tax	12,160,235	5.0%	14,945,483	(2,785,248)	-18.6%
Other Taxes	15,002,981	6.2%	14,005,502	997,479	7.1%
License & Permits	5,488,023	2.3%	5,067,374	420,649	8.3%
Intergovernmental	1,268,005	0.5%	3,132,474	(1,864,469)	-59.5%
Charges for Services	36,168,302	15.0%	38,777,697	(2,609,395)	-6.7%
Use of Money & Property	8,476,572	3.5%	7,072,112	1,404,460	19.9%
Fines & Forfeitures	786,630	0.3%	1,185,028	(398,398)	-33.6%
Miscellaneous	4,969,244	2.1%	4,002,652	966,592	24.1%
Totals	<u>\$ 241,432,616</u>	<u>100.0%</u>	<u>\$ 245,831,986</u>	<u>\$ (4,399,370)</u>	<u>-1.8%</u>

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

- Property Tax revenues increased \$3.67 million or 5.8 percent, comprising 27.7 percent of total General Fund revenue. This gain was the result of increased property assessed valuations.
- Sales Tax revenues experienced a decrease of \$4.20 million or 4.4 percent from the prior year. Of the total General Fund revenue, 37.4 percent comes from sales taxes. This decline is due to the economic impact resulting from the pandemic.
- Transient Occupancy Tax (TOT) declined \$2.77 million or 18.6 percent as the result of hotel closures and less travel from the COVID-19 sanctions; it comprises 5.0 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 6.2 percent of the City's total General Fund revenue. This revenue category reflected an increase of \$1.0 million or 7.1 percent, primarily from increases in Business License and Property Transfer taxes.
- License and Permit revenues experienced an increase of \$420,649 or 8.3 percent from the prior year due to continued steady development related activity.
- Intergovernmental revenues decreased by \$1.86 million or 59.5 percent compared to the previous year due to the change in how General Fund Grants are now reported – a separate fund from the General Fund.
- Charges for Services revenues were \$36.17 million; a slight decrease of \$2.61 million. Of the total General Fund revenue, 15.0 percent comes from charges for services.
- Revenues of \$8.48 million for the Use of Money and Property category represent 3.5 percent of the City's total General Fund revenue base and experienced an increase of \$1.4 million from the prior year due to investment portfolio valuation gains.
- Fines and Forfeiture revenue of \$786,630 decreased \$398,398 compared to the previous fiscal year and represents less than 1 percent of total General Fund revenues.
- Miscellaneous revenues of \$4.97 million, representing 2.1 percent of the total General Fund revenue, increased \$966,592 compared to the prior year primarily due to a one-time receipt of miscellaneous revenue received in the current fiscal year.

Expenditures

For Fiscal Year 2019-20, total General Fund expenditures were \$256.18 million, and increased \$16.35 million or 6.8 percent compared to the previous year.

**General Fund Expenditures (Table 6)
Fiscal Years 2019-20 and 2018-19**

	<u>FY 19-20</u>	<u>% of Total</u>	<u>FY 18-19</u>	<u>\$ Increase / (Decrease) to Last Year</u>	<u>% of Increase (Decrease)</u>
General Government	\$ 28,322,100	11.1%	\$ 27,251,880	\$ 1,070,220	3.9%
Public Safety	166,873,394	65.1%	157,310,539	9,562,855	6.1%
Community Development	35,829,046	14.0%	31,597,820	4,231,226	13.4%
Public Works	21,303,770	8.3%	20,679,198	624,572	3.0%
Debt Service	3,852,938	1.5%	2,989,049	863,889	28.9%
Totals	<u>256,181,247</u>	<u>100.0%</u>	<u>239,828,486</u>	<u>16,352,762</u>	<u>6.8%</u>

- General Government expenditures were \$28.32 million, an increase of \$1.07 million or 3.9 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.
- Public Safety expenditures were \$166.87 million, an increase of \$9.56 million or 6.1 percent compared to the previous year, mainly from labor contractual increase and the purchase of a new police helicopter.
- Community Development expenditures were \$35.83 million, an increase of \$4.23 million or 13.4 percent from the prior fiscal year mainly due to increase community development activities related to the Ontario Ranch planned community.
- Public Works expenditures were \$21.30 million, an increase of \$0.62 million or 3.0 percent compared to the previous fiscal year. This increase is the result of rising material costs.
- Debt Service expenditures were \$3.85, an increase of \$0.86 million or 28.9 percent. This is the result of increasing debt service payments.

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 Comprehensive Annual Financial Report for June 30, 2020. The fund balance of \$2.37 million as of June 30, 2020 had a decrease of \$1.67 million compared to the prior year. Total Assets were \$16.73 million, a decrease of \$1.87 million from the prior fiscal year. This is primarily due to combination of an increase in Cash and Investments (including Restricted Cash and Investments) of \$9.26 million, with an offsetting decrease in Accounts Receivable of \$10.74 million. Total Liabilities of \$4.00 million, reflected a slight decrease of \$0.21 million primarily from Accounts Payable.

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

For Fiscal Year 2019-20, total Measure I Fund revenues were \$3.51 million or \$4.19 million less compared to the prior year. This is due to the completion of the South Milliken and North Vineyard Grade Separation projects, which decreased the reimbursement revenue amounts for Measure I funded projects.

Expenditures

For Fiscal Year 2019-20, total Measure I Fund expenditures were \$5.18 million, a minor increase of \$0.64 million compared to the prior 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 Comprehensive Annual Financial Report for June 30, 2020. The fund balance of \$21.29 million as of June 30, 2020, which is a slight decrease of only \$3,957 compared to the prior year. Total Assets were \$53.81 million; an increase of \$5.06 million from the prior year. This is primarily due to the increase in Cash and Investments of the same amount. Total Liabilities were \$11.05 million and an increase of \$5.04 million compared to the previous fiscal year. This increase was the result of the California Housing Community Development grant received in FY 2019-20 of \$5.00 million.

ONTARIO HOUSING AUTHORITY – REVENUE AND EXPENDITURE ANALYSIS

Revenues

For Fiscal Year 2019-20, total Ontario Housing Authority Fund revenues were \$789,245; a decrease of \$15.3 million compared to the prior year. This decrease is mainly due to contributions from property owners of \$12.46 million that was received in FY 2018-19 to partly fund affordable multi-family housing projects located in downtown Ontario.

Expenditures

For Fiscal Year 2019-20, total Ontario Housing Authority Fund expenditures were \$0.79 million. This is a major decrease of \$18.60 million over the previous fiscal year primarily the result of the prior year development of affordable multi-family housing projects located in downtown Ontario.

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 Comprehensive Annual Financial Report for June 30, 2020. The fund balance of \$56.39 million as of June 30, 2020 reflected a slight decrease of \$1.76 million compared to the prior year. Total Assets were \$62.69 million; a minor decrease of \$0.49 million from the previous year. This is mainly attributable to decreases in Restricted Cash and Investments \$4.14 million, Cash and Investments of \$2.32 million, and Deposits of \$1.46 million, and Accounts Receivables of \$0.57 million, with an offsetting increase in Land Held for Resale of \$8.03 million. Total Liabilities of \$4.42 million increased \$1.27 million from the prior fiscal year, primarily due to an increase in Accounts Payable.

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

For Fiscal Year 2019-20, total Capital Projects Fund revenues were \$7.84 million; a decrease of \$0.65 million compared to the prior year.

Expenditures

For Fiscal Year 2019-20, total Capital Projects Fund expenditures were \$12.80 million. This was a decrease of \$5.19 million over the previous fiscal year due to the completion of capital improvement projects in fiscal year 2018-19.

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 Comprehensive Annual Financial Report for June 30, 2020. The fund balance of \$146.25 million as of June 30, 2020 reflected an increase of \$23.46 million. Total Assets were \$149.63 million; an increase of \$20.43 million from the previous year which is mainly attributable to the increase in Cash and Investments of \$21.21 million. Total Liabilities of \$3.38 million decreased by \$3.02 million due to the decrease in Accounts Payable.

IMPACT FEES FUND – REVENUE AND EXPENDITURE ANALYSIS

Revenues

For Fiscal Year 2019-20, total Impact Fees Fund revenues were \$52.22 million; a slight decrease of \$0.90 million compared to the prior year.

Expenditures

For Fiscal Year 2019-20, total Impact Fees Fund expenditures were \$28.78 million. This was an increase of \$8.91 million over the prior year as a result of increased development activity in the Ontario Ranch planned community.

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) had an increase of \$8.88 million between the original budget of \$279.19 million and the final amended budget of \$288.07 million. The increase was mainly due to budget adjustments for Transfers-In (increase of \$21.75) and the offsetting budget adjustment to Taxes (reduction of \$12.21 million). Actual revenues were \$1.53 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 \$14.96 million in appropriations. This increase was primarily the result of increases in Community Development (\$7.64 million) to fund increased development related activities, Public Safety (\$3.34 million) to fund the purchase of a new police helicopter, and General Government (\$3.11 million) for administrative expenditures. Actual expenditures were \$17.77 million more than the final amended budget, primarily due to the Special Item related to the City's forgiveness of a \$42.37 million receivable for services associated with the transfer of the Ontario International Airport (ONT) to a local joint powers authority: Ontario International Airport Authority (OIAA).

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 2019-20
(in millions)

	Budget Amounts			Actuals	Final Budget Variance Favorable / (Unfavorable)
	Original	Final	Variance		
Resources (Inflows):					
Taxes	\$ 192.54	\$ 180.33	\$ 12.21	\$ 184.28	\$ 3.94
Licenses and Permits	3.68	4.91	(1.23)	5.49	0.58
Intergovernmental	0.31	0.20	0.10	1.27	1.06
Charges for Services	31.08	31.56	(0.49)	36.17	4.60
Use of Money and Property	2.86	2.00	0.86	8.48	6.48
Fines and Forfeitures	0.93	0.69	0.24	0.79	0.10
Miscellaneous	5.16	4.00	1.17	4.97	0.97
Transfers from Other Funds	42.63	64.38	(21.75)	48.17	(16.21)
Total Resources	\$ 279.19	\$ 288.07	\$ (8.88)	\$ 289.60	\$ 1.53
Charges to Appropriations (Outflows):					
General Government	\$ 28.76	\$ 31.87	\$ (3.11)	\$ 28.32	\$ 3.55
Public Safety	172.36	175.69	(3.34)	166.87	8.82
Community Development	34.50	42.14	(7.64)	35.83	6.31
Public Works	23.08	23.91	(0.82)	21.30	2.60
Debt Service	3.85	3.85	-	3.85	0.00
Transfers to Other Funds	18.16	18.22	(0.06)	14.89	3.32
Special Item	-	-	-	42.37	(42.37)
Total Charges to Appropriations	\$ 280.72	\$ 295.68	\$ (14.96)	\$ 313.45	\$ (17.77)

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, 2020, is \$1.33 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 124.67	\$ 91.56	\$ 16.15	\$ 16.03	\$ 140.82	\$ 107.59
Structures and Improvements	278.43	268.84	7.40	7.63	285.83	276.47
Furniture and Equipment	13.76	13.88	1.60	0.60	15.36	14.48
Infrastructure	605.46	600.47	154.79	161.07	760.25	761.54
Construction in Progress	62.04	48.97	68.95	66.08	130.99	115.05
Total Capital Assets	\$ 1,084.36	\$ 1,023.72	\$ 248.89	\$ 251.41	\$ 1,333.25	\$ 1,275.13

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 \$14.17 million on street maintenance for the fiscal year ended June 30, 2020 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 2020 is a minimum of \$5.70 million per year. As of June 30, 2020, the City had approximately 109 million square feet of streets with a carrying amount of approximately \$374.95 million and a replacement cost of approximately \$800 million.

The City is also continuously taking actions to arrest the deterioration of other infrastructure assets through short-term maintenance activities. The City expended \$5.62 million on other infrastructure (sidewalks, traffic signals/streetlights and catch basins/storm drains) maintenance for the fiscal year ended June 30, 2020. These expenditures delayed deterioration and improved the overall condition through these maintenance efforts. It is estimated that it will cost approximately \$4.00 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 \$439.50 million in outstanding long-term debt. This debt consisted of revenue bonds, pension obligation bonds, loans payable, installment sale, advances from Successor Agency, compensated absences, claims and judgments, and unamortized bond premiums and discounts. 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, 2020.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-wide Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue Bonds	\$ 58.99	\$ 60.04	\$ 65.91	\$ 65.90	\$ 124.89	\$ 125.94
Pension Obligation Bonds	236.59	-	-	-	236.59	-
Loan Payable	0.13	0.13	-	-	0.13	0.13
Installment Sale	23.78				23.78	-
Advances from Successor Agency	1.60	1.60	-	-	1.60	1.60
Claims and Judgments	28.55	24.62	-	-	28.55	24.62
Compensated Absences	18.04	16.22	1.49	1.43	19.54	17.65
Unamortized Bond Premium/Discount	2.74	2.85	1.69	1.79	4.43	4.64
	<u>\$ 370.41</u>	<u>\$ 105.46</u>	<u>\$ 69.09</u>	<u>\$ 69.12</u>	<u>\$ 439.50</u>	<u>\$ 174.58</u>

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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CITY OF ONTARIO

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 454,915,579	\$ 162,755,228	\$ 617,670,807
Receivables:			
Accounts	28,701,275	10,691,016	39,392,291
Taxes	287,430	-	287,430
Notes and loans	39,023,397	-	39,023,397
Accrued interest	1,743,927	572,024	2,315,951
Internal balances	9,649,048	(9,649,048)	-
Prepaid costs	1,977,305	5,494	1,982,799
Deposits	826,803	-	826,803
Due from other government	120,081	-	120,081
Inventories	1,139,277	57,474,190	58,613,467
Advances to Successor Agency	3,500,000	-	3,500,000
Land held for resale	85,214,721	-	85,214,721
Investment in joint venture	-	65,164,852	65,164,852
Other investments	-	46,625,898	46,625,898
Restricted assets:			
Cash and investments	1,266,574	210,592	1,477,166
Cash with fiscal agent	35,606,035	3,140,719	38,746,754
Capital assets not being depreciated	494,309,041	85,101,651	579,410,692
Capital assets, net of depreciation	590,051,784	163,785,898	753,837,682
Total Assets	1,748,332,277	585,878,514	2,334,210,791
Deferred Outflows of Resources:			
Deferred charges on refunding	-	795,277	795,277
Deferred pension related items	391,315,398	36,867,926	428,183,324
Deferred OPEB related items	130,027,422	16,542,662	146,570,084
Total Deferred Outflows of Resources	521,342,820	54,205,865	575,548,685
Liabilities:			
Accounts payable	23,888,562	11,456,246	35,344,808
Accrued liabilities	7,037,717	580,726	7,618,443
Accrued interest	1,446,133	1,655,606	3,101,739
Unearned revenue	14,587,698	116,327	14,704,025
Deposits payable	14,591,547	7,302,161	21,893,708
Due to other governments	2,866,258	-	2,866,258
Noncurrent liabilities:			
Due within one year			
Long-term debt	9,100,104	1,485,000	10,585,104
Compensated absences	12,774,000	1,177,713	13,951,713
Claims and judgments	10,063,000	-	10,063,000
Due in more than one year			
Long-term debt	314,717,322	66,111,108	380,828,430
Compensated absences	5,269,894	316,636	5,586,530
Claims and judgments	18,485,000	-	18,485,000
OPEB liability	144,273,525	18,355,113	162,628,638
Net pension liabilities	285,638,863	28,460,583	314,099,446
Total Liabilities	864,739,623	137,017,219	1,001,756,842
Deferred Inflows of Resources:			
Deferred charges on refunding	998,130	-	998,130
Deferred pension related items	7,254,363	724,849	7,979,212
Deferred OPEB related items	124,173,715	15,797,928	139,971,643
Total Deferred Inflows of Resources	132,426,208	16,522,777	148,948,985
Net Position:			
Net investment in capital assets	997,856,845	182,086,718	1,179,943,563
Restricted for:			
Community development projects	148,789,489	-	148,789,489
Public safety	2,622,961	-	2,622,961
Capital projects	26,474,260	-	26,474,260
Debt service	-	3,140,719	3,140,719
Affordable housing	37,302,694	-	37,302,694
Other purposes	417,464	-	417,464
Unrestricted	59,045,553	301,316,946	360,362,499
Total Net Position	\$1,272,509,266	\$ 486,544,383	\$1,759,053,649

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 31,859,857	\$ 6,965,874	\$ 862,382	\$ -
Public safety	177,840,309	26,688,490	3,212,278	142,857
Community development	92,310,831	78,671,622	2,468,244	45,016,558
Public works	28,825,751	-	-	1,042,327
Interest on long-term debt	3,493,124	-	-	-
Total Governmental Activities	334,329,872	112,325,986	6,542,904	46,201,742
Business-Type Activities:				
Water	57,700,824	57,676,762	-	3,095,761
Sewer	23,255,045	27,685,371	-	-
Integrated Waste	34,380,261	38,341,478	137,783	-
I.T. Fiber	3,943,666	747,095	-	1,452,724
Total Business-Type Activities	119,279,796	124,450,706	137,783	4,548,485
Total Primary Government	\$ 453,609,668	\$ 236,776,692	\$ 6,680,687	\$ 50,750,227

General Revenues:

Taxes:

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

Motor vehicle in lieu - unrestricted

Use of money and property

Other

Gain on sale of other investments

Special Item (Note 15)**Transfers****Total General Revenues, Special Item and Transfers**

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position
Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (24,031,601)	\$ -	\$ (24,031,601)
(147,796,684)	-	(147,796,684)
33,845,593	-	33,845,593
(27,783,424)	-	(27,783,424)
(3,493,124)	-	(3,493,124)
(169,259,240)	-	(169,259,240)
-	3,071,699	3,071,699
-	4,430,326	4,430,326
-	4,099,000	4,099,000
-	(1,743,847)	(1,743,847)
-	9,857,178	9,857,178
(169,259,240)	9,857,178	(159,402,062)
67,236,079	-	67,236,079
12,160,235	-	12,160,235
90,290,690	-	90,290,690
3,426,464	-	3,426,464
7,793,962	-	7,793,962
4,044,908	-	4,044,908
141,091	-	141,091
18,599,331	8,345,624	26,944,955
4,198,849	474,940	4,673,789
605,267	-	605,267
(42,373,148)	-	(42,373,148)
14,472,260	(14,472,260)	-
180,595,988	(5,651,696)	174,944,292
11,336,748	4,205,482	15,542,230
1,261,827,709	482,787,059	1,744,614,768
(655,191)	(448,158)	(1,103,349)
\$ 1,272,509,266	\$ 486,544,383	\$ 1,759,053,649

CITY OF ONTARIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds			Capital Projects Fund
	General	Measure I	Ontario Housing Authority	Capital Projects
Assets:				
Cash and investments	\$ 54,108,152	\$ 15,705,283	\$ 8,663,805	\$ 34,573,687
Receivables:				
Accounts	21,493,884	680,181	-	2,971,812
Taxes	200,483	-	-	-
Notes and loans	75,000	-	28,419,800	-
Accrued interest	685,878	56,723	30,659	86,692
Prepaid costs	103,754	-	2,060	-
Deposits	72,400	287,230	214,005	23,798
Due from other governments	120,081	-	-	-
Due from other funds	495,315	-	-	-
Advances to other funds	58,180,692	-	-	-
Advances to Successor Agency	3,500,000	-	-	-
Inventories	300,943	-	-	-
Land held for resale	-	-	16,476,284	10,855,141
Restricted assets:				
Cash and investments	-	-	-	360,308
Cash and investments with fiscal agents	-	-	-	13,819,632
Total Assets	\$ 139,336,582	\$ 16,729,417	\$ 53,806,613	\$ 62,691,070
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 11,305,415	\$ 4,003	\$ 50,250	\$ 3,416,429
Accrued liabilities	6,688,007	-	24,989	-
Unearned revenues	-	4,000,000	5,000,000	-
Deposits payable	12,846,099	-	8,395	1,002,287
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	5,961,399	-
Total Liabilities	30,839,521	4,004,003	11,045,033	4,418,716
Deferred Inflows of Resources:				
Unavailable revenues	946,691	10,351,842	21,469,021	1,879,410
Total Deferred Inflows of Resources	946,691	10,351,842	21,469,021	1,879,410
Fund Balances:				
Nonspendable	4,052,097	-	-	-
Restricted	417,464	2,373,572	21,292,559	45,077,702
Committed	595,469	-	-	-
Assigned	99,862,976	-	-	11,315,242
Unassigned	2,622,364	-	-	-
Total Fund Balances	107,550,370	2,373,572	21,292,559	56,392,944
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 139,336,582	\$ 16,729,417	\$ 53,806,613	\$ 62,691,070

CITY OF ONTARIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	Impact Fees		
Assets:			
Cash and investments	\$ 148,799,320	\$ 66,165,396	\$ 328,015,643
Receivables:			
Accounts	-	3,236,120	28,381,997
Taxes	-	86,947	287,430
Notes and loans	-	10,528,597	39,023,397
Accrued interest	525,406	199,175	1,584,533
Prepaid costs	-	22,473	128,287
Deposits	229,370	-	826,803
Due from other governments	-	-	120,081
Due from other funds	-	-	495,315
Advances to other funds	-	5,961,399	64,142,091
Advances to Successor Agency	-	-	3,500,000
Inventories	-	-	300,943
Land held for resale	-	57,883,296	85,214,721
Restricted assets:			
Cash and investments	73,115	35,775	469,198
Cash and investments with fiscal agents	-	21,777,916	35,597,548
Total Assets	\$ 149,627,211	\$ 165,897,094	\$ 588,087,987
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 3,378,661	\$ 2,533,225	\$ 20,687,983
Accrued liabilities	-	103,826	6,816,822
Unearned revenues	-	5,587,698	14,587,698
Deposits payable	-	734,766	14,591,547
Due to other governments	-	2,866,258	2,866,258
Due to other funds	-	495,315	495,315
Advances from other funds	-	-	5,961,399
Total Liabilities	3,378,661	12,321,088	66,007,022
Deferred Inflows of Resources:			
Unavailable revenues	-	7,823,888	42,470,852
Total Deferred Inflows of Resources	-	7,823,888	42,470,852
Fund Balances:			
Nonspendable	-	-	4,052,097
Restricted	229,370	146,216,201	215,606,868
Committed	134,372,092	-	134,967,561
Assigned	11,647,088	-	122,825,306
Unassigned	-	(464,083)	2,158,281
Total Fund Balances	146,248,550	145,752,118	479,610,113
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 149,627,211	\$ 165,897,094	\$ 588,087,987

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CITY OF ONTARIO

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Fund balances of governmental funds		\$ 479,610,113
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity:		
Capital assets	\$ 1,285,984,887	
Accumulated depreciation	<u>(240,601,112)</u>	1,045,383,775
Governmental funds report all pension contributions as expenditures. However, the net pension liability has a measurement date of June 30, 2018, and pension contributions subsequent to the measurement date are reclassified as deferred pension contributions.		
		37,581,052
Deferred outflows of resources reported for the pension plan for government-wide statements:		
Differences between expected and actual experiences	29,743,377	
Change in assumptions	<u>14,477,621</u>	44,220,998
Long-term debt and compensated absences have not been included in the governmental fund activity:		
Revenue bonds		(58,985,000)
Loan payable		(126,566)
Installment sale		(23,780,842)
Advance from Successor Agency		(1,600,000)
Unamortized bond discount and premium		(2,740,018)
Unamortized deferred loss on refunding		(998,130)
Compensated absences		(17,480,934)
Bond insurance premium is an expenditure in the governmental funds, but it is a prepaid item on the statement of net position.		
		153,997
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		
		(1,446,133)
Governmental funds report all pension contributions as expenditures, however, in the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability.		
		(274,414,703)
Deferred inflows of resources reported for the pension plan for government-wide statements:		
Differences between expected and actual experiences	(1,577,785)	
Changes in assumptions	(2,751,120)	
Net difference between projected and actual earnings on pension plan investments	<u>(2,639,595)</u>	(6,968,500)
Revenues are reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		
		42,470,852
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		
		<u>11,629,305</u>
Net Position of Governmental Activities		<u>\$ 1,272,509,266</u>

CITY OF ONTARIO

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>
	<u>General</u>	<u>Measure I</u>	<u>Ontario Housing Authority</u>	<u>Capital Projects</u>
Revenues:				
Taxes	\$ 184,275,840	\$ -	\$ -	\$ -
Special assessment taxes	-	-	-	-
Licenses and permits	5,488,023	-	-	-
Intergovernmental	1,268,005	3,442,615	-	168,434
Contribution from property owners	-	-	26,254	-
Charges for services	36,168,302	-	-	6,501,986
Use of money and property	8,476,572	67,240	703,122	1,166,015
Fines and forfeitures	786,630	-	-	-
Miscellaneous	4,969,244	-	59,869	-
Total Revenues	241,432,616	3,509,855	789,245	7,836,435
Expenditures:				
Current:				
General government	28,322,100	-	-	-
Public safety	166,873,394	-	-	6,828,766
Community development	35,829,045	5,176,198	793,202	5,968,452
Public works	21,303,770	-	-	-
Debt service:				
Principal retirement	1,050,000	-	-	-
Interest and fiscal charges	2,802,938	-	-	-
Total Expenditures	256,181,247	5,176,198	793,202	12,797,218
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,748,631)	(1,666,343)	(3,957)	(4,960,783)
Other Financing Sources (Uses):				
Transfers in	48,168,298	-	-	3,205,200
Transfers out	(14,894,106)	-	-	-
Notes and loans issued	-	-	-	-
Total Other Financing Sources (Uses)	33,274,192	-	-	3,205,200
Special item	(42,373,148)	-	-	-
Net Change in Fund Balances	(23,847,587)	(1,666,343)	(3,957)	(1,755,583)
Fund Balances:				
Beginning of year	131,397,957	4,039,915	21,296,516	58,148,527
End of year	\$ 107,550,370	\$ 2,373,572	\$ 21,292,559	\$ 56,392,944

CITY OF ONTARIO

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>Impact Fees</u>		
Revenues:			
Taxes	\$ -	\$ -	\$ 184,275,840
Special assessment taxes	-	8,581,407	8,581,407
Licenses and permits	-	-	5,488,023
Intergovernmental	-	12,935,202	17,814,256
Contribution from property owners	-	15,477,408	15,503,662
Charges for services	46,413,912	25,734,686	114,818,886
Use of money and property	5,810,447	2,536,043	18,759,439
Fines and forfeitures	-	-	786,630
Miscellaneous	-	3,256,998	8,286,111
Total Revenues	<u>52,224,359</u>	<u>68,521,744</u>	<u>374,314,254</u>
Expenditures:			
Current:			
General government	2,532,851	2,899,701	33,754,652
Public safety	4,555,436	1,862,228	180,119,824
Community development	21,592,501	60,654,900	130,014,298
Public works	98,625	1,291,688	22,694,083
Debt service:			
Principal retirement	-	-	1,050,000
Interest and fiscal charges	-	-	2,802,938
Total Expenditures	<u>28,779,413</u>	<u>66,708,517</u>	<u>370,435,795</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>23,444,946</u>	<u>1,813,227</u>	<u>3,878,459</u>
Other Financing Sources (Uses):			
Transfers in	11,000	1,306,773	52,691,271
Transfers out	-	(14,136,243)	(29,030,349)
Notes and loans issued	-	23,780,842	23,780,842
Total Other Financing Sources (Uses)	<u>11,000</u>	<u>10,951,372</u>	<u>47,441,764</u>
Special item	-	-	(42,373,148)
Net Change in Fund Balances	23,455,946	12,764,599	8,947,075
Fund Balances:			
Beginning of year	<u>122,792,604</u>	<u>132,987,519</u>	<u>470,663,038</u>
End of year	<u>\$ 146,248,550</u>	<u>\$ 145,752,118</u>	<u>\$ 479,610,113</u>

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CITY OF ONTARIO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Net change in fund balances - total governmental funds \$ 8,947,075

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	\$ 70,262,127	
Depreciation	(15,091,759)	
Disposition of capital assets	<u>(1,930,545)</u>	53,239,823

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Whereas, issuance of long-term debt is a current financial resource in the governmental funds, but the issuance increase long-term debt in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and deferral on loss of refunding when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Long-term debt repayment:		
Lease Revenue Bonds	1,050,000	
Long-term debt issuance:		
Installment sale	(23,780,842)	
Bond Premium Amortization	123,418	
Bond Discount Amortization	(18,938)	
Deferred Charges Amortization	<u>62,060</u>	(22,564,302)

Bond insurance premium are expenditures in governmental funds, but these costs are capitalized on the statement of net position. (6,783)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. (849,943)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (2,005,488)

Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (16,643,749)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in intergovernmental revenues in the governmental fund activity. (1,772,924)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities. (7,006,961)

Change in Net Position of Governmental Activities \$ 11,336,748

CITY OF ONTARIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Water	Sewer	Integrated Waste	Nonmajor Enterprise Fund I.T. Fiber		
Assets:						
Current:						
Cash and investments	\$ 81,880,374	\$ 53,529,788	\$ 24,931,619	\$ 2,413,447	\$ 162,755,228	\$ 126,899,936
Receivables:						
Accounts	5,504,041	2,105,126	2,988,518	93,331	10,691,016	319,278
Accrued interest	286,116	189,366	88,001	8,541	572,024	159,394
Prepaid costs	5,494	-	-	-	5,494	1,695,021
Inventories	55,698,931	275,256	-	1,500,003	57,474,190	838,334
Restricted:						
Cash and investments	210,592	-	-	-	210,592	797,376
Cash with fiscal agent	3,140,719	-	-	-	3,140,719	8,487
Total Current Assets	146,726,267	56,099,536	28,008,138	4,015,322	234,849,263	130,717,826
Noncurrent:						
Advances to other funds	12,503,000	5,614,000	11,738,000	-	29,855,000	14,034,000
Investment in joint venture	65,164,852	-	-	-	65,164,852	-
Other investments	46,625,898	-	-	-	46,625,898	-
Capital assets - net of accumulated depreciation	194,962,227	28,288,440	6,078,657	19,558,225	248,887,549	38,977,050
Total Noncurrent Assets	319,255,977	33,902,440	17,816,657	19,558,225	390,533,299	53,011,050
Total Assets	465,982,244	90,001,976	45,824,795	23,573,547	625,382,562	183,728,876
Deferred Outflows of Resources:						
Deferred charges on refunding	795,277	-	-	-	795,277	-
Deferred pension related items	2,214,851	653,562	3,381,011	130,285	6,379,709	340,001,565
Deferred OPEB related items	-	-	-	-	-	146,570,084
Total Deferred Outflows of Resources	3,010,128	653,562	3,381,011	130,285	7,174,986	486,571,649
Total Assets & Deferred Outflow of Resources	\$ 468,992,372	\$ 90,655,538	\$ 49,205,806	\$ 23,703,832	\$ 632,557,548	\$ 670,300,525
Liabilities, Deferred Inflows and Net Position						
Liabilities:						
Current:						
Accounts payable	\$ 4,927,013	\$ 3,491,617	\$ 2,763,301	\$ 274,315	\$ 11,456,246	\$ 3,200,579
Accrued liabilities	208,155	86,282	272,959	13,330	580,726	220,895
Accrued interest	1,655,606	-	-	-	1,655,606	-
Unearned revenues	-	-	116,327	-	116,327	-
Deposits payable	5,844,876	-	1,457,285	-	7,302,161	-
Accrued compensated absences	454,000	66,000	618,000	39,713	1,177,713	406,000
Accrued claims and judgments	-	-	-	-	-	10,063,000
Long-term debt	1,485,000	-	-	-	1,485,000	3,370,000
Total Current Liabilities	14,574,650	3,643,899	5,227,872	327,358	23,773,779	17,260,474
Noncurrent:						
Advances from other funds	-	-	-	-	-	102,069,692
Accrued compensated absences	124,758	93,552	98,326	-	316,636	156,960
Accrued claims and judgments	-	-	-	-	-	18,485,000
Net pension liability	9,880,691	2,915,614	15,083,061	581,217	28,460,583	11,224,160
OPEB liability	-	-	-	-	-	162,628,638
Long-term debt	66,111,108	-	-	-	66,111,108	233,215,000
Total Noncurrent Liabilities	76,116,557	3,009,166	15,181,387	581,217	94,888,327	527,779,450
Total Liabilities	90,691,207	6,653,065	20,409,259	908,575	118,662,106	545,039,924
Deferred Inflows of Resources:						
Deferred pension related items	251,647	74,256	384,144	14,802	724,849	285,863
Deferred OPEB related items	-	-	-	-	-	139,971,643
Total Deferred Inflows of Resources	251,647	74,256	384,144	14,802	724,849	140,257,506

CITY OF ONTARIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Water	Sewer	Integrated Waste	Nonmajor Enterprise Fund I.T. Fiber		
Net Position:						
Net investment in capital assets	128,161,396	28,288,440	6,078,657	19,558,225	182,086,718	38,977,050
Restricted for debt service	3,140,719	-	-	-	3,140,719	-
Unrestricted	246,747,403	55,639,777	22,333,746	3,222,230	327,943,156	(53,973,955)
Total Net Position	378,049,518	83,928,217	28,412,403	22,780,455	513,170,593	(14,996,905)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 468,992,372	\$ 90,655,538	\$ 49,205,806	\$ 23,703,832	\$ 632,557,548	\$ 670,300,525

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

Net Position per Statement of Net Position - Proprietary Funds	\$ 513,170,593
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(29,135,929)
Current year's adjustment to reflect the consolidation of internal service activities related to enterprise funds	<u>2,509,719</u>
Net Position per Government-Wide Statement of Net Position	<u>\$ 486,544,383</u>

CITY OF ONTARIO

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Water	Sewer	Integrated Waste	Nonmajor Enterprise Fund I.T. Fiber		
Operating Revenues:						
Sales and service charges	\$ 53,292,458	\$ 27,214,080	\$ 37,137,371	\$ 747,095	\$ 118,391,004	\$ -
Interdepartmental charges	1,240,711	46,234	604,699	93,500	1,985,144	42,194,893
Miscellaneous	1,294,640	467,974	611,313	25,000	2,398,927	9,054,816
Total Operating Revenues	55,827,809	27,728,288	38,353,383	865,595	122,775,075	51,249,709
Operating Expenses:						
Administration and general	6,008,743	3,982,126	10,087,168	1,584,531	21,662,568	23,820,365
Source of supply	25,880,993	-	-	-	25,880,993	8,043,555
Pumping	4,519,420	-	-	-	4,519,420	-
Transmission/collection	13,594,283	3,112,995	25,769,973	-	42,477,251	-
Treatment	-	15,584,909	-	-	15,584,909	-
Cost of sales and services	-	-	-	1,618,991	1,618,991	-
Claims expense	-	-	-	-	-	9,239,263
Depreciation expense	4,774,329	1,157,053	104,799	740,144	6,776,325	6,481,284
Total Operating Expenses	54,777,768	23,837,083	35,961,940	3,943,666	118,520,457	47,584,467
Operating Income (Loss)	1,050,041	3,891,205	2,391,443	(3,078,071)	4,254,618	3,665,242
Nonoperating Revenues (Expenses):						
Grant revenue	-	-	137,783	-	137,783	-
Interest revenue	5,019,590	2,040,214	1,018,635	113,564	8,192,003	420,911
Interest expense	(3,269,058)	-	-	-	(3,269,058)	-
Gain on joint venture	2,304,192	-	-	-	2,304,192	-
Total Nonoperating Revenues (Expenses)	4,054,724	2,040,214	1,156,418	113,564	7,364,920	1,026,178
Income (Loss) Before Transfers and Capital Contributions	5,104,765	5,931,419	3,547,861	(2,964,507)	11,619,538	4,691,420
Capital grants and contributions	3,095,761	-	-	1,452,724	4,548,485	-
Transfers in	-	-	-	-	-	10,972,772
Transfers out	(6,674,072)	(3,049,186)	(4,735,668)	(13,334)	(14,472,260)	(20,161,434)
Changes in Net Position	\$ 1,526,454	\$ 2,882,233	\$ (1,187,807)	\$ (1,525,117)	\$ 1,695,763	\$ (4,497,242)
Net Position:						
Beginning of Year, as originally reported	\$ 376,523,064	\$ 81,045,984	\$ 30,048,368	\$ 24,305,572	\$ 511,922,988	\$ (9,844,472)
Restatements	-	-	(448,158)	-	(448,158)	(655,191)
Beginning of Fiscal Year, as restated	376,523,064	81,045,984	29,600,210	24,305,572	511,474,830	(10,499,663)
Changes in Net Position	1,526,454	2,882,233	(1,187,807)	(1,525,117)	1,695,763	(4,497,242)
End of Fiscal Year	\$ 378,049,518	\$ 83,928,217	\$ 28,412,403	\$ 22,780,455	\$ 513,170,593	\$ (14,996,905)
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					\$ 1,695,763	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds					2,509,719	
Changes in Net Position of Business-Type Activities per Statement of Activities					\$ 4,205,482	

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Water	Sewer	Integrated Waste	Nonmajor Enterprise Fund I.T. Fiber		
Cash Flows from Operating Activities:						
Cash received from customers and users	\$ 57,700,141	\$ 28,760,545	\$ 39,627,850	\$ 785,309	\$ 126,873,845	\$ -
Cash received from/(paid to) interfund service provided	-	-	-	-	-	51,372,361
Cash paid to suppliers for goods and services	(47,188,566)	(19,625,504)	(25,631,321)	(1,510,430)	(93,955,821)	(13,716,701)
Cash paid to employees for services	(5,427,981)	(4,405,403)	(7,077,207)	(1,603,147)	(18,513,738)	(169,534,326)
Operating Activities	5,083,594	4,729,638	6,919,322	(2,328,268)	14,404,286	(131,878,666)
Cash Flows from Non-Capital Financing Activities:						
Cash transfers in	-	-	-	-	-	10,972,772
Cash transfers out	(6,674,072)	(3,049,186)	(4,735,668)	(13,334)	(14,472,260)	(20,161,434)
Advance from other funds	-	-	-	-	-	102,069,692
Advance paid to other funds	(12,503,000)	(5,614,000)	(11,738,000)	-	(29,855,000)	(14,034,000)
Proceeds from issuance of pension obligation bonds	-	-	-	-	-	236,585,000
Additional payments to employees pension plans	-	-	-	-	-	(337,485,564)
Grant subsidy	-	-	137,783	-	137,783	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(19,177,072)	(8,663,186)	(16,335,885)	(13,334)	(44,189,477)	(22,053,534)
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(2,375,701)	(333,854)	(424,512)	(119,696)	(3,253,763)	(14,534,197)
Acquisition of other investments	(46,625,898)	-	-	-	(46,625,898)	-
Interest paid on capital debt	(3,311,212)	-	-	-	(3,311,212)	-
Reimbursement agreement	3,095,761	-	-	-	3,095,761	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(49,217,050)	(333,854)	(424,512)	(119,696)	(50,095,112)	(14,534,197)
Cash Flows from Investing Activities:						
Change in investments	-	-	-	-	-	38,743,379
Interest received	5,300,114	2,067,269	1,067,053	114,484	8,548,920	894,737
Net Cash Provided (Used) by Investing Activities	5,300,114	2,067,269	1,067,053	114,484	8,548,920	39,638,116
Net Increase (Decrease) in Cash and Cash Equivalents	(58,010,414)	(2,200,133)	(8,774,022)	(2,346,814)	(71,331,383)	(128,828,281)
Cash and Cash Equivalents at Beginning of Year	143,242,099	55,729,921	33,705,641	4,760,261	237,437,922	256,534,080
Cash and Cash Equivalents at End of Year	\$ 85,231,685	\$ 53,529,788	\$ 24,931,619	\$ 2,413,447	\$ 166,106,539	\$ 127,705,799
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 1,050,041	\$ 3,891,205	\$ 2,391,443	\$ (3,078,071)	\$ 4,254,618	\$ 3,665,242
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:						
Depreciation	4,774,329	1,157,053	104,799	740,144	6,776,325	6,481,284
(Increase) decrease in accounts receivable	1,621,644	1,032,257	1,263,018	61,420	3,978,339	122,652
(Increase) decrease in prepaid expense	1,080	44,731	-	7,213	53,024	(576,577)
(Increase) decrease in inventories	(4,160,969)	(96,853)	-	101,348	(4,156,474)	(54,805)
Increase (decrease) in accounts payable	966,019	(875,478)	138,652	(141,706)	87,487	1,433,140
Increase (decrease) in accrued liabilities	62,865	24,282	101,772	3,829	192,748	58,472
Increase (decrease) in unearned revenues	-	-	(34,744)	-	(34,744)	-
Increase (decrease) in deposits payable	250,688	-	46,193	-	296,881	-
Increase (decrease) in claims and judgments	-	-	-	-	-	3,925,000
Increase (decrease) in compensated absences	63,688	(111,207)	125,879	(9,117)	69,243	(185,814)
Increase (decrease) in net pension liability	612,149	(403,526)	3,528,696	(13,723)	3,723,596	1,141,489
Increase (decrease) in deferred pension related items	(157,940)	67,174	(746,386)	395	(836,757)	(266,304)
Increase (decrease) in OPEB liability	-	-	-	-	-	(106,925,495)
Increase (decrease) in deferred OPEB related items	-	-	-	-	-	(40,696,950)
Total Adjustments	4,033,553	838,433	4,527,879	749,803	10,149,668	(135,543,908)
Net Cash Provided (Used) by Operating Activities	\$ 5,083,594	\$ 4,729,638	\$ 6,919,322	\$ (2,328,268)	\$ 14,404,286	\$ (131,878,666)
Non-Cash Investing, Capital, and Financing Activities:						
Gain on investment in joint venture	\$ 2,304,192	\$ -	\$ -	\$ -	\$ 2,304,192	\$ -
Gain on value of store water inventory	1,655,606	-	-	-	1,655,606	-
Amortization of deferred cost	57,323	-	-	-	57,323	-
Amortization of bond premium	99,477	-	-	-	99,477	-
Capital contributions	-	-	-	1,452,724	1,452,724	-

CITY OF ONTARIO

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2020

	<u>Agency Funds</u>	<u>Private- Purpose Trust Fund Successor Agency of the Former RDA</u>
Assets:		
Cash and investments	\$ 35,829,648	\$ 12,933,088
Receivables:		
Accounts	20,884	-
Taxes	68,631	-
Notes and leases	215,830,448	35,000
Accrued interest	14,834	14
Prepaid costs	3,900	-
Advances to City	-	1,600,000
Land held for resale	-	10,904,181
Restricted assets:		
Cash and investments with fiscal agents	12,093,253	2,889,941
Total Assets	<u>\$ 263,861,598</u>	<u>28,362,224</u>
Liabilities:		
Accounts payable	\$ 2,081,564	-
Accrued interest	-	1,972,813
Deposits payable	-	305,886
Due to other governments	247,236,827	-
Due to external parties/other agencies	14,543,207	-
Long-term liabilities:		
Due in one year		
Long-term debt	-	6,299,205
Due in more than one year		
Long-term debt	-	41,132,149
Total Liabilities	<u>\$ 263,861,598</u>	<u>49,710,053</u>
Net Position:		
Held in trust for other purposes		(21,347,829)
Total Net Position		<u>\$ (21,347,829)</u>

CITY OF ONTARIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2020

	<u>Private- Purpose Trust Fund Successor Agency of the Former RDA</u>
Additions:	
Taxes	\$ 10,707,680
Interest and change in fair value of investments	<u>85,994</u>
Total Additions	<u>10,793,674</u>
Deductions:	
Administrative expenses	405,878
Contractual services	10,886
Interest expense	4,726,044
Contributions to other governments	<u>828,437</u>
Total Deductions	<u>5,971,245</u>
Changes in Net Position	4,822,429
Net Position:	
Beginning of year	<u>(26,170,258)</u>
End of the Year	<u>\$ (21,347,829)</u>

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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies

a. Description of Entity

The reporting entity is a municipal corporation governed by an elected mayor and a four-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Ontario, California (the City) and its component units, entities for which the City is considered financially accountable. The criteria used in determining the scope of the reporting entity is based on the provision 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.
2. The Authorities are managed by employees of the City.

The City of Ontario 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.

Blended Component Units

The former Ontario Redevelopment Agency (the 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 20 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 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.

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 Agency 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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 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 Authority is to assist property owners in rejuvenating and improving substandard housing conditions within the City. Separate financial statements are not prepared 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.

Other governmental agencies providing services either to the City in its entirety or to a portion thereof are:

State of California	County of San Bernardino
Metropolitan Water District	Inland Empire Utilities Agency
Cucamonga Valley Water District	Chaffey Community College District
Chino Valley Unified School District	Ontario-Montclair School District
Chaffey Joint Union High School District	Cucamonga School District
Mountain View School District	Monte Vista County Water District
Chino Basin Water Conservation District	San Bernardino County Transportation Authority

Financial data for joint ventures that do not meet the criteria for inclusion within the reporting entity have been reported in the footnotes (see Note 15).

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and other items not properly included among program revenues are reported instead as general revenues.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus is commonly used to describe the types of transactions and events that are reported in a fund's operating statement. Once it has been determined whether a fund is to measure changes in total economic resources or changes in current financial resources, the next issue to be addressed is the timing of the recognition of transactions and events. The technical term that describes the criteria governing the timing of the recognition of transactions and events is "basis of accounting."

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for sales taxes and grant revenue where the government considers revenue to be available if collected within 90 days and 180 days respectively of the end of current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City's fiduciary funds consist of agency funds and a private purpose trust fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Private purpose trust fund funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

- 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.

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

- Internal Service Funds account for financial transactions related to repair, replacement and maintenance of City-owned equipment, the City's self-insurance programs, the City's general information systems and telecommunications hardware and software, and the City's defined benefit healthcare plan for its retired employees. These services are provided to other departments or agencies of the City on a cost reimbursement basis.
- Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds account for assets held for specific uses that are not part of the City's operating activities; specifically, monies held by the City as an agent for property owners with special assessments and monies collected from individuals, private organization or other government who have made special deposits with the City for various purposes.
- 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

d. Assets, Deferred Inflows, Liabilities and Deferred Outflows, Net Position or Equity

Cash and Investments

The City's cash and cash 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.

Investments are reported at fair value, which is the quoted market price at June 30, 2020. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Classifications

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

- General Government includes legislative activities, which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities that provide management or support services across more than one functional area.
- Public Safety includes those activities that involve the protection of people and property.
- Community Development includes those activities that involve the enhancing of the general quality of life.
- Public Works includes those activities that involve the maintenance and improvement of City streets, roads and parks.
- Debt Service includes those activities that account for the payment of long-term debt principal, interest and fiscal charges.

Inventories, Prepaid Items and Land Held for Resale

All inventories are valued at cost using the first-in/first-out (FIFO) method, except for 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 expenditure 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.

Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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 government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$15,000 and \$50,000 respectively (amount not rounded) and an estimated useful life in excess of five years. Capital assets purchased with federal grant money with a cost of more than \$5,000 should be capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is deferred charges on refunding reported in the government-wide statement of net position and the proprietary funds statement of net position. Deferred charges 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 second item is deferred pension related items reported in the government-wide statement of net position and the proprietary funds statement of net position. The City reports deferred outflows of resources for pension contributions made after the actuarial measurement date, this amount is deferred and will be expensed in the following fiscal year. The deferred outflows of resources for the net difference between projected and actual earning on pension plan investments will be amortized over a five-year period on a straight-line basis. The difference between expected and actual experience and all other deferred outflows related pension items will be recognized as indicated below. The third item is deferred OPEB related items reported in the government-wide statement of net position and proprietary funds statement of net position for contribution made subsequent to the measurement date. This amount will be expensed in the following fiscal year.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the balance sheet or statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items. One item, unavailable revenue, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from deferred loans. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The second item is deferred charges on refunding reported in the government-wide statement of net position. Deferred charges 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 third item is deferred pension related items reported in the government-wide statement of net position and the proprietary funds statement of net position. This amount is the result of the differences between expected and actual experience and the changes in assumptions. These will be recognized as indicated below. The fourth item is deferred OPEB related items reported in the government-wide statement of net position and proprietary funds statement of net position for changes in actuarial OPEB assumption. This amount will be amortized over a five-year period on a straight-line basis.

Gains and losses related to changes in total pension or OPEB liability and their related fiduciary net position are recognized in pension or OPEB expense, respectively, systematically over time. Amounts are first recognized in pension or OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pension or OPEB and are recognized in future pension and OPEB expense, respectively.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earning on pension or OPEB plan investments	5 years	All plans
All other amounts are amortized over the expected average remaining service lifetime (EARSL) of the respective plan. As of June 30, 2019, EARLS were:	6.68 years	OPEB plan
	3.4 years	Pension Miscellaneous -Agent Multiple Employer Plan
	5.5 years	Pension Safety Police – Agent Multiple Employer Plan
	6.3 years	Pension Safety Fire – Agent Multiple Employer Plan

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Net Pension Liability

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

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Other Post-Employment Benefits Liability

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the City's OPEB plan have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2019
Measurement Period:	July 1, 2018 to June 30, 2019

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

- Non-spendable fund balance (inherently non-spendable)
- Restricted fund balance (externally enforceable limitations on use)
- Committed fund balance (self-imposed limitations on use)
- Assigned fund balance (limitation resulting from intended use)
- Unassigned fund balance (residual net resources)

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

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

Included in the Fund Balance Policy is the 18 percent Stabilization Plan. This is the goal of City Council to achieve a minimum of 18 percent of annual General Fund appropriations, as assigned fund balance in the General Fund. Based on the current year General Fund appropriations, the amount assigned to the 18 percent stabilization plan will either increase or decrease accordingly. This assigned balance is intended to be used for specific and defined emergency services and to minimize the potential for disruption of municipal services to its citizens. However, included as part of the General Fund balancing strategies for fiscal year 2020-21 is the reduction of the General Fund stabilization assignment from 18 percent to 15 percent. As of June 30, 2020, the City's General Fund has an assigned fund balance for the stability arrangement of \$51.3 million, which achieves the goal of 15 percent of the General Fund adopted budget for fiscal year 2020-21.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

The General Fund is the only City fund that is able to report a positive unassigned fund balance.

Fund Balance Flow Assumptions

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.

Net Position

In the governmental-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 that 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 do not meet the definition of “net investment in capital assets” or “restricted net position.”

Net Position Flow Assumption

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.

Property Tax Revenue

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 personal property taxes and one-half of the taxes

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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 of March each year and are delinquent, if unpaid, on August 31.

Changes in Presentation

Beginning fiscal year 2019-20, the City is reporting its grants activities in a Special Revenue Fund rather than within its General Fund.

Note 2: Stewardship, Compliance and Accountability

a. Deficit Fund Balances or Net Position

At June 30, 2020, the following funds had fund balance deficit:

Grant Fund	\$ (7,206)
NMC CFD Special Revenue Fund	(456,877)
Successor Agency of the Former RDA	(21,347,829)
Other Post Employment Benefits Fund	(111,377,830)

These deficits will be eliminated with future revenue.

b. Budget

A budget schedules is not presented for the OMC CFD Capital Project Fund.

Note 3: Cash and Investments

As of June 30, 2020, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 491,788,188
Business-type activities	166,106,539
Fiduciary funds	63,745,930
Total Cash and Investments	<u>\$ 721,640,657</u>

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 funds based on monthly cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Deposits

At June 30, 2020, the carrying amount of the City's deposits was \$74,745,983 and the bank balance was \$67,750,180. The \$6,995,803 difference represents outstanding checks and other reconciling items. The City's restricted cash and investments consist of deposits and cash in escrow in the amount of \$1,477,166.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 3: Cash and Investments (Continued)

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure a City's deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

Under the provisions of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- United States Treasury Bills, Notes and Bonds
- Banker's Acceptances with a maturity not to exceed 180 days
- Commercial paper rated "A1" by Standard and Poor's and "P1" by Moody's Investor Services, and issued by a domestic corporation having assets in excess of \$500 million and having an "A" or better rating on its long-term debentures as provided by Moody's or Standard and Poor's.
- Negotiable Certificates of Deposits with a nationally or State chartered bank
- 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 Local Agency Investment Fund of the State of California
- Time Deposits
- Medium-Term Notes of a maximum of five years maturity issued by corporations organized and operating within the United States with a minimum rating of "A" by both Moody's and Standard & Poor's and 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" by both Standard & Poor's and Moody's. No more than 3% of the fund (at time of purchase) may be invested in any one corporate name, including the parent corporation or subsidiaries.
- Obligations issued by various agencies of the Federal Government including, but not limited to, the Federal Farm Credit Bank System, the Federal Home Loan Bank System, the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association as well as such agencies or enterprises which may be created. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 3: Cash and Investments (Continued)

- Any U.S. Government Agency's Mortgage pass-through security, collateralized mortgage obligations, mortgage backed or other pay-through bond, equipment lease-backed certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this section shall be issued by an issuer having an "A" or higher rating for the issuer's unsecured debt, as provided by a nationally recognized rating service. The Securities must be rated "AAA" by both Moody's and Standard and Poor's. Purchase of securities authorized by this subdivision may not exceed 20% of the cost value of the fund.
- 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 9% of the agency's moneys that may be invested pursuant to this section. Investment in these issues is further limited to a 3% allocation in anyone name.
- Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the state or by a department, board, agency or authority of the state.
- Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State.

Investment Authorized by Debt Agreements

The above investments do not address investment of 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 California Government Code or the City's investment policy.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF does not impose limits or restrictions on participant withdrawals, and the entire balance of the City's investment in the portfolio is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 3: Cash and Investments (Continued)

GASB Statement No. 31

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Credit Risk

As of June 30, 2020, the City's investment in medium-term notes consisted of investments with various corporations and were rated "A2" to "Aaa" by Moody's and "A" 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, 2020, the City's investments in external investment pools and money market mutual funds are unrated.

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.

As of June 30, 2020, none of the City's deposits or investments was exposed to custodial credit risk.

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 investments 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, 2020, 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's investments.

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 3: Cash and Investments (Continued)

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.

As of June 30, 2020, the City had the following investments and original maturities:

	Remaining Investment Maturities				Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	
Investments:					
US Treasury	\$ 243,376,660	\$ 10,355,860	\$ 62,550,000	\$ 53,882,800	\$ 370,165,320
Federal Government Agency	20,071,140	-	4,992,220	10,012,110	35,075,470
Medium-Term Corporate Notes	35,029,291	5,160,625	5,155,845	39,285,107	84,630,868
Asset-Backed Securities	-	13,365,480	-	16,468,480	29,833,960
Local Agency Investment Fund	71,987,322	-	-	-	71,987,322
Total Cash Investments	370,464,413	28,881,965	72,698,065	119,648,497	591,692,940
Investments with Fiscal Agents:					
Money Market Funds	53,724,568	-	-	-	53,724,568
Total Investments with Fiscal Agent	53,724,568	-	-	-	53,724,568
Total Investments	\$ 424,188,981	\$ 28,881,965	\$ 72,698,065	\$ 119,648,497	\$ 645,417,508

Fair Value Measurement and Application

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 the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2020:

Investment Type	June 30, 2020	Investments not Measured at Fair Value	Level		
			1	2	Uncategorized
U.S. Treasury Securities	\$ 370,165,320	\$ -	\$ -	\$ 370,165,320	\$ -
Federal Government Agency	35,075,470	-	-	35,075,470	-
Medium-Term Corporate Notes	84,630,868	-	-	84,630,868	-
Asset-Backed Securities	29,833,960	-	-	29,833,960	-
Municipal Bonds	-	-	-	-	-
Collateral Mortgage Obligations	-	-	-	-	-
Supranational	-	-	-	-	-
Local Agency Investment Fund (LAIF)	71,987,322	-	-	-	71,987,322
Investments with Fiscal Agent:					
Money Market Funds	53,724,568	53,724,568	-	-	-
Total Investments	\$ 645,417,508	\$ 53,724,568	\$ -	\$ 519,705,618	\$ 71,987,322

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2020

Note 4: Notes and Loans Receivable

Notes and loans receivable as of June 30, 2020, totaled \$39,023,397 and were recorded as follows:

General Fund	\$ 75,000
Community Development	10,528,597
Ontario Housing Authority	<u>28,419,800</u>
Total Notes and Loans Receivable	<u>\$ 39,023,397</u>

On March 20, 2014, the City entered into a Memorandum of Understanding (MOU) with the Ontario International Airport Authority (OIAA) to document the understanding and responsibilities with respect to costs associated with the "Set ONTario Free" campaign and the services associated with the transfer of Ontario International Airport (ONT). There are no set terms for repayment of the balance. During fiscal year 2019-20, the City elected to forgive the debt incurred with these costs. The amount forgiven has been presented as a special item on the financial statements.

\$ -

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, 2020, as:

50,000

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, 2020, was:

2,312,072

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, 2020, was:

43,000

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 4: Notes and Loans Receivable (Continued)

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, 2020, 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 non-interest 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, 2020, was: 77,000

On October 4, 1994, the former Redevelopment Agency loaned a developer, Cichon, \$135,030 to finance the cost of rehabilitation and construction of a low and moderate income residence located in the Center City Project Area. On December 5, 1995, the Agency loaned an additional \$4,647, bringing the total amount to \$139,677. During the fiscal year ended June 30, 2000, the Agency advanced an additional \$254. The note is a 25-year amortized loan and bears interest at 5% annually. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2020, was: 6,532

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, 2020, was: 4,381,441

On September 11, 2003, the former Ontario Redevelopment Agency and Ontario Housing Investors entered into a Residual Receipts promissory note in the amount of \$487,408. The loan bears interest of 7% per annum and requires principal and interest payments from residual receipts. On May 1, 2007, the Authority agreed to provide a gap loan in the amount of \$168,469. The loan has a 40-year term and a 6% simple interest per annum. The receivable balance at June 30, 2020, was: 1,063,092

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 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, 2020, 4 households have been assisted with these funds. The receivable at June 30, 2020, 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, 2020, 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, 2020, was: 2,735,440

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, 2020, 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, 2020, was: 5,331,643

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, 2020, was: 263,017

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 4: Notes and Loans Receivable (Continued)

On February 21, 2014, the Ontario Housing Authority entered into a HOME loan agreement with Mercy House Living Centers. The loan was made in the amount of \$1,000,000 to be used to finance the purchase price of property and up to \$523,858 in rehabilitation costs. The rehabilitation costs balance of \$523,858 was placed in a bank account where Mercy House is allowed to draw monies, as needed, to rehabilitate the property. As these monies are drawn from the bank, the amount is added to the loans receivable balance. The receivable balance at June 30, 2020, was:

\$ 1,523,858

On January 22, 2018, the Ontario Housing Authority entered into a HOME loan agreement with Mercy House CHDO, Inc. in the amount of \$1,145,000 to finance the acquisition, rehabilitation and operation of a multi-family property located at 411 North Parkside Avenue. The loan is an interest-free residual receipts note with a 30-year term. The receivable balance at June 30, 2020, 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, 2020, was:

119,679

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, 2020 the outstanding principal balance was:

15,770,338

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, 2020 the outstanding principal balance was \$2,000,000 with accrued interest of \$10,000, totaling:

2,010,000

Total Notes and Loans \$39,023,397

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 4: Notes and Loans Receivable (Continued)

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

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

Note 5: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due To/From Other Funds

Due from Other Funds	Due to Other Funds	
	Nonmajor Enterprise Fund	
General Fund	\$	495,315

The interfund balances at June 30, 2020, were the results of routine interfund transactions not cleared prior to the end of the fiscal year.

Advances To/From Other Funds

Advances to Other Funds	Advances from Other Funds		Total
	Ontario Housing Authority	Internal Service Funds	
General Fund	\$ -	\$ 58,180,692	\$ 58,180,692
Community Development	5,961,399	-	5,961,399
Water Fund	-	12,503,000	12,503,000
Sewer Fund	-	5,614,000	5,614,000
Integrated Waste Fund	-	11,738,000	11,738,000
Internal Service Funds	-	14,034,000	14,034,000
Total	\$ 5,961,399	\$ 102,069,692	\$ 108,031,091

During prior years, the Community Development Fund has 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 FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 5: Interfund Receivable, Payable and Transfers (Continued)

Interfund Transfers

Transfers Out	Transfers In					Total
	General Fund	Capital Projects	Impact Fees	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 3,205,200	\$ 11,000	\$ 1,306,773	\$ 10,371,133	\$ 14,894,106
Nonmajor						
Governmental Funds	14,098,930	-	-	-	37,313	14,136,243
Water Fund	6,525,158	-	-	-	148,914	6,674,072
Sewer Fund	2,985,256	-	-	-	63,930	3,049,186
Integrated Waste Fund	4,558,954	-	-	-	176,714	4,735,668
Nonmajor						
Enterprise Funds	-	-	-	-	13,334	13,334
Internal Service Funds	20,000,000	-	-	-	161,434	20,161,434
Total	<u>\$ 48,168,298</u>	<u>\$ 3,205,200</u>	<u>\$ 11,000</u>	<u>\$ 1,306,773</u>	<u>\$ 10,972,772</u>	<u>\$ 63,664,043</u>

The General Fund transferred \$3,205,200 to the Capital Projects Fund to fund various public facility improvement projects. The General Fund transferred \$4,371,132 to the OPEB Fund to fund the annual required contribution. In addition, the Water, Sewer and Integrated Waste Funds transferred a combined total of \$389,558 to the OPEB Fund to fund the annual required contribution.

The Water Fund, Sewer Fund and Integrated Waste Fund transferred \$6,525,158, \$2,985,256, and \$4,558,954, respectively, to the General Fund to cover the cost of operations.

The OPEB Fund transferred \$20,000,000 to the General Fund for the establishment of the Economic Uncertainty Reserve.

General fund transfers to the non-major governmental funds are for funding toward the pavement management program, parkway maintenance district and street light maintenance district.

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 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.

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Adjustment</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$ 91,557,736	\$ -	\$ 91,557,736	\$ 33,109,040	\$ -	\$ -	\$ 124,666,776
Infrastructure - pavement system	298,863,240	-	298,863,240	-	-	8,736,249	307,599,489
Construction in progress	48,965,577	-	48,965,577	34,219,853	(1,930,545)	(19,212,109)	62,042,776
Total Capital Assets, Not Being Depreciated	439,386,553	-	439,386,553	67,328,893	(1,930,545)	(10,475,860)	494,309,041
Capital assets, being depreciated:							
Infrastructure - other systems	394,541,262	-	394,541,262	-	-	-	394,541,262
Structures and improvements	421,640,373	-	421,640,373	15,070,672	(5,921,812)	10,180,022	440,969,255
Furniture and equipment	39,690,695	-	39,690,695	2,267,343	(171,906)	295,838	42,081,970
Total Capital Assets, Being Depreciated	855,872,330	-	855,872,330	17,338,015	(6,093,718)	10,475,860	877,592,487
Less accumulated depreciation:							
Infrastructure - other systems	92,922,012	-	92,922,012	3,763,595	-	-	96,685,607
Structures and improvements	152,804,559	507,216	153,311,775	15,145,139	(5,921,812)	-	162,535,102
Furniture and equipment	25,809,032	18,559	25,827,591	2,664,309	(171,906)	-	28,319,994
Total Accumulated Depreciation	271,535,603	525,775	272,061,378	21,573,043	(6,093,718)	-	287,540,703
Total Capital Assets, Being Depreciated, Net	584,336,727	(525,775)	583,810,952	(4,235,028)	-	10,475,860	590,051,784
Governmental Activities Capital Assets, Net	<u>\$ 1,023,723,280</u>	<u>\$ (525,775)</u>	<u>\$ 1,023,197,505</u>	<u>\$ 63,093,865</u>	<u>\$ (1,930,545)</u>	<u>\$ -</u>	<u>\$ 1,084,360,825</u>

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 6: Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-Type Activities:							
Capital assets, not being depreciated:							
Land	\$ 16,026,537	\$ -	\$ 16,026,537	\$ 128,066	\$ -	\$ -	\$ 16,154,603
Construction in progress	66,083,011	-	66,083,011	4,941,266	(482,540)	(1,594,689)	68,947,048
Total Capital Assets, Not Being Depreciated	82,109,548	-	82,109,548	5,069,332	(482,540)	(1,594,689)	85,101,651
Capital assets, being depreciated:							
Structures and improvements	10,961,824	-	10,961,824	-	-	87,465	11,049,289
Furniture and equipment	2,778,273	-	2,778,273	119,695	-	1,027,928	3,925,896
Infrastructure	271,533,886	(448,158)	271,085,728	-	-	479,296	271,565,024
Total Capital Assets, Being Depreciated	285,273,983	(448,158)	284,825,825	119,695	-	1,594,689	286,540,209
Less accumulated depreciation:							
Structures and improvements	3,333,010	-	3,333,010	318,881	-	-	3,651,891
Furniture and equipment	2,181,196	-	2,181,196	147,048	-	-	2,328,244
Infrastructure	110,463,780	-	110,463,780	6,310,396	-	-	116,774,176
Total Accumulated Depreciation	115,977,986	-	115,977,986	6,776,325	-	-	122,754,311
Total Capital Assets, Being Depreciated, Net	169,295,997	(448,158)	168,847,839	(6,656,630)	-	1,594,689	163,785,898
Business-Type Activities Capital Assets, Net	<u>\$ 251,405,545</u>	<u>\$ (448,158)</u>	<u>\$ 250,957,387</u>	<u>\$ (1,587,298)</u>	<u>\$ (482,540)</u>	<u>\$ -</u>	<u>\$ 248,887,549</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 526,981
Public Safety	1,597,923
Community Development	7,175,140
Public Works	5,791,715
Equipment Services	5,162,115
Information Technology	1,319,169
	<u>\$ 21,573,043</u>
Business-Type Activities:	
Water	\$ 4,774,329
Sewer	1,157,053
Integrated Waste	104,799
IT Fiber	740,144
	<u>\$ 6,776,325</u>

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 7: Long-Term Debt

a. Governmental Activities

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Public Offerings:					
Revenue Bonds	\$ 60,035,000	\$ -	\$ 1,050,000	\$ 58,985,000	\$ 1,120,000
Pension Obligation Bonds	-	236,585,000	-	236,585,000	3,370,000
Direct Borrowings:					
Loan Payable	126,566	-	-	126,566	12,000
Installment Sale	-	23,780,842	-	23,780,842	4,598,104
Advances from the Successor Agency	1,600,000	-	-	1,600,000	-
Total	<u>\$ 61,761,566</u>	<u>\$ 260,365,842</u>	<u>\$ 1,050,000</u>	<u>321,077,408</u>	<u>\$ 9,100,104</u>
				Unamortized Bond Discount (248,282)	
				Unamortized Bond Premium 2,988,300	
				<u>\$323,817,426</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.

Revenue Bonds

2013 Lease Revenue Bonds

In August 2013, the Ontario Public Financing Authority issued revenue bonds in the amount of \$33,390,000 to finance construction of City public facilities. The bonds dated August 20, 2013, and issued at a discount of \$380,848 mature in 2043, and are payable semiannually on April 1 and October 1 of each year, commencing April 2014, from base rental payments to be made by the City for the right to the use certain real property and improvements of the City pursuant to a Lease Agreement, dated September 1, 2013. The balance at June 30, 2020, including the unamortized bond discount of \$(248,282) amounted to \$32,616,718.

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

	2013 Lease Revenue Bonds	
	Principal	Interest
2020 - 2021	\$ 580,000	\$ 1,624,356
2021 - 2022	630,000	1,605,419
2022 - 2023	690,000	1,581,381
2023 - 2024	750,000	1,552,581
2024 - 2025	815,000	1,521,281
2025 - 2030	5,165,000	6,992,050
2030 - 2035	6,765,000	5,547,572
2035 - 2040	8,690,000	3,564,719
2040 - 2045	8,780,000	974,756
Total	<u>\$ 32,865,000</u>	<u>\$ 24,964,115</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 7: Long-Term Debt (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.

2017 Lease Refunding Revenue 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, 2020, including the unamortized bond premium of \$2,988,300 amounted to \$29,108,300

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

	2017 Lease Revenue Refunding Bonds	
	Principal	Interest
2020 - 2021	\$ 540,000	\$ 1,143,331
2021 - 2022	560,000	1,121,331
2022 - 2023	585,000	1,095,506
2023 - 2024	780,000	1,061,381
2024 - 2025	820,000	1,021,381
2025 - 2030	4,770,000	4,431,406
2030 - 2035	5,935,000	3,278,991
2035 - 2040	7,055,000	2,183,675
2040 - 2045	5,075,000	634,375
Total	<u>\$ 26,120,000</u>	<u>\$ 15,971,377</u>

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

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, 2020 amounted to \$236,585,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 7: Long-Term Debt (Continued)

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

	2020 Taxable Pension Allocation	
	Bonds	
	Principal	Interest
2020 - 2021	\$ 3,370,000	\$ 8,492,099
2021 - 2022	4,360,000	8,196,161
2022 - 2023	5,190,000	8,105,865
2023 - 2024	5,850,000	7,990,855
2024 - 2025	6,660,000	7,848,290
2025 - 2030	40,425,000	36,050,462
2030 - 2035	47,500,000	28,968,650
2035 - 2040	57,075,000	19,412,400
2040 - 2045	57,960,000	7,654,178
2040 - 2045	8,195,000	664,891
Total	<u>\$ 236,585,000</u>	<u>\$ 133,383,851</u>

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 payments were received during fiscal year 2019-2020. The outstanding balance at June 30, 2020 amounted to \$126,566.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 7: Long-Term Debt (Continued)

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

	Loan Payable	
	Principal	Interest
2020 - 2021	\$ 12,000	\$ -
2021 - 2022	12,000	-
2022 - 2023	12,000	-
2023 - 2024	12,000	-
2024 - 2025	12,000	-
2025 - 2030	60,000	-
2030-2031	6,566	-
Total	<u>\$ 126,566</u>	<u>\$ -</u>

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 inputted interest rate of 1.690%. The outstanding balance at June 30, 2020 amounted to \$23,780,843.

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

	Ontario Ranch Great Park Loan Payable	
	Principal	Interest
2020 - 2021	\$ 4,598,104	\$ 401,896
2021 - 2022	4,675,812	324,188
2022 - 2023	4,754,833	245,167
2023 - 2024	4,835,190	164,810
2024 - 2025	4,916,904	83,096
Total	<u>\$ 23,780,843</u>	<u>\$ 1,219,157</u>

Advances from the 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 7: Long-Term Debt (Continued)**b. Business-Type Activities**

The following is a summary of changes in Proprietary Fund long-term debt for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Public Offerings:					
Revenue Bonds	\$ 65,905,000	\$ -	\$ -	\$ 65,905,000	\$ 1,485,000
Total	<u>\$ 65,905,000</u>	<u>\$ -</u>	<u>\$ -</u>	65,905,000	<u>\$ 1,485,000</u>
		Unamortized Bond Premium		<u>1,691,108</u>	
				<u>\$ 67,596,108</u>	

Revenue Bonds**2013 Water Revenue Bonds**

In September 2013, the Ontario Public Financing Authority issued revenue bonds in the amount of \$74,545,000 to finance the acquisition and construction of certain improvements to the water enterprise of the City of Ontario, and refinance an installment payment obligation of the City and the related City of Ontario Certificates of Participation (2004 Water System Improvement Project). The bonds dated September 10, 2013, and issued at a premium of \$2,362,578 mature in 2043, and are payable semiannually on January 1 and July 1 of each year, commencing January 2014, from certain revenues consisting primarily of installment payments to be made by the City to the Ontario Public Financing Authority under an Installment Purchase Agreement dated September 1, 2013 between the City and the Authority. The balance at June 30, 2020, including the unamortized bond premium of \$1,691,108 amounted to \$67,596,108

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

	2013 Water Revenue Bonds	
	Principal	Interest
2020 - 2021	\$ 1,485,000	\$ 3,281,513
2021 - 2022	1,545,000	3,213,188
2022 - 2023	1,620,000	3,134,063
2023 - 2024	1,700,000	3,051,063
2024 - 2025	1,785,000	2,963,938
2025 - 2030	10,350,000	13,369,119
2030 - 2035	13,325,000	10,384,550
2035 - 2040	17,085,000	7,633,000
2040 - 2045	17,010,000	3,229,750
Total	<u>\$ 65,905,000</u>	<u>\$ 50,260,184</u>

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

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 8: Non-City Obligations

a. Special Assessment Bonds

The City has entered into a number of Special Assessment Bond programs. The City of Ontario is not obligated in any manner for the Special Assessment Bonds as the bonds are secured by unpaid assessments against the property owners. Accordingly, the City is only acting as an agent for the property owners/bondholders in collecting and forwarding the special assessments. Special Assessment Bonds payable at June 30, 2020, totaled \$113,355,000. 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 Agency Funds represent only debt service activities, i.e., collection from property owners and payment to bondholders.

b. Other Bond and Loan Programs

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

	Interest % Rate	Date Issued	Date Series Matures	Outstanding Balance at June 30, 2020
Multi-Family Mortgage Revenue Bonds				
City of Ontario Multi-Family Housing Revenue Bonds, Seasons at Ontario, Series 2017A	Variable	2017	2036	\$ 2,611,192
City of Ontario Multi-Family Housing Revenue Bonds, Vista Verde Apts, Series 2019A	Variable	2019	2051	9,232,156
Total				<u>\$ 11,843,348</u>

Note 9: 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, 2020:

	July 1, 2019	Additions	Deletions	June 30, 2020	One Year
Governmental Activities	\$ 16,224,220	\$ 13,262,804	\$ 11,443,130	\$ 18,043,894	\$ 12,774,000
Business-Type Activities	1,425,106	1,151,300	1,082,057	1,494,349	1,177,713
Total	<u>\$ 17,649,326</u>	<u>\$ 14,414,104</u>	<u>\$ 12,525,187</u>	<u>\$ 19,538,243</u>	<u>\$ 13,951,713</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 10: Pension Plan**Defined Benefit Pension Plan**

	Net Pension Liability	Deferred Outflows of Resources Pension Related Items	Deferred Inflows of Resources Pension Related Items
Miscellaneous Plan	\$ (95,281,496)	\$ 123,427,940	\$ (2,426,682)
Safety Police Plan	(130,812,373)	180,380,025	(3,455,234)
Safety Fire Plan	(88,005,577)	124,375,359	(2,097,296)
	<u>\$ (314,099,446)</u>	<u>\$ 428,183,324</u>	<u>\$ (7,979,212)</u>

General Information about the Pension Plans**Plan Description**

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, 2020, are summarized as follow:

	Miscellaneous Plan	
	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 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2.000% - 2.500%, 50 yrs - 55+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	8.000% (a)	6.250%
Required employer contribution rates	21.588%	21.588%

(a) City contributed 0% to employee contribution rate of 8.0%

*Closed to new entrants

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 10: Pension Plan (Continued)

	Safety Police Plan		
	Tier 1 *	Tier 2	PEPRA (Tier 3)
Hire date	Prior to July 1, 2012	On July 1, 2012 and prior to January 1, 2013	January 1, 2013 and after
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible	3.000%	2.400% - 3.000%,	2.000 - 2.700%,
	50 yrs - 55+ yrs, respectively	50 yrs - 55+ yrs, respectively	50 yrs - 57+ yrs, respectively
Required employee contribution rates	9.000% (b)	9.000% (b)	12.000%
Required employer contribution rates	46.444%	46.444%	46.444%

(b) City contributed 0.0% to employee contribution rate of 9.0% for 2020.

	Safety Fire Plan		
	Tier 1 *	Tier 2	PEPRA (Tier 3)
Hire date	Prior to July 1, 2012	On July 1, 2012 and prior to January 1, 2013	January 1, 2013 and after
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible	3.000%	2.400% - 3.000%,	2.000 - 2.700%,
	50 yrs - 55+ yrs, respectively	50 yrs - 55+ yrs, respectively	50 yrs - 57+ yrs, respectively
Required employee contribution rates	9.000% (c)	9.000% (c)	10.500%
Required employer contribution rates	41.864%	41.864%	41.864%

(c) City contributed 0.0% to employee contribution rate of 9.0% for 2020.

* Closed to new entrants.

Employees Covered

As of the June 30, 2019 measurement date, the following employees were covered by the benefit terms of the plans:

Description	Number of members		
	Miscellaneous Plan	Safety Police Plan	Safety Fire Plan
Active members	718	281	167
Transferred members	329	26	13
Terminated members	270	23	14
Retired members and beneficiaries	888	260	165
Total	2,205	590	359

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 10: Pension Plan (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, 2020, the contributions that were recognized as a reduction to the net pension liability were \$9,748,790, \$13,281,877, and \$7,797,113 for the Miscellaneous Plan, the Safety Police Plan and the Safety Fire Plan, respectively.

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, 2019 using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard updated procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2018 valuation was rolled forward to determine the June 30, 2019 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the 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 post-retirement 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.

All other actuarial assumptions used in the June 30, 2018 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 10: Pension Plan (Continued)***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.

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 (1)	Real Return Years 11+ (2)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	100.00%		

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

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

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 10: Pension Plan (Continued)

Changes in the Net Pension Liability

The changes in Net Pension Liability for each Plan follows:

Miscellaneous Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at: 6/30/2018	\$ 362,019,456	\$ 277,444,012	\$ 84,575,444
Changes recognized for the Measurement Period:			
Service Cost	8,873,061	-	8,873,061
Interest on Total Pension Liability	26,179,759	-	26,179,759
Differences between Expected and Actual Experience	7,329,159	-	7,329,159
Contributions - Employer	-	9,748,790	(9,748,790)
Contributions - Employees	-	3,976,957	(3,976,957)
Net Investment Income	-	18,145,412	(18,145,412)
Benefit Payments, Including Refunds of Employee Contributions	(15,269,344)	(15,269,344)	-
Administrative Expense	-	(197,990)	197,990
Other Miscellaneous Income/(Expense)	-	2,758	(2,758)
Net changes during 2018-19	27,112,635	16,406,583	10,706,052
Balance at: 6/30/19 (Measurement Date)	\$ 389,132,091	\$ 293,850,595	\$ 95,281,496

Safety Police Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at: 6/30/2018	\$ 373,258,198	\$ 260,639,647	\$ 112,618,551
Changes recognized for the Measurement Period:			
Service Cost	9,490,945	-	9,490,945
Interest on Total Pension Liability	27,456,414	-	27,456,414
Differences between Expected and Actual Experience	14,622,182	-	14,622,182
Contributions - Employer	-	13,281,877	(13,281,877)
Contributions - Employees	-	3,171,669	(3,171,669)
Net Investment Income	-	17,108,327	(17,108,327)
Benefit Payments, Including Refunds of Employee Contributions	(17,240,114)	(17,240,114)	-
Administrative Expense	-	(185,998)	185,998
Other Miscellaneous Income/(Expense)	-	(156)	156
Net changes during 2018-19	34,329,427	16,135,605	18,193,822
Balance at: 6/30/19 (Measurement Date)	\$ 407,587,625	\$ 276,775,252	\$ 130,812,373

Safety Fire Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at: 6/30/2018	\$ 277,222,157	\$ 201,841,769	\$ 75,380,388
Changes recognized for the Measurement Period:			
Service Cost	5,774,916	-	5,774,916
Interest on Total Pension Liability	20,209,053	-	20,209,053
Differences between Expected and Actual Experience	9,490,435	-	9,490,435
Contributions - Employer	-	7,797,113	(7,797,113)
Contributions - Employees	-	2,057,562	(2,057,562)
Net Investment Income	-	13,135,037	(13,135,037)
Benefit Payments, Including Refunds of Employee Contributions	(13,911,900)	(13,911,900)	-
Administrative Expense	-	(144,039)	144,039
Other Miscellaneous Income/(Expense)	-	3,542	(3,542)
Net changes during 2018-19	21,562,504	8,937,315	12,625,189
Balance at: 6/30/19 (Measurement Date)	\$ 298,784,661	\$ 210,779,084	\$ 88,005,577
Total Plans:	\$ 1,095,504,377	\$ 781,404,931	\$ 314,099,446

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 10: Pension Plan (Continued)***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of each Plan, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.15%) or 1% point higher (8.15%) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan's Net Pension Liability	\$ 148,412,072	\$ 95,281,496	\$ 51,365,452
Safety Police Plan's Net Pension Liability	188,166,240	130,812,373	83,935,209
Safety Fire Plan's Net Pension Liability	127,823,960	88,005,577	55,158,477
Total Net Pension Liability	<u>\$ 464,402,272</u>	<u>\$ 314,099,446</u>	<u>\$ 190,459,138</u>

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 Comprehensive Annual 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.

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

As of the start of the measurement period (July 1, 2018), the combined net pension liability for the Miscellaneous Plan, the Safety Police Plan and the Safety Fire Plan was \$272,574,383. For the measurement period ending June 30, 2019, (the measurement date), the City recognized pension expense of \$23,419,559, \$24,636,596, and \$16,249,825 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 FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 10: Pension Plan (Continued)

As of June 30, 2020, the City of Ontario has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Miscellaneous Plan</u>		
Contributions made after the measurement date	\$ 117,241,733	\$ -
Change in assumptions	631,395	1,278,431
Difference between expected and actual experience	5,554,812	-
Net difference between projected and actual earnings on pension plan investments	-	1,148,251
Miscellaneous Plan Total	<u>123,427,940</u>	<u>2,426,682</u>
<u>Safety Police Plan</u>		
Contributions made after the measurement date	158,004,442	-
Change in assumptions	7,933,861	981,329
Difference between expected and actual experience	14,441,722	1,296,473
Net difference between projected and actual earnings on pension plan investments	-	1,177,432
Safety Police Plan Total	<u>180,380,025</u>	<u>3,455,234</u>
<u>Safety Fire Plan</u>		
Contributions made after the measurement date	106,139,596	-
Change in assumptions	6,175,341	1,023,825
Difference between expected and actual experience	12,060,422	281,312
Net difference between projected and actual earnings on pension plan investments	-	792,159
Safety Fire Plan Total	<u>124,375,359</u>	<u>2,097,296</u>
Total	<u>\$ 428,183,324</u>	<u>\$ 7,979,212</u>

The amounts of \$117,241,733, \$158,004,442, and \$106,139,596 reported as deferred outflows of resources represents 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 10: Pension Plan (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:	Miscellaneous	Safety - Police	Safety - Fire
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2021	\$ 3,264,365	\$ 7,743,307	\$ 5,945,918
2022	(338,536)	3,967,999	3,414,906
2023	513,483	2,570,733	2,529,243
2024	320,213	3,071,648	2,468,984
2025	-	1,566,662	1,779,416
Total	\$ 3,759,525	\$ 18,920,349	\$ 16,138,467

Note 11: Other Post-Employment Benefits***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, 2019, the measurement date, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
Inactives currently receiving benefits	589
Inactives entitled to but not yet receiving benefits	161
Active employees	1,174
Total	1,924

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 2019-2020, the City paid \$6,570,084 in benefits and made a one-time contribution to the trust (CERBT) of \$140 million. Thereafter, the City will contribute \$5,000,000 per year adjusted for inflation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 11: Other Post-Employment Benefits (Continued)***Total OPEB Liability***

The City's net OPEB liability was measured as of June 30, 2019 for the measurement period July 1, 2018 through June 30, 2019. The net OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial assumptions:

Actuarial Assumptions:

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

Change of Assumptions

The discount rate was changed from 3.87% Bond Buyer 20-Bond Index at June 30, 2018 to 6.75% long-term expected asset return at June 30, 2019.

Discount Rate

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 11: Other Post-Employment Benefits (Continued)
Changes in the Net OPEB Liability.

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at 6/30/19 (6/30/18 measurement date)	\$ 269,554,133	\$ -	\$ 269,554,133
Changes for the year			
Service cost	9,940,301	-	9,940,301
Interest	10,698,499	-	10,698,499
Actual vs. expected experience	(31,315,151)	-	(31,315,151)
Assumption changes	(90,154,275)	-	(90,154,275)
Contributions - employer	-	6,108,661	(6,108,661)
Benefit payments	(6,094,869)	(6,094,869)	-
Administrative expenses	-	(13,792)	13,792
Net changes	(106,925,495)	-	(106,925,495)
Balance at 6/30/20 (6/30/19 measurement date)	\$ 162,628,638	\$ -	\$ 162,628,638

The net OPEB liability for the City's plan has been liquidated by funding from Governmental Funds and Proprietary Funds.

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or one percentage point lower than the current discount rate, for the measurement period June 30, 2019:

	Discount Rate		
	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 186,550,137	\$ 162,628,638	\$ 143,236,868

Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates

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

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 141,997,640	\$ 162,628,638	\$ 188,724,068

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 11: Other Post-Employment Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$147,622,445. At June 30, 2020, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (27,400,757)
Change in assumptions	-	(112,570,886)
Employer contributions made subsequent to measurement date	146,570,084 *	-
Total	\$ 146,570,084	\$ (139,971,643)

* Includes \$4,975,703 cash benefit payments, \$140,000,000 in trust contributions, and \$1,578,000 implied subsidy payment in 2019-20, and administrative expense of \$16,381.

The \$146,570,084 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.

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

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2021	\$ (21,704,953)
2022	(21,704,953)
2023	(21,704,953)
2024	(21,704,953)
2025	(21,225,991)
Thereafter	(31,925,840)
Total	\$ (139,971,643)

Note 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 12: Self-Insurance Program (Continued)

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 \$1,000,000 per claim arising from general liability claim actions brought against the City. Amounts in excess of \$1,000,000 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.

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
2018-2019	\$ 21,784,000	\$ 10,533,441	\$ 7,694,441	\$ 24,623,000
2019-2020	24,623,000	13,164,263	9,239,263	28,548,000

Of the total estimated claims liabilities, \$10,063,000 is estimated due within one year or less. The liability will be paid in future years from the Self Insurance Fund.

Note 13: Fund Balance and Net Position Restatement

Beginning net positions in the Equipment Services fund has been restated by \$(655,191) to correct prior year accumulated depreciation on capital assets and beginning net position in the Integrated Waste fund has been restated by \$(448,158) to correct capital assets balance. As a result, net position in the governmental activities and in the business-type activities have been restated by \$(655,191) and \$(448,158) respectively.

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 14: Fund Balances

a. Governmental Fund Balance Classifications

Fund balances in governmental funds at June 30, 2020, have been classified as follows:

	Governmental Funds					Other Governmental Funds
	General	Measure I	Ontario Housing Authority	Capital Projects	Impact Fees	
Fund Balances:						
Nonspendable						
Inventory	\$ 300,943	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid costs	176,154	-	-	-	-	-
Notes and loans	75,000	-	-	-	-	-
Advances to other funds	3,500,000	-	-	-	-	-
Total Nonspendable	<u>4,052,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted						
Endowment/Trust	417,464	-	-	-	-	-
Community development projects	-	-	-	10,466,800	229,370	80,048,721
Public safety	-	-	-	-	-	156,236
Park development	-	-	-	-	-	24,301,848
Transportation improvement	-	2,373,572	-	-	-	2,466,725
Affordable housing	-	-	21,292,559	16,010,135	-	-
AQMD activities	-	-	-	-	-	1,595,474
Public services	-	-	-	-	-	37,647,197
Bond improvement projects	-	-	-	18,600,767	-	-
Total Restricted	<u>417,464</u>	<u>2,373,572</u>	<u>21,292,559</u>	<u>45,077,702</u>	<u>229,370</u>	<u>146,216,201</u>
Committed						
City infrastructure	370,412	-	-	-	134,372,092	-
Ontario motor speedway	225,057	-	-	-	-	-
Total Committed	<u>595,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,372,092</u>	<u>-</u>
Assigned						
City facilities project	2,614,032	-	-	-	-	-
Public safety equipment	330,460	-	-	-	-	-
Communications/computer dispatch	3,267,724	-	-	-	-	-
Compensated absences	17,230,207	-	-	-	-	-
Continuing appropriations	5,155,020	-	-	11,315,242	11,647,088	-
Stability arrangement	51,265,533	-	-	-	-	-
Economic uncertainty	20,000,000	-	-	-	-	-
Total Assigned	<u>99,862,976</u>	<u>-</u>	<u>-</u>	<u>11,315,242</u>	<u>11,647,088</u>	<u>-</u>
Unassigned	2,622,364	-	-	-	-	(464,083)
Total Fund Balances	\$ 107,550,370	\$ 2,373,572	\$ 21,292,559	\$ 56,392,944	\$ 146,248,550	\$ 145,752,118

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 15: Special Item

On March 20, 2014, the City entered into a Memorandum of Understanding (MOU) with the Ontario International Airport Authority (OIAA) to document the understanding and responsibilities with respect to costs associated with the “Set ONTario Free” campaign and the services associated with the transfer of Ontario International Airport (ONT). There was no set terms for repayment of the balance. The City had recorded a receivable of \$42,373,148 as of July 1st, 2019. During fiscal year 2019-20, the City elected to forgive the debt incurred with these costs. The amount forgiven has been presented as a special item on the financial statements.

Note 16: Joint Ventures

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, 2020, the City's investment in the Authority, including its share of Authority's debt, was \$9,076,721.

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 16: Joint Ventures (Continued)

Audited financial information of the Authority for the fiscal year ended June 30, 2020, is summarized as follows:

Water Facilities Authority Net Position:	
Total assets	\$ 31,612,814
Total deferred outflows	338,150
Total liabilities	(5,650,733)
Total deferred inflows	(66,933)
Total net position	<u>\$ 26,233,298</u>
Water Facilities Authority Changes in Net Position:	
Operating revenues	\$ 24,669,955
Operating expenses	<u>24,833,343</u>
Operating gain (loss) before depreciation and amortization	(163,388)
Depreciation and amortization	<u>(1,191,076)</u>
Operating revenue (loss)	(1,354,464)
Nonoperating revenues (expenses)	1,728,032
Capital contributions	<u>531,624</u>
Change in net position	905,192
Beginning net position	<u>25,328,106</u>
Ending net position	<u>\$ 26,233,298</u>

The current participants and their financial contributions through June 30, 2020, were as follows:

	<u>Amount</u>	<u>Percent</u>
City of Chino	\$ 6,693,894	15.70%
City of Chino Hills	6,986,722	16.40%
Monte Vista Water District	14,725,941	34.60%
City of Ontario	8,545,801	20.10%
City of Upland	5,520,600	13.00%
Non-Participant	<u>117,703</u>	<u>0.30%</u>
Total	<u>\$ 42,590,661</u>	<u>100%</u>

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 16: Joint Ventures (Continued)**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, 2020, the City's investment in the Authority was \$56,088,131.

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, 2020, is summarized as follows:

Chino Basin Desalter Authority Net Position:

Total Assets	\$ 299,114,935
Deferred Outflows of Resources	3,812,920
Total Liabilities	90,002,105
Total net position	<u>\$ 212,925,750</u>

Chino Basin Desalter Authority Changes in Net Position:

Operating Revenues	\$ 51,585,750
Operating Expenses	46,836,025
Operating Gain Before Depreciation and Amortization	<u>4,749,725</u>
Depreciation and Amortization	4,316,354
Operating Revenue (loss)	433,371
Nonoperating Revenues (expenses)	2,981,376
Income (loss) Before Contributions	<u>3,414,747</u>
Contributions	5,829,604
Changes in Net Position	9,244,351
Beginning Net Position	<u>203,681,399</u>
Ending Net Position	<u>\$ 212,925,750</u>

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 16: Joint Ventures (Continued)

The current participants and their financial contributions through June 30, 2020, were as follows:

	<u>Amount</u>	<u>Percent</u>
Jurupa Community Services District	\$ 10,555,204	34.7%
City of Chino Hills	4,098,545	13.5%
City of Chino	4,879,188	16.0%
City of Norco	975,738	3.2%
City of Ontario	6,167,035	20.3%
Santa Ana River Co.	1,170,834	3.9%
Western Municipal Water District	<u>2,554,228</u>	<u>8.4%</u>
Total	<u>\$ 30,400,772</u>	<u>100.0%</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.

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.

The following is a summary of the West End Communications Authority financial information for the fiscal year ended June 30, 2020:

West End Communication Authority Net Position:

Total assets	\$ 1,410,934
Total liabilities	<u>-</u>
Total net position	<u>\$ 1,410,934</u>

West End Communication Authority Changes in Net Position:

Operating revenues	\$ -
Operating expenses	<u>2,800</u>
Operating revenue (loss)	(2,800)
General revenue	<u>46,845</u>
Change in net position	44,045
Beginning net position	<u>1,366,889</u>
Ending net position	<u>\$ 1,410,934</u>

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 16: Joint Ventures (Continued)

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.

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.

The following is a summary of the West End Fire and Emergency Response Commission financial information for the fiscal year ended June 30, 2020:

West End Fire and Emergency Response Commission Net Position:	
Total assets	\$ 603,841
Total liabilities	<u>-</u>
Total net position	<u>\$ 603,841</u>
West End Fire and Emergency response Commission Changes in Net Position:	
Operating revenues	\$ 100,000
Operating expenses	<u>31,757</u>
Operating revenue (loss)	68,243
General revenue	<u>20,886</u>
Change in net position	89,129
Beginning net position	<u>514,712</u>
Ending net position	<u>\$ 603,841</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 FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 17: Other Investments

Other investments of \$46,625,898 at June 30, 2020 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, 2020:

Investment Type	Totals	Level		
		1	2	3
Water Rights	\$ 45,833,661	\$ -	\$ -	\$ 45,833,661
Investment in Stored Water	416,442	-	-	416,442
Air Quality Credits	375,795	-	-	375,795
Total Investments	\$ 46,625,898	\$ -	\$ -	\$ 46,625,898

Note 18: 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 FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 19: Commitments

Construction Commitments

The following material construction commitments existed at June 30, 2020:

Project Name	Contract Amount	Expenditures to date as of June 30, 2020			Remaining Commitments
		Capital Projects	Impact Fees	General Fund Deposits	
Francis Street Storm Drain Construction Project	\$9,550,045	\$ 7,589,962	\$ 1,315,476	\$ 66,561	\$ 578,046
Fire Training Facility Project	9,110,871	7,263,645	1,473,965	-	373,261
Fire Station #9 Project	9,393,665	-	1,538,620	-	7,855,045
Anthony Munoz Community Center Project	11,471,217	465,679	1,299,998	-	9,705,540
		Water Fund	Sewer Fund	Integrated Waste	
I-10/4th & Grove Interchange-Engineering	\$4,307,958	\$ 62,790	\$ -	\$ -	4,245,168
Construction of Well 41	3,861,984	3,420,805	-	-	441,179
Construction of Recycled Water Improvements for Riverside Dr.	3,809,053	3,491,479	-	-	317,574
Recycled Water Improvements	3,481,886	1,044,552	-	-	2,437,334
CIS Infinity Software Installation	2,828,379	963,587	545,020	991,854	327,918
Parco Ave & Plaza Serena/ Granada Storm Drain Project	3,379,117	168,300	-	-	3,210,817
		Information Technology			
On-Call Fiber Conduit, Construction Contracts	6,400,000	5,433,228			966,772
On-Call Citywide Fiber Cable Installation Services	3,000,000	1,959,882			1,040,118
					<u>\$ 31,498,772</u>
					Total Remaining Commitments

Note 20: 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, 2020, the City abated taxes totaling \$8,264,525 under this program. The City has the following tax abatement agreements:

- A professional agreement with a consultant to assist the City in sales tax consulting services related to operating covenant agreements. The consultant will invoice the City on a quarterly basis and will receive a 5% fee each year on the first \$5,000,000 of local sales and use tax received by the City. Payments will continue for a 20-year term of the operating covenant agreement the City entered into with the retailer of equipment and merchandise of health care products and services. In fiscal year 2019-20, the abatement amounted to \$61,484.
- 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 2019-20, the abatement amounted to \$1,765,833.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 20: 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 2019-20, the abatement amounted to \$336,437.
- The City entered into a professional agreement with a consultant to provide sales tax audit and information services to the City. The audit services will detect and correct taxpayer reporting errors and generate new revenue without causing additional tax liability to businesses. The City agreed to pay quarterly 20% of new sales and use tax revenues received as a result of corrections identified by the consultant. In fiscal year 2019-20, the amount paid was \$320,063.
- 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 2019-20, the abatement amounted to \$2,063,418.
- Operating covenant agreement with a retailer of consumer products to ensure that it maintains its existing warehouse and distribution center in the City and expands its operations within the City. This will generate substantial revenue for the City, possibly create job growth, continue to stimulate the economy and result in community and public improvements. For the period January 1, 2016 through December 31, 2019, provided the City receives not less than \$1.2 million of sales tax revenue from the retailer, the City agreed to make annual payments in the amount of \$600,000 payable within 120 days following the end of each calendar year. In fiscal year 2019-20, the abatement amounted to \$600,000.
- Operating covenant agreement with an auto dealership to develop and operate a facility in the City for its Inland Empire sales territory. The City will receive additional local sales tax revenues, property taxes, employment benefits, and other tangible and intangible benefits arising from the operation of the Dealership within the City. The eligibility period of this agreement is from July 1, 2009 until June 30, 2034. The City agreed to make quarterly payments equal to 50% of local sales tax revenues in excess of \$50,000 not to exceed \$200,000 for any computation year or \$500,000 in the aggregate during the entire eligibility period. In fiscal year 2019-20, the abatement amounted to \$101,747.
- 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 2019-20, the abatement amounted to \$1,923,319.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 20: Tax Abatements (Continued)

- Operating covenant agreement with a sanitary supplies distributor to retain existing jobs, allow for the potential increase in job opportunities, foster a business and civic environment that may attract additional businesses and investments and create additional job opportunities in the City. The eligibility period of this agreement began on July 1, 2017. The City agreed to make quarterly payments equal to 25% of sales tax revenues in excess of \$201,000 during the quarter up to \$500,000. In fiscal year 2019-20, the abatement amounted to \$28,141.
- Operating covenant agreement with several concrete companies to establish a sale office and/or a business location that participate in the sale process within the City, expand operations within the City as appropriate and remains in the City for not less than 40 years. The establishment of such businesses is expected to generate substantial revenue for the City, create new jobs, revitalize an area of the City which has suffered a loss of jobs and result in community and public improvements. The eligibility period of this agreement began on October 1, 2018. The City agrees to refund on a quarterly basis 50% of the sales tax revenue attributable to annual taxable sales for the calendar year which is directly allocated to the City. In fiscal year 2019-20, the abatement amounted to \$283,107.
- Retention agreement with an auto dealership to encourage the auto dealership to remain in the City and consider future sales expansions in consideration of the local sales tax revenues, property taxes, employment benefits, and other tangible and intangible benefits that are expected to be received by the City arising from the Dealership within the City. During the eligibility period the City will pay to the Company on a quarterly basis for (1) operating years 1-5, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$75,000; (2) for operating years 6-10, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$100,000; and (3) for operating years 11-15, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$125,000. The cumulative total of any and all covenant payments paid by the City pursuant to this Agreement shall not exceed \$1,200,000. In fiscal year 2019-20, the abatement amounted to \$90,819.
- Operating Covenant Agreement with a technology consulting company to ensure the company maintains its existing facility within the City and expands its operations by increasing the size of its sales office and sales force. The City has determined that the long-term operation of the sales office will result in substantial benefits to the City, and its citizens including, without limitation, the creation of significant new numbers of employment opportunities, property tax revenues, sales tax revenues and other ancillary benefits. The City agrees to pay an amount equal to 50% of the sales tax revenues attributable to the property in excess of the base sales tax amount of \$45,000 for each computation quarter during the eligibility period. The eligibility period began on January 1, 2016 and end upon termination notice from either party to the agreement. In fiscal year 2019-20, the abatement amounted to \$690,157.

Note 21: 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.

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 21: Successor Trust for Assets of Former Redevelopment Agency (Continued)

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.

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, 2020, cash and investments were reported in the accompanying financial statements as follows:

Cash and investments	\$ 12,933,088
Cash and investments with fiscal agent	<u>2,889,941</u>
Total Cash and Investments	<u>\$ 15,823,029</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, 2020, was \$35,000.

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 21: Successor Trust for Assets of Former Redevelopment Agency (Continued)

c. Advances to City

During prior fiscal year, the Former RDA loaned \$1,600,000 to the Capital Project Fund for the purchase of property adjacent to Ontario Mills.

d. Long-Term Debt

The following is a summary of changes in long-term debt of the Successor Agency as of June 30, 2020:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Public Offerings:					
1993 Tax Allocation Bonds	\$ 35,950,225	\$ -	\$ 4,154,633	\$ 31,795,592	\$ 4,648,466
1995 Tax Allocation Bonds	3,178,875	-	367,367	2,811,508	411,034
2002 Refunding Revenue Bonds	1,915,000	-	630,000	1,285,000	610,000
Direct Borrowings:					
Loans Payable	8,630,158	-	598,010	8,032,148	629,705
Advance from City	3,500,000	-	-	3,500,000	-
Total	<u>\$ 53,174,258</u>	<u>\$ -</u>	<u>\$ 5,750,010</u>	47,424,248	<u>\$ 6,299,205</u>
			Unamortized Bond Premium	7,106	
			Total	<u>\$ 47,431,354</u>	

1993 Tax Allocation Bond

The 1993 Tax Allocation Bonds in the amount of \$45,708,900 were issued on June 11, 1993, to finance redevelopment activities related to Project Area #1. The Agency sold the bonds to the Financing Authority at a purchase price equal to the principal amount of the bonds plus a premium. The investment by the Authority in the bonds is held in an agency fund. The terms were negotiated in a prior year and reduced the outstanding principal balance by \$800. Additionally, the maturity date was extended two years to August 1, 2025. The interest is paid semi-annually at the stated rate of 12%. The balance at June 30, 2020, amounted to \$31,795,592.

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

	1993 Tax Allocation Bonds	
	Principal	Interest
2020 - 2021	\$ 4,648,466	\$ 3,536,563
2021 - 2022	5,213,685	2,944,834
2022 - 2023	5,842,021	2,281,492
2023 - 2024	6,028,988	1,569,231
2024 - 2026	10,062,432	1,001,267
Total	<u>\$ 31,795,592</u>	<u>\$ 11,333,387</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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 21: Successor Trust for Assets of Former Redevelopment Agency (Continued)
1995 Tax Allocation Bonds

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, 2020, amounted to \$2,811,508.

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

	1995 Tax Allocation Bonds	
	Principal	Interest
2020 - 2021	\$ 411,034	\$ 485,004
2021 - 2022	461,015	485,004
2022 - 2023	516,579	485,004
2023 - 2024	533,112	485,004
2024 - 2026	889,768	727,506
Total	<u>\$ 2,811,508</u>	<u>\$ 2,667,522</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, 2020, amounted to \$1,285,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020
Note 21: Successor Trust for Assets of Former Redevelopment Agency (Continued)

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

	2002 Refunding Revenue Bonds	
	Principal	Interest
2020 - 2021	\$ 610,000	\$ 46,550
2021 - 2022	675,000	16,031
Total	<u>\$ 1,285,000</u>	<u>\$ 62,581</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.

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, 2020, amounted to \$8,032,148.

At June 30, 2020, the annual requirements to repay the outstanding indebtedness were as follows:

	2002 FNMA Housing Set-Aside Loan	
	Principal	Interest
2020 - 2021	\$ 629,705	\$ 409,017
2021 - 2022	663,079	374,758
2022 - 2023	698,222	338,683
2023 - 2024	735,228	300,697
2024 - 2029	4,303,627	859,368
2029 - 2030	1,002,287	26,561
Total	<u>\$ 8,032,148</u>	<u>\$ 2,309,084</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.

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.

Note 21: Successor Trust for Assets of Former Redevelopment Agency (Continued)

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 \$60,296,822 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 \$10,707,680 and the debt service obligation on the bonds was \$10,817,314.

Note 22: Subsequent Events

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China, and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, have declared a state of emergency. Potential impacts to our future tax revenues include disruptions or restrictions on our current employees' ability to work. Any of the foregoing could negatively impact our revenues and we currently cannot anticipate all of the ways in which this health epidemics, COVID-19, could adversely impact our government agency. Although we are continuing to monitor and assess the effects of the COVID-19 pandemic on our government agency, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

On March 27, 2020, in response to the economic fallout of the Coronavirus pandemic in the United States, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, which provided \$2.2 trillion in economic stimulus funding through a variety of channels. The State of California received a \$500 million allocation to provide cities which did not receive a direct federal allocation through the CARES Act. The City entered into an agreement with the State of California in July 2020 and the County of San Bernardino in October 2020 to receive their allocation of the CARES Act funding. The total amount of CARES Act funding to be received by the City is \$4,515,864. This funding was for the reimbursement of costs incurred by the City since the start of the pandemic.

REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary 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 each 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 the 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 these 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 either be 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, 2020, 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

**BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 131,397,957	\$ 131,397,957	\$ 131,397,957	\$ -
Resources (Inflows):				
Taxes	192,541,000	180,334,655	184,275,840	3,941,185
Licenses and permits	3,675,000	4,906,281	5,488,023	581,742
Intergovernmental	307,700	203,200	1,268,005	1,064,805
Charges for services	31,075,615	31,564,027	36,168,302	4,604,275
Use of money and property	2,864,185	2,000,000	8,476,572	6,476,572
Fines and forfeitures	928,800	689,500	786,630	97,130
Miscellaneous	5,162,359	3,996,771	4,969,244	972,473
Transfers in	42,633,335	64,380,180	48,168,298	(16,211,882)
Amounts Available for Appropriations	410,585,951	419,472,571	420,998,871	1,526,300
Charges to Appropriations (Outflow):				
General government				
Mayor and City council	456,900	459,319	399,565	59,754
Planning commissioners	43,945	43,945	30,392	13,553
City treasurer/City clerk	113,843	114,278	84,640	29,638
Records management	934,093	952,213	1,005,773	(53,560)
City attorney	389,900	389,900	491,541	(101,641)
Office of the City manager	1,241,192	1,474,113	1,404,061	70,052
General government	619,250	499,250	476,897	22,353
Financial services administration	1,186,070	1,594,141	1,008,928	585,213
Fiscal services	2,895,520	3,067,500	2,893,290	174,210
General services	1,118,822	1,102,619	828,158	274,461
Billing and collection	3,916,487	3,951,722	3,541,146	410,576
Business license	510,535	494,805	883,142	(388,337)
Central services	355,109	355,978	297,012	58,966
Human Resources	3,046,343	3,422,584	3,504,373	(81,789)
Economic development	10,018,918	11,432,259	9,575,110	1,857,149
Airport HR & risk management services	303,422	306,444	205,844	100,600
Communication and community services	-	784,424	605,328	179,096
Office of legislative services	1,614,538	911,328	652,780	258,548
Innovation and performance audit	-	517,858	434,120	83,738
Public safety				
Police administration	1,583,668	1,653,151	1,397,956	255,195
Traffic support services	4,276,508	4,315,335	4,387,863	(72,528)
Community engagement team	6,658,860	6,725,733	6,576,300	149,433
Patrol	33,456,419	33,782,166	35,249,700	(1,467,534)
Extra duty - other	484,200	484,200	476,790	7,410
Canine	1,765,292	1,793,154	1,669,069	124,085
Air support	8,838,094	9,708,751	7,878,989	1,829,762
Crime analysis and prevention	910,662	916,570	702,260	214,310
Communications/records	6,207,918	6,305,150	5,551,538	753,612
Personnel recruit & training	2,677,480	2,701,154	2,402,155	298,999
Airport operations bureau	13,581,356	14,003,439	12,891,171	1,112,268
Detective division	9,000,898	9,113,991	10,107,810	(993,819)
Career criminal division	5,206,174	5,240,334	5,622,858	(382,524)
ID/evidence	2,069,690	2,120,503	1,888,185	232,318
Office of the Fire Chief	1,223,154	1,250,807	1,170,824	79,983
Fire prevention bureau	3,047,493	3,040,676	2,723,964	316,712
Emergency services	39,493,212	39,821,983	36,772,630	3,049,353
Personnel training and development	741,626	1,012,715	1,051,865	(39,150)
E.M.S technical services	1,157,301	1,222,011	1,175,714	46,297
Emergency management	459,695	571,750	599,004	(27,254)
Operations support services	2,839,145	2,925,800	3,167,440	(241,640)
Community improvement	4,016,304	4,167,162	3,832,434	334,728
SWAT	497,952	497,952	385,261	112,691
Office of the police chief	2,628,315	2,654,235	3,058,864	(404,629)
Fire communications	2,691,265	2,682,107	2,452,056	230,051
Airport fire operations	7,948,338	8,018,929	7,850,486	168,443
Fire station No. 9	6,358,979	6,402,852	4,621,513	1,781,339
Police/Ontario Ranch	2,535,189	2,560,980	1,208,695	1,352,285

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Community development				
Community life and culture admin.	1,120,421	1,263,681	1,032,974	230,707
Recreation administration	954,174	1,014,007	889,414	124,593
Sports/fitness	458,702	453,103	393,712	59,391
Special events/facility rental	307,384	475,040	301,656	173,384
Community programs	1,964,598	1,987,626	2,202,119	(214,493)
Development administration	1,180,805	1,034,417	936,656	97,761
Planning administration	633,309	638,218	593,879	44,339
Planning land development	2,176,572	3,670,628	2,329,271	1,341,357
Advanced long range planning	1,580,547	2,093,324	1,249,145	844,179
Building	4,132,209	4,262,900	3,963,911	298,989
Engineering administration	421,361	424,870	241,905	182,965
Engineering land development	2,946,799	3,564,594	2,404,874	1,159,720
Transportation	559,816	565,238	475,539	89,699
Traffic engineer and signal operation	3,422,410	3,516,564	3,214,420	302,144
Traffic management	156,278	157,803	143,348	14,455
Field services	452,454	456,476	449,011	7,465
Museum	967,622	1,131,796	837,730	294,066
Community outreach	1,941,042	5,916,042	5,663,989	252,053
Senior services	589,667	654,656	684,901	(30,245)
Youth/teen services	698,436	760,998	669,151	91,847
CIP design administration	35,855	35,855	3,747	32,108
Building safety	1,157,830	1,349,852	1,019,476	330,376
Successor project management	1,206,136	1,297,329	1,124,937	172,392
Town Square Park	285,471	293,321	202,077	91,244
Library administration	691,879	727,954	724,312	3,642
Ovitt Family Community Library	3,802,541	3,729,608	3,449,556	280,052
Branch library	657,155	660,610	627,335	33,275
Public works				
Roadway maintenance	1,568,930	1,576,598	1,106,384	470,214
Paint striping and sign maintenance	1,074,834	1,068,663	871,058	197,605
Sidewalk	1,692,973	1,698,940	1,649,358	49,582
Street lighting maintenance	588,543	744,363	667,951	76,412
Parks and maintenance supervision	974,327	1,008,519	746,734	261,785
Park maintenance	4,670,660	4,704,685	4,440,792	263,893
Parkway tree trimming	1,298,981	1,299,583	1,031,210	268,373
Public grounds maintenance	2,720,641	2,776,954	2,554,158	222,796
Civic center grounds maintenance	200,070	200,866	179,312	21,554
Public works admin.	864,243	1,005,881	894,638	111,243
Public facilities building maintenance	5,022,227	5,288,222	5,095,277	192,945
Community events	46,075	46,075	32,200	13,875
Graffiti	615,881	616,545	590,977	25,568
Storm drain maintenance	549,195	686,396	503,261	183,135
Facility maintenance	1,000,000	1,091,201	874,711	216,490
Weed & Refuse abatement	195,221	92,209	65,749	26,460
Debt service:				
Principal retirement	1,050,000	1,050,000	1,050,000	-
Interest and fiscal charges	2,802,940	2,802,940	2,802,938	2
Transfers out	18,159,588	18,215,227	14,894,106	3,321,121
Special item	-	-	42,373,148	(42,373,148)
Total Charges to Appropriations	280,716,876	295,678,647	313,448,501	(17,769,854)
Budgetary Fund Balance, June 30	\$ 129,869,075	\$ 123,793,924	\$ 107,550,370	\$ (16,243,554)

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
 MEASURE I
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,039,915	\$ 4,039,915	\$ 4,039,915	\$ -
Resources (Inflows):				
Intergovernmental	3,516,403	30,887,631	3,442,615	(27,445,016)
Use of money and property	115,189	115,189	67,240	(47,949)
Amounts Available for Appropriations	7,671,507	35,042,735	7,549,770	(27,492,965)
Charges to Appropriations (Outflow):				
Community development	5,640,200	33,675,768	5,176,198	28,499,570
Total Charges to Appropriations	5,640,200	33,675,768	5,176,198	28,499,570
Budgetary Fund Balance, June 30	\$ 2,031,307	\$ 1,366,967	\$ 2,373,572	\$ 1,006,605

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
ONTARIO HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 21,296,516	\$ 21,296,516	\$ 21,296,516	\$ -
Resources (Inflows):				
Contribution from property owners	-	27,300	26,254	(1,046)
Use of money and property	250,391	250,391	703,122	452,731
Miscellaneous	79,205	79,205	59,869	(19,336)
Amounts Available for Appropriations	21,626,112	26,653,412	22,085,761	(4,567,651)
Charges to Appropriations (Outflow):				
Community development	1,709,434	6,861,003	793,202	6,067,801
Total Charges to Appropriations	1,709,434	6,861,003	793,202	6,067,801
Budgetary Fund Balance, June 30	\$ 19,916,678	\$ 19,792,409	\$ 21,292,559	\$ 1,500,150

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2020

Modified Approach for City Infrastructure Capital Assets

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. The City defines infrastructure as the basic physical assets including the street system; water purification and distribution system; wastewater collection and treatment system; park and recreation lands and improvement system; storm water conveyance 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 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 scales; and (3) estimate annual amount to maintain and preserve at the established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

In February 2020, the City completed a study to update the physical condition assessment of the streets. The prior assessment study was completed in January 2019. 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

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.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2020

Modified Approach for City Infrastructure Capital Assets (Continued)

As of February 2020, the City's average street and its related subsystem's PCI rating was 82.8, with the detail condition as follows:

<u>Condition</u>	<u>% of Streets</u>
Excellent to Very Good	80.4%
Good to Fair	15.2%
Poor to Failed	4.3%

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

<u>Report's Date</u>	<u>PCI Index</u>
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
February 18, 2008	65
January 11, 2007	67
February 21, 2006	68
April 11, 2005	65
February 28, 2002	71
July 15, 1999	69

As of February 2020, 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.

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 \$14.2 million on street maintenance for the fiscal year ended June 30, 2020. 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 2020 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, 2020, the City had approximately 108,968,070 square feet (520.0 centerline miles) of streets with a carrying amount of \$374,948,186 and a replacement cost of approximately \$799,860,100.

The City is also continuously taking actions to arrest the deterioration of other infrastructure assets through short-term maintenance activities. For the fiscal year ended June 30, 2020, the City expended \$5.6 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 on the next page.

CITY OF ONTARIO

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
 YEAR ENDED JUNE 30, 2020

Modified Approach for City Infrastructure Capital Assets (Continued)

		INFRASTRUCTURE MAINTENANCE				
		ESTIMATED AND ACTUAL EXPENDITURES FIVE YEARS (IN THOUSANDS)				
		2017	2018	2019	2020	2021
<u>Streets</u>						
Estimated	\$	11,747	\$ 10,702	\$ 16,674	\$ 12,034	\$ 7,376
Actual		9,862	10,928	11,868	14,167	-
<u>Sidewalks</u>						
Estimated		1,669	1,489	1,760	1,693	1,530
Actual		1,580	1,489	1,552	1,667	-
<u>Storm Drain</u>						
Estimated		1,830	2,932	3,024	1,873	1,691
Actual		1,661	2,649	1,378	2,839	-
<u>Traffic Signal/Street Lights</u>						
Estimated		1,022	641	1,306	410	555
Actual		816	641	1,044	1,112	-

CITY OF ONTARIO

MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2014	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY						
Service Cost	\$ 6,439,440	\$ 6,295,399	\$ 6,785,157	\$ 8,020,608	\$ 8,293,305	\$ 8,873,061
Interest	19,741,927	20,680,719	22,042,754	23,255,948	24,357,078	26,179,759
Difference Between Expected and Actual Experience	-	(2,539,125)	2,960,090	1,183,589	833,264	7,329,159
Changes in Assumptions	-	(5,069,730)	-	19,573,224	(3,104,763)	-
Benefit Payments, Including Refunds of employee Contributions	(11,000,119)	(11,779,873)	(12,973,536)	(13,196,500)	(14,285,430)	(15,269,344)
Net Change in Total Pension Liability	15,181,248	7,587,390	18,814,465	38,836,869	16,093,454	27,112,635
Total Pension Liability - Beginning	265,506,030	280,687,278	288,274,668	307,089,133	345,926,002	362,019,456
Total Pension Liability - Ending (a)	\$ 280,687,278	\$ 288,274,668	\$ 307,089,133	\$ 345,926,002	\$ 362,019,456	\$ 389,132,091
PLAN FIDUCIARY NET POSITION						
Contribution - Employer	\$ 4,901,729	\$ 5,932,946	\$ 6,655,129	\$ 7,726,588	\$ 8,220,412	\$ 9,748,790
Contribution - Employee	2,619,805	3,288,408	3,496,228	3,300,315	4,098,899	3,976,957
Net Investment Income	35,255,810	5,225,720	1,288,913	26,063,000	21,684,987	18,145,412
Benefit Payments, Including Refunds of Employee Contributions	(11,000,119)	(11,779,873)	(12,973,536)	(13,196,500)	(14,285,430)	(15,269,344)
Plan to Plan Resource Movement	-	(670)	221	-	(1,183)	-
Administrative Expense	-	(270,392)	(144,267)	(347,413)	(402,453)	(197,990)
Other Miscellaneous Income/(Expense)	-	-	-	-	(954,165)	2,758
Net Change in Fiduciary Net Position	31,777,225	2,396,139	(1,677,312)	23,545,990	18,361,067	16,406,583
Plan Fiduciary Net Position - Beginning	203,040,903	234,818,128	237,214,267	235,536,955	259,082,945	277,444,012
Plan Fiduciary Net Position - Ending (b)	\$ 234,818,128	\$ 237,214,267	\$ 235,536,955	\$ 259,082,945	\$ 277,444,012	\$ 293,850,595
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 45,869,150	\$ 51,060,401	\$ 71,552,178	\$ 86,843,057	\$ 84,575,444	\$ 95,281,496
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.66%	82.29%	76.70%	74.90%	76.64%	75.51%
Covered Payroll	\$ 38,282,148	\$ 39,204,131	\$ 43,085,834	\$ 46,593,469	\$ 50,001,261	\$ 53,309,357
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	119.82%	130.24%	166.07%	186.38%	169.15%	178.73%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of 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 year 2018-19, there were none.

CITY OF ONTARIO

**SAFETY POLICE PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2014	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY						
Service Cost	\$ 6,239,776	\$ 6,095,464	\$ 6,630,087	\$ 7,755,445	\$ 8,903,620	\$ 9,490,945
Interest	20,403,337	21,492,971	22,805,001	23,727,296	25,115,253	27,456,414
Difference Between expected and Actual Experience	-	(435,228)	1,866,294	(3,343,535)	3,330,790	14,622,182
Changes in Assumptions	-	(5,448,420)	-	20,461,012	(1,542,087)	-
Benefit Payments, Including Refunds of employee Contributions	(11,427,473)	(12,128,407)	(13,014,228)	(13,724,815)	(15,142,297)	(17,240,114)
Net Change in Total Pension Liability	15,215,640	9,576,380	18,287,154	34,875,403	20,665,279	34,329,427
Total Pension Liability - Beginning	274,638,342	289,853,982	299,430,362	317,717,516	352,592,919	373,258,198
Total Pension Liability - Ending (a)	\$ 289,853,982	\$ 299,430,362	\$ 317,717,516	\$ 352,592,919	\$ 373,258,198	\$ 407,587,625
PLAN FIDUCIARY NET POSITION						
Contribution - Employer	\$ 6,579,735	\$ 7,869,101	\$ 8,627,418	\$ 11,021,424	\$ 11,243,370	\$ 13,281,877
Contribution - Employee	1,562,761	2,077,172	2,185,576	2,309,239	3,082,481	3,171,669
Net Investment Income	32,668,031	4,795,601	1,073,635	24,253,009	20,500,833	17,108,327
Benefit Payments, Including Refunds of Employee Contributions	(11,427,473)	(12,128,407)	(13,014,228)	(13,724,815)	(15,142,297)	(17,240,114)
Plan to Plan Resource Movement	-	607	-	-	(60)	-
Administrative Expense	-	(246,269)	(133,344)	(321,771)	(375,070)	(185,998)
Other Miscellaneous Income/(Expense)	-	-	-	-	(505,795)	(156)
Net Change in Fiduciary Net Position	29,383,054	2,367,805	(1,260,943)	23,537,086	18,803,462	16,135,605
Plan Fiduciary Net Position - Beginning	187,809,183	217,192,237	219,560,042	218,299,099	241,836,185	260,639,647
Plan Fiduciary Net Position - Ending (b)	\$ 217,192,237	\$ 219,560,042	\$ 218,299,099	\$ 241,836,185	\$ 260,639,647	\$ 276,775,252
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 72,661,745	\$ 79,870,320	\$ 99,418,417	\$ 110,756,734	\$ 112,618,551	\$ 130,812,373
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.93%	73.33%	68.71%	68.59%	69.83%	67.91%
Covered Payroll	\$ 21,107,423	\$ 21,416,900	\$ 23,375,007	\$ 26,602,363	\$ 30,395,138	\$ 32,697,789
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	344.25%	372.93%	425.32%	416.34%	370.52%	400.06%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

(2) Net of administrative expenses.

Notes to Schedule:
Benefit Changes: There were no changes in benefits.
Changes of 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 year 2018-19, there were none.

CITY OF ONTARIO

**SAFETY FIRE PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2014	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY						
Service Cost	\$ 4,207,185	\$ 3,826,254	\$ 4,011,720	\$ 4,694,688	\$ 5,450,102	\$ 5,774,916
Interest	15,722,984	16,115,504	17,007,366	17,663,790	18,731,153	20,209,053
Difference Between expected and Actual Experience	-	(5,049,828)	2,059,569	(205,847)	5,431,927	9,490,435
Changes in Assumptions	-	(3,893,081)	-	14,596,257	(1,280,641)	-
Benefit Payments, Including Refunds of employee Contributions	(9,226,093)	(10,326,665)	(10,544,779)	(11,502,192)	(12,416,436)	(13,911,900)
Net Change in Total Pension Liability	10,704,076	672,184	12,533,876	25,246,696	15,916,105	21,562,504
Total Pension Liability - Beginning	212,149,220	222,853,296	223,525,480	236,059,356	261,306,052	277,222,157
Total Pension Liability - Ending (a)	\$ 222,853,296	\$ 223,525,480	\$ 236,059,356	\$ 261,306,052	\$ 277,222,157	\$ 298,784,661
PLAN FIDUCIARY NET POSITION						
Contribution - Employer	\$ 4,097,660	\$ 4,950,167	\$ 5,300,820	\$ 6,271,125	\$ 6,744,221	\$ 7,797,113
Contribution - Employee	1,181,692	1,673,250	1,513,475	1,535,337	1,996,292	2,057,562
Net Investment Income	26,898,837	3,958,046	890,970	19,188,945	15,891,350	13,135,037
Benefit Payments, Including Refunds of Employee Contributions	(9,226,093)	(10,326,665)	(10,544,779)	(11,502,192)	(12,416,436)	(13,911,900)
Plan to Plan Resource Movement	-	-	(221)	-	(468)	-
Administrative Expense	-	(200,094)	(108,343)	(258,375)	(295,680)	(144,039)
Other Miscellaneous Income/(Expense)	-	-	-	-	(552,327)	3,542
Net Change in Fiduciary Net Position	22,952,096	54,704	(2,948,078)	15,234,840	11,366,952	8,937,315
Plan Fiduciary Net Position - Beginning	155,181,255	178,133,351	178,188,055	175,239,977	190,474,817	201,841,769
Plan Fiduciary Net Position - Ending (b)	\$ 178,133,351	\$ 178,188,055	\$ 175,239,977	\$ 190,474,817	\$ 201,841,769	\$ 210,779,084
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 44,719,945	\$ 45,337,425	\$ 60,819,379	\$ 70,831,235	\$ 75,380,388	\$ 88,005,577
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.93%	79.72%	74.24%	72.89%	72.81%	70.55%
Covered Payroll	\$ 15,672,135	\$ 14,881,781	\$ 15,700,218	\$ 17,573,194	\$ 20,851,973	\$ 22,164,166
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	285.35%	304.65%	387.38%	403.06%	361.50%	397.06%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of 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 year 2018-19, there were none.

CITY OF ONTARIO

SCHEDULE OF PENSION PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2014	2015	2016	2017	2018	2019	2020
Miscellaneous Plan							
Actuarially Determined Contribution	\$ 4,901,729	\$ 5,932,946	\$ 6,655,129	\$ 7,726,588	\$ 8,220,412	\$ 9,748,790	\$ 15,172,041
Contribution in Relation to the Actuarially Determined Contribution	(4,901,729)	(5,932,946)	(6,655,129)	(7,726,588)	(8,220,412)	(9,748,790)	(117,241,733)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (102,069,692)
Covered Payroll	\$ 38,282,148	\$ 39,204,131	\$ 43,085,834	\$ 46,593,469	\$ 50,001,261	\$ 53,309,357	\$ 48,861,556
Contributions as a Percentage of Covered Payroll	12.80%	15.13%	15.45%	16.58%	16.44%	18.29%	239.95%
Safety Police Plan							
Actuarially Determined Contribution	\$ 6,579,735	\$ 7,869,101	\$ 8,627,418	\$ 11,021,424	\$ 11,243,370	\$ 13,281,877	\$ 17,530,270
Contribution in Relation to the Actuarially Determined Contribution	(6,579,735)	(7,869,101)	(8,627,418)	(11,021,424)	(11,243,370)	(13,281,877)	(158,004,442)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (140,474,172)
Covered Payroll	\$ 21,107,423	\$ 21,416,900	\$ 23,375,007	\$ 26,602,363	\$ 30,395,138	\$ 32,697,789	\$ 43,233,064
Contributions as a Percentage of Covered Payroll	31.17%	36.74%	36.91%	41.43%	36.99%	40.62%	365.47%
Safety Fire Plan							
Actuarially Determined Contribution	\$ 4,097,660	\$ 4,950,167	\$ 5,300,820	\$ 6,271,125	\$ 6,744,221	\$ 7,797,113	\$ 11,197,896
Contribution in Relation to the Actuarially Determined Contribution	(4,097,660)	(4,950,167)	(5,300,820)	(6,271,125)	(6,744,221)	(7,797,113)	(106,139,596)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (94,941,700)
Covered Payroll	\$ 15,672,135	\$ 14,881,781	\$ 15,700,218	\$ 17,573,194	\$ 20,851,973	\$ 22,164,166	\$ 29,270,706
Contributions as a Percentage of Covered Payroll	26.15%	33.26%	33.76%	35.69%	32.34%	35.18%	362.61%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation.

Note to Schedule:

Actuarial Valuation Date: June 30, 2017

Actuarial Cost Method: Entry Age Normal

Amortization of Unfunded Actuarial Accrued Liability:

	(Gain) / Loss				Source	
	Investment 30 Years	Non-Investment 30 Years	Assumption/ Method Change 20 Years	Benefit Change 20 Years	Golden Handshake 5 Years	
Driver						
Amortization Period						
Escalation Rate						
- Active Plans	2.875%	2.875%	2.875%	2.875%	2.875%	
- Inactive Plans	0%	0%	0%	0%	0%	
Ramp Up	5	5	5	0	0	
Ramp Down	5	5	5	0	0	

Asset Valuation Method: Market Value of Assets

Discount Rate: 7.25%

Overall Payroll Growth: 2.875%

Inflation: 2.625%

Retirement Age: 2017 CalPERS Experience Study

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

CITY OF ONTARIO

**SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB Liability			
Service cost	\$ 12,423,938	\$ 10,440,905	\$ 9,940,301
Interest on the total OPEB liability	8,541,783	9,882,614	10,698,499
Actual and expected experience difference	-	-	(31,315,151)
Changes in assumptions	(37,838,070)	(13,680,004)	(90,154,275)
Benefit payments	(4,213,032)	(5,398,279)	(6,094,869)
Net change in total OPEB liability	(21,085,381)	1,245,236	(106,925,495)
Total OPEB liability - beginning	289,394,278	268,308,897	269,554,133
Total OPEB liability - ending (a)	268,308,897	269,554,133	162,628,638
Plan Fiduciary Net Position (2)			
Contribution - employer	4,213,032	5,398,279	6,108,661
Benefit payments	(4,213,032)	(5,398,279)	(6,094,869)
Administrative expense	-	-	(13,792)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	-	-	-
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 268,308,897	\$ 269,554,133	\$ 162,628,638
Plan fiduciary net position as a percentage of the net OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 111,311,408	\$ 127,657,357	\$ 135,622,457
Net OPEB liability as a percentage of covered-employee payroll	241.04%	211.15%	119.91%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

(2) 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 ending 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

**SCHEDULE OF OPEB CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 26,527,000	\$ 28,414,000	\$ 30,643,000
Contribution in Relation to the Actuarially Determined Contributions	<u>(5,398,279)</u>	<u>(6,108,661)</u>	<u>(146,570,084)</u>
Contribution Deficiency (Excess)	<u>\$ 21,128,721</u>	<u>\$ 22,305,339</u>	<u>\$ (115,927,084)</u>
Covered-employee payroll	\$ 127,657,357	\$ 135,622,457	\$ 142,599,181
Contributions as a percentage of covered-employee payroll	-4.23%	-4.50%	-102.78%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2020 were from the June 30, 2017 actuarial valuation. For fiscal year 2019-2020, the City paid \$6,570,084 in benefits and made a one-time contribution to the trust (CERBT) of \$140 million.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll; 16-year fixed period
Inflation	2.75% per annum
Discount Rate	3.75%
Medical Trend	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2011 Experience Study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2017

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CITY OF ONTARIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds			
	Special Gas Tax	Quiet Home Program	Park Impact / Quimby	Community Development
Assets:				
Cash and investments	\$ 5,668,763	\$ 1,037,766	\$ 24,275,079	\$ 525,969
Receivables:				
Accounts	356,506	-	6,000	906,731
Notes and loans	-	-	-	10,528,597
Accrued interest	20,056	-	85,883	-
Taxes	-	-	-	-
Prepaid costs	-	-	-	-
Advances to other funds	-	-	-	5,961,399
Land held for resale	-	57,832,246	-	51,050
Restricted assets:				
Cash and investments	-	-	-	35,775
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 6,045,325	\$ 58,870,012	\$ 24,366,962	\$ 18,009,521
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,000,037	\$ -	\$ 65,114	\$ 296,360
Accrued liabilities	12,019	-	-	-
Unearned revenues	-	863,420	-	35,775
Deposits payable	-	-	-	-
Due to other governments	-	-	-	2,866,258
Due to other funds	-	-	-	-
Total Liabilities	1,012,056	863,420	65,114	3,198,393
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	7,823,888
Total Deferred Inflows of Resources	-	-	-	7,823,888
Fund Balances:				
Restricted for:				
Community development projects	5,033,269	58,006,592	-	6,987,240
Public safety	-	-	-	-
Park development	-	-	24,301,848	-
Police narcotics	-	-	-	-
AQMD activities	-	-	-	-
Public services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	5,033,269	58,006,592	24,301,848	6,987,240
Total Liabilities and Fund Balances	\$ 6,045,325	\$ 58,870,012	\$ 24,366,962	\$ 18,009,521

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Asset Seizure	Mobile Source Air Pollution	Special Assessment/Fee Districts	Grants
Assets:				
Cash and investments	\$ 2,709,637	\$ 1,534,448	\$ 9,472,882	\$ 3,975,379
Receivables:				
Accounts	131,214	55,792	23,712	1,078,156
Notes and loans	-	-	-	-
Accrued interest	9,587	5,429	22,472	-
Taxes	-	-	7,867	-
Prepaid costs	2,929	-	-	8,800
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,853,367	\$ 1,595,669	\$ 9,526,933	\$ 5,062,335
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 51,906	\$ -	\$ 312,927	\$ 380,668
Accrued liabilities	63,756	195	8,101	370
Unearned revenues	-	-	-	4,688,503
Deposits payable	114,744	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	230,406	195	321,028	5,069,541
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	9,205,905	-
Public safety	156,236	-	-	-
Park development	-	-	-	-
Police narcotics	2,466,725	-	-	-
AQMD activities	-	1,595,474	-	-
Public services	-	-	-	-
Unassigned	-	-	-	(7,206)
Total Fund Balances	2,622,961	1,595,474	9,205,905	(7,206)
Total Liabilities and Fund Balances	\$ 2,853,367	\$ 1,595,669	\$ 9,526,933	\$ 5,062,335

CITY OF ONTARIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>Special Revenue Funds</u>			
	<u>Cable Access</u>	<u>Storm Drain Maintenance</u>	<u>Historic Preservation</u>	<u>NMC Public Services</u>
Assets:				
Cash and investments	\$ 1,656,142	\$ 382,871	\$ 387,228	\$ 13,208,439
Receivables:				
Accounts	45,944	84,403	-	547,662
Notes and loans	-	-	-	-
Accrued interest	5,865	1,587	1,370	46,730
Taxes	-	-	-	-
Prepaid costs	-	10,744	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 1,707,951</u>	<u>\$ 479,605</u>	<u>\$ 388,598</u>	<u>\$ 13,802,831</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 34,183	\$ -	\$ 252,198
Accrued liabilities	-	19,385	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	29,782	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>83,350</u>	<u>-</u>	<u>252,198</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Community development projects	-	396,255	388,598	-
Public safety	-	-	-	-
Park development	-	-	-	-
Police narcotics	-	-	-	-
AQMD activities	-	-	-	-
Public services	1,707,951	-	-	13,550,633
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,707,951</u>	<u>396,255</u>	<u>388,598</u>	<u>13,550,633</u>
Total Liabilities and Fund Balances	<u>\$ 1,707,951</u>	<u>\$ 479,605</u>	<u>\$ 388,598</u>	<u>\$ 13,802,831</u>

CITY OF ONTARIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds	
	NMC CFD	OMC CFD	NMC CFD	OMC CFD
Assets:				
Cash and investments	\$ -	\$ 40,697	\$ 1,240,870	\$ 49,226
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	196	-
Taxes	63,853	774	14,453	-
Prepaid costs	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	21,747,054	30,862
Total Assets	\$ 63,853	\$ 41,471	\$ 23,002,573	\$ 80,088
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 25,415	\$ -	\$ 114,417	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	541,014	49,226
Due to other governments	-	-	-	-
Due to other funds	495,315	-	-	-
Total Liabilities	520,730	-	655,431	49,226
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	30,862
Public safety	-	-	-	-
Park development	-	-	-	-
Police narcotics	-	-	-	-
AQMD activities	-	-	-	-
Public services	-	41,471	22,347,142	-
Unassigned	(456,877)	-	-	-
Total Fund Balances	(456,877)	41,471	22,347,142	30,862
Total Liabilities and Fund Balances	\$ 63,853	\$ 41,471	\$ 23,002,573	\$ 80,088

CITY OF ONTARIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Total Nonmajor Governmental Funds
Assets:	
Cash and investments	\$ 66,165,396
Receivables:	
Accounts	3,236,120
Notes and loans	10,528,597
Accrued interest	199,175
Taxes	86,947
Prepaid costs	22,473
Advances to other funds	5,961,399
Land held for resale	57,883,296
Restricted assets:	
Cash and investments	35,775
Cash and investments with fiscal agents	21,777,916
Total Assets	\$ 165,897,094
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 2,533,225
Accrued liabilities	103,826
Unearned revenues	5,587,698
Deposits payable	734,766
Due to other governments	2,866,258
Due to other funds	495,315
Total Liabilities	12,321,088
Deferred Inflows of Resources:	
Unavailable revenues	7,823,888
Total Deferred Inflows of Resources	7,823,888
Fund Balances:	
Restricted for:	
Community development projects	80,048,721
Public safety	156,236
Park development	24,301,848
Police narcotics	2,466,725
AQMD activities	1,595,474
Public services	37,647,197
Unassigned	(464,083)
Total Fund Balances	145,752,118
Total Liabilities and Fund Balances	\$ 165,897,094

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CITY OF ONTARIO

**COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds			
	Special Gas Tax	Quiet Home Program	Park Impact / Quimby	Community Development
Revenues:				
Special assessment taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,465,163	-	-	1,714,056
Contribution from property owners	-	-	-	-
Charges for services	-	-	19,436,684	-
Use of money and property	198,896	-	998,161	-
Miscellaneous	323,692	-	-	-
Total Revenues	6,987,751	-	20,434,845	1,714,056
Expenditures:				
Current:				
General government	-	-	2,132,965	-
Public safety	-	-	-	57,271
Community development	4,180,512	2,228	32,146,703	1,869,656
Public works	-	-	-	158,558
Total Expenditures	4,180,512	2,228	34,279,668	2,085,485
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,807,239	(2,228)	(13,844,823)	(371,429)
Other Financing Sources (Uses):				
Transfers in	837,351	-	-	-
Transfers out	(2,051,615)	-	-	-
Notes and loans issued	-	-	23,780,842	-
Total Other Financing Sources (Uses)	(1,214,264)	-	23,780,842	-
Net Change in Fund Balances	1,592,975	(2,228)	9,936,019	(371,429)
Fund Balances:				
Beginning of year	3,440,294	58,008,820	14,365,829	7,358,669
End of year	\$ 5,033,269	\$ 58,006,592	\$ 24,301,848	\$ 6,987,240

CITY OF ONTARIO

**COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

(CONTINUED)

	Special Revenue Funds			
	Asset Seizure	Mobile Source Air Pollution	Special Assessment/ Fee Districts	Grants
Revenues:				
Special assessment taxes	\$ -	\$ -	\$ 1,132,780	\$ -
Intergovernmental	613,429	226,104	-	3,910,686
Contribution from property owners	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	93,451	55,967	265,689	-
Miscellaneous	14,507	-	2,889,668	12,501
Total Revenues	721,387	282,071	4,288,137	3,923,187
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	457,035	-	-	1,347,922
Community development	-	97,602	1,004,727	2,820,050
Public works	-	-	704,753	-
Total Expenditures	457,035	97,602	1,709,480	4,167,972
Excess (Deficiency) of Revenues Over (Under) Expenditures	264,352	184,469	2,578,657	(244,785)
Other Financing Sources (Uses):				
Transfers in	-	-	214,416	244,760
Transfers out	(18,005)	(10,132)	(225,484)	-
Notes and loans issued	-	-	-	-
Total Other Financing Sources (Uses)	(18,005)	(10,132)	(11,068)	244,760
Net Change in Fund Balances	246,347	174,337	2,567,589	(25)
Fund Balances:				
Beginning of year	2,376,614	1,421,137	6,638,316	(7,181)
End of year	\$ 2,622,961	\$ 1,595,474	\$ 9,205,905	\$ (7,206)

CITY OF ONTARIO

**COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds			
	Cable Access	Storm Drain Maintenance	Historic Preservation	NMC Public Services
Revenues:				
Special assessment taxes	\$ 262,353	\$ -	\$ -	\$ -
Intergovernmental	-	5,764	-	-
Contribution from property owners	-	-	-	-
Charges for services	-	1,309,316	97,450	4,891,236
Use of money and property	78,412	14,493	14,428	506,976
Miscellaneous	-	16,630	-	-
Total Revenues	340,765	1,346,203	111,878	5,398,212
Expenditures:				
Current:				
General government	-	-	-	747,223
Public safety	-	-	-	-
Community development	45,013	964,202	-	-
Public works	-	428,377	-	-
Total Expenditures	45,013	1,392,579	-	747,223
Excess (Deficiency) of Revenues Over (Under) Expenditures	295,752	(46,376)	111,878	4,650,989
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(15,755)	-	(5,734,129)
Notes and loans issued	-	-	-	-
Total Other Financing Sources (Uses)	-	(15,755)	-	(5,734,129)
Net Change in Fund Balances	295,752	(62,131)	111,878	(1,083,140)
Fund Balances:				
Beginning of year	1,412,199	458,386	276,720	14,633,773
End of year	\$ 1,707,951	\$ 396,255	\$ 388,598	\$ 13,550,633

CITY OF ONTARIO

**COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds	
	NMC CFD	OMC CFD	NMC CFD	OMC CFD
Revenues:				
Special assessment taxes	\$ 6,393,646	\$ 110,474	\$ 682,154	\$ -
Intergovernmental	-	-	-	-
Contribution from property owners	-	-	15,471,772	5,636
Charges for services	-	-	-	-
Use of money and property	(20,276)	1,483	328,031	332
Miscellaneous	-	-	-	-
Total Revenues	6,373,370	111,957	16,481,957	5,968
Expenditures:				
Current:				
General government	19,513	-	-	-
Public safety	-	-	-	-
Community development	315,334	13,454	17,195,419	-
Public works	-	-	-	-
Total Expenditures	334,847	13,454	17,195,419	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,038,523	98,503	(713,462)	5,968
Other Financing Sources (Uses):				
Transfers in	10,246	-	-	-
Transfers out	(5,983,719)	(97,404)	-	-
Notes and loans issued	-	-	-	-
Total Other Financing Sources (Uses)	(5,973,473)	(97,404)	-	-
Net Change in Fund Balances	65,050	1,099	(713,462)	5,968
Fund Balances:				
Beginning of year	(521,927)	40,372	23,060,604	24,894
End of year	\$ (456,877)	\$ 41,471	\$ 22,347,142	\$ 30,862

CITY OF ONTARIO

**COMBINING STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Total Nonmajor Governmental Funds
Revenues:	
Special assessment taxes	\$ 8,581,407
Intergovernmental	12,935,202
Contribution from property owners	15,477,408
Charges for services	25,734,686
Use of money and property	2,536,043
Miscellaneous	3,256,998
	<hr/>
Total Revenues	68,521,744
	<hr/>
Expenditures:	
Current:	
General government	2,899,701
Public safety	1,862,228
Community development	60,654,900
Public works	1,291,688
	<hr/>
Total Expenditures	66,708,517
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,813,227
	<hr/>
Other Financing Sources (Uses):	
Transfers in	1,306,773
Transfers out	(14,136,243)
Notes and loans issued	23,780,842
	<hr/>
Total Other Financing Sources (Uses)	10,951,372
	<hr/>
Net Change in Fund Balances	12,764,599
	<hr/>
Fund Balances:	
Beginning of year	132,987,519
	<hr/>
End of year	\$ 145,752,118
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CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
SPECIAL GAS TAX
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,440,294	\$ 3,440,294	\$ 3,440,294	\$ -
Resources (Inflows):				
Intergovernmental	7,361,885	6,841,885	6,465,163	(376,722)
Use of money and property	79,323	79,323	198,896	119,573
Miscellaneous	200,268	413,790	323,692	(90,098)
Amounts Available for Appropriations	11,981,770	11,675,292	11,265,396	(409,896)
Charges to Appropriations (Outflow):				
Community development	5,258,718	8,314,072	4,180,512	4,133,560
Transfers out	2,829,954	2,829,954	2,051,615	778,339
Total Charges to Appropriations	8,088,672	11,144,026	6,232,127	4,911,899
Budgetary Fund Balance, June 30	\$ 3,893,098	\$ 531,266	\$ 5,033,269	\$ 4,502,003

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 QUIET HOME PROGRAM
 YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 58,008,820	\$ 58,008,820	\$ 58,008,820	\$ -
Resources (Inflows):				
Intergovernmental	1,067,000	1,067,000	-	(1,067,000)
Amounts Available for Appropriations	59,075,820	59,075,820	58,008,820	(1,067,000)
Charges to Appropriations (Outflow):				
Community development	1,067,000	1,067,000	2,228	1,064,772
Total Charges to Appropriations	1,067,000	1,067,000	2,228	1,064,772
Budgetary Fund Balance, June 30	\$ 58,008,820	\$ 58,008,820	\$ 58,006,592	\$ (2,228)

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
PARK IMPACT / QUIMBY
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 14,365,829	\$ 14,365,829	\$ 14,365,829	\$ -
Resources (Inflows):				
Charges for services	11,621,000	21,350,408	19,436,684	(1,913,724)
Use of money and property	234,324	234,324	998,161	763,837
Notes and loans issued	-	-	23,780,842	23,780,842
Amounts Available for Appropriations	26,221,153	35,950,561	58,581,516	22,630,955
Charges to Appropriations (Outflow):				
General government	2,236	2,236	2,132,965	(2,130,729)
Community development	1,452,000	10,921,304	32,146,703	(21,225,399)
Total Charges to Appropriations	1,454,236	10,923,540	34,279,668	(23,356,128)
Budgetary Fund Balance, June 30	\$ 24,766,917	\$ 25,027,021	\$ 24,301,848	\$ (725,173)

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,358,669	\$ 7,358,669	\$ 7,358,669	\$ -
Resources (Inflows):				
Intergovernmental	5,381,404	7,212,031	1,714,056	(5,497,975)
Amounts Available for Appropriations	12,740,073	14,570,700	9,072,725	(5,497,975)
Charges to Appropriations (Outflow):				
Public safety	-	282,281	57,271	225,010
Community development	5,213,905	6,798,050	1,869,656	4,928,394
Public works	158,693	158,693	158,558	135
Transfers out	8,806	-	-	-
Total Charges to Appropriations	5,381,404	7,239,024	2,085,485	5,153,539
Budgetary Fund Balance, June 30	\$ 7,358,669	\$ 7,331,676	\$ 6,987,240	\$ (344,436)

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
ASSET SEIZURE
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,376,614	\$ 2,376,614	\$ 2,376,614	\$ -
Resources (Inflows):				
Intergovernmental	-	-	613,429	613,429
Use of money and property	-	-	93,451	93,451
Miscellaneous	-	-	14,507	14,507
Amounts Available for Appropriations	2,376,614	2,376,614	3,098,001	721,387
Charges to Appropriations (Outflow):				
Public safety	549,556	752,206	457,035	295,171
Transfers out	-	-	18,005	(18,005)
Total Charges to Appropriations	549,556	752,206	475,040	277,166
Budgetary Fund Balance, June 30	\$ 1,827,058	\$ 1,624,408	\$ 2,622,961	\$ 998,553

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
MOBILE SOURCE AIR POLLUTION
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,421,137	\$ 1,421,137	\$ 1,421,137	\$ -
Resources (Inflows):				
Intergovernmental	218,900	218,900	226,104	7,204
Use of money and property	25,433	25,433	55,967	30,534
Amounts Available for Appropriations	1,665,470	1,665,470	1,703,208	37,738
Charges to Appropriations (Outflow):				
Community development	1,020,908	1,101,276	97,602	1,003,674
Transfers out	10,151	10,151	10,132	19
Total Charges to Appropriations	1,031,059	1,111,427	107,734	1,003,693
Budgetary Fund Balance, June 30	\$ 634,411	\$ 554,043	\$ 1,595,474	\$ 1,041,431

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT/FEE DISTRICTS
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,638,316	\$ 6,638,316	\$ 6,638,316	\$ -
Resources (Inflows):				
Taxes	1,121,000	1,137,253	1,132,780	(4,473)
Use of money and property	60,651	60,651	265,689	205,038
Miscellaneous	753,127	753,127	2,889,668	2,136,541
Transfers in	382,000	382,000	214,416	(167,584)
Amounts Available for Appropriations	8,955,094	8,971,347	11,140,869	2,169,522
Charges to Appropriations (Outflow):				
Community development	977,224	2,934,192	1,004,727	1,929,465
Public works	906,892	907,163	704,753	202,410
Transfers out	230,330	230,330	225,484	4,846
Total Charges to Appropriations	2,114,446	4,071,685	1,934,964	2,136,721
Budgetary Fund Balance, June 30	\$ 6,840,648	\$ 4,899,662	\$ 9,205,905	\$ 4,306,243

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
GRANTS
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (7,181)	\$ (7,181)	\$ (7,181)	\$ -
Resources (Inflows):				
Intergovernmental	39,243,333	45,697,278	3,910,686	(41,786,592)
Miscellaneous	-	60,000	12,501	(47,499)
Transfers in	-	-	244,760	244,760
Amounts Available for Appropriations	39,236,152	45,750,097	4,160,766	(41,589,331)
Charges to Appropriations (Outflow):				
Public safety	-	2,583,862	1,347,922	1,235,940
Community development	39,236,152	43,174,552	2,820,050	40,354,502
Transfers out	7,181	-	-	-
Total Charges to Appropriations	39,243,333	45,758,414	4,167,972	41,590,442
Budgetary Fund Balance, June 30	\$ (7,181)	\$ (8,317)	\$ (7,206)	\$ 1,111

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
CABLE ACCESS
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,412,199	\$ 1,412,199	\$ 1,412,199	\$ -
Resources (Inflows):				
Taxes	200,000	200,000	262,353	62,353
Use of money and property	-	-	78,412	78,412
Amounts Available for Appropriations	1,612,199	1,612,199	1,752,964	140,765
Charges to Appropriations (Outflow):				
Community development	-	149,217	45,013	104,204
Total Charges to Appropriations	-	149,217	45,013	104,204
Budgetary Fund Balance, June 30	\$ 1,612,199	\$ 1,462,982	\$ 1,707,951	\$ 244,969

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 STORM DRAIN MAINTENANCE
 YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 458,386	\$ 458,386	\$ 458,386	\$ -
Resources (Inflows):				
Intergovernmental	-	-	5,764	5,764
Charges for services	1,375,000	1,375,000	1,309,316	(65,684)
Use of money and property	8,677	8,677	14,493	5,816
Miscellaneous	15,000	15,000	16,630	1,630
Amounts Available for Appropriations	1,857,063	1,857,063	1,804,589	(52,474)
Charges to Appropriations (Outflow):				
Community development	1,165,936	1,169,588	964,202	205,386
Public works	526,791	527,887	428,377	99,510
Transfers out	29,101	29,101	15,755	13,346
Total Charges to Appropriations	1,721,828	1,726,576	1,408,334	318,242
Budgetary Fund Balance, June 30	\$ 135,235	\$ 130,487	\$ 396,255	\$ 265,768

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
HISTORIC PRESERVATION
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 276,720	\$ 276,720	\$ 276,720	\$ -
Resources (Inflows):				
Charges for services	-	-	97,450	97,450
Use of money and property	5,021	5,021	14,428	9,407
Amounts Available for Appropriations	281,741	281,741	388,598	106,857
Budgetary Fund Balance, June 30	\$ 281,741	\$ 281,741	\$ 388,598	\$ 106,857

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
NMC PUBLIC SERVICES
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 14,633,773	\$ 14,633,773	\$ 14,633,773	\$ -
Resources (Inflows):				
Charges for services	5,190,825	5,190,825	4,891,236	(299,589)
Use of money and property	212,254	212,254	506,976	294,722
Amounts Available for Appropriations	20,036,852	20,036,852	20,031,985	(4,867)
Charges to Appropriations (Outflow):				
General government	-	473,013	747,223	(274,210)
Transfers out	5,190,825	5,190,825	5,734,129	(543,304)
Total Charges to Appropriations	5,190,825	5,663,838	6,481,352	(817,514)
Budgetary Fund Balance, June 30	\$ 14,846,027	\$ 14,373,014	\$ 13,550,633	\$ (822,381)

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
NMC CFD
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (521,927)	\$ (521,927)	\$ (521,927)	\$ -
Resources (Inflows):				
Taxes	5,494,500	6,422,574	6,393,646	(28,928)
Use of money and property	-	-	(20,276)	(20,276)
Transfers in	-	-	10,246	10,246
Amounts Available for Appropriations	4,972,573	5,900,647	5,861,689	(38,958)
Charges to Appropriations (Outflow):				
General government	21,000	21,000	19,513	1,487
Community development	275,000	312,000	315,334	(3,334)
Transfers out	5,198,500	5,945,777	5,983,719	(37,942)
Total Charges to Appropriations	5,494,500	6,278,777	6,318,566	(39,789)
Budgetary Fund Balance, June 30	\$ (521,927)	\$ (378,130)	\$ (456,877)	\$ (78,747)

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
OMC CFD
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 40,372	\$ 40,372	\$ 40,372	\$ -
Resources (Inflows):				
Taxes	104,000	104,000	110,474	6,474
Use of money and property	213	213	1,483	1,270
Amounts Available for Appropriations	144,585	144,585	152,329	7,744
Charges to Appropriations (Outflow):				
Community development	19,000	22,200	13,454	8,746
Transfers out	85,000	85,000	97,404	(12,404)
Total Charges to Appropriations	104,000	107,200	110,858	(3,658)
Budgetary Fund Balance, June 30	\$ 40,585	\$ 37,385	\$ 41,471	\$ 4,086

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 58,148,527	\$ 58,148,527	\$ 58,148,527	\$ -
Resources (Inflows):				
Intergovernmental	-	2,716,067	168,434	(2,547,633)
Charges for services	4,794,000	4,794,000	6,501,986	1,707,986
Use of money and property	360,787	360,787	1,166,015	805,228
Transfers in	3,026,000	3,205,200	3,205,200	-
Amounts Available for Appropriations	66,329,314	69,224,581	69,190,162	(34,419)
Charges to Appropriations (Outflow):				
Public safety	675,000	7,940,936	6,828,766	1,112,170
Community development	2,351,000	31,821,321	5,968,452	25,852,869
Total Charges to Appropriations	3,026,000	39,762,257	12,797,218	26,965,039
Budgetary Fund Balance, June 30	\$ 63,303,314	\$ 29,462,324	\$ 56,392,944	\$ 26,930,620

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
IMPACT FEES
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 122,792,604	\$ 122,792,604	\$ 122,792,604	\$ -
Resources (Inflows):				
Charges for services	47,070,000	47,070,000	46,413,912	(656,088)
Use of money and property	2,583,864	2,583,864	5,810,447	3,226,583
Transfers in	-	11,000	11,000	-
Amounts Available for Appropriations	172,446,468	172,457,468	175,027,963	2,570,495
Charges to Appropriations (Outflow):				
General government	24,845	3,798,561	2,532,851	1,265,710
Public safety	-	14,797,566	4,555,436	10,242,130
Community development	18,121,252	58,931,885	21,592,501	37,339,384
Public works	200,000	200,000	98,625	101,375
Total Charges to Appropriations	18,346,097	77,728,012	28,779,413	48,948,599
Budgetary Fund Balance, June 30	\$ 154,100,371	\$ 94,729,456	\$ 146,248,550	\$ 51,519,094

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
NMC CFD
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 23,060,604	\$ 23,060,604	\$ 23,060,604	\$ -
Resources (Inflows):				
Taxes	-	815,241	682,154	(133,087)
Contribution from property owners	-	-	15,471,772	15,471,772
Use of money and property	-	-	328,031	328,031
Amounts Available for Appropriations	23,060,604	23,875,845	39,542,561	15,666,716
Charges to Appropriations (Outflow):				
Community development	-	67,000	17,195,419	(17,128,419)
Total Charges to Appropriations	-	67,000	17,195,419	(17,128,419)
Budgetary Fund Balance, June 30	\$ 23,060,604	\$ 23,808,845	\$ 22,347,142	\$ (1,461,703)

CITY OF ONTARIO

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Equipment Services	Self Insurance	Information Technology	Other Post Employment Benefits	Pension Benefits Fund	Totals
Assets:						
Current:						
Cash and investments	\$ 30,065,125	\$ 40,535,149	\$ 6,108,875	\$ 44,190,787	\$ 6,000,000	\$ 126,899,936
Receivables:						
Accounts	206,249	-	113,029	-	-	319,278
Accrued interest	-	-	-	159,394	-	159,394
Prepaid costs	-	-	1,392,815	302,206	-	1,695,021
Inventories	838,334	-	-	-	-	838,334
Restricted:						
Cash and investments	-	797,376	-	-	-	797,376
Cash with fiscal agent	-	-	-	-	8,487	8,487
Total Current Assets	31,109,708	41,332,525	7,614,719	44,652,387	6,008,487	130,717,826
Noncurrent:						
Advances to other funds	4,083,000	2,041,000	7,910,000	-	-	14,034,000
Capital assets - net of accumulated depreciation	32,029,320	-	6,947,730	-	-	38,977,050
Total Noncurrent Assets	36,112,320	2,041,000	14,857,730	-	-	53,011,050
Total Assets	67,222,028	43,373,525	22,472,449	44,652,387	6,008,487	183,728,876
Deferred Outflows of Resources:						
Deferred pension related items	986,750	153,780	1,375,471	-	337,485,564	340,001,565
Deferred OPEB related items	-	-	-	146,570,084	-	146,570,084
Total Deferred Outflows of Resources	986,750	153,780	1,375,471	146,570,084	337,485,564	486,571,649
Total Assets & Deferred Outflow of Resources	\$ 68,208,778	\$ 43,527,305	\$ 23,847,920	\$ 191,222,471	\$ 343,494,051	\$ 670,300,525
Liabilities, Deferred Inflows and Net Position						
Liabilities:						
Current:						
Accounts payable	\$ 1,273,256	\$ 633,633	\$ 1,293,670	\$ 20	\$ -	\$ 3,200,579
Accrued liabilities	87,736	16,427	116,732	-	-	220,895
Accrued compensated absences	240,000	17,000	149,000	-	-	406,000
Accrued claims and judgments	-	10,063,000	-	-	-	10,063,000
Bonds, notes, and capital leases	-	-	-	-	3,370,000	3,370,000
Total Current Liabilities	1,600,992	10,730,060	1,559,402	20	3,370,000	17,260,474
Noncurrent:						
Advances from other funds	-	-	-	-	102,069,692	102,069,692
Accrued compensated absences	38,375	10,993	107,592	-	-	156,960
Accrued claims and judgments	-	18,485,000	-	-	-	18,485,000
Net pension liability	4,402,005	686,027	6,136,128	-	-	11,224,160
Total OPEB liability	-	-	-	162,628,638	-	162,628,638
Bonds, notes, and capital leases	-	-	-	-	233,215,000	233,215,000
Total Noncurrent Liabilities	4,440,380	19,182,020	6,243,720	162,628,638	335,284,692	527,779,450
Total Liabilities	6,041,372	29,912,080	7,803,122	162,628,658	338,654,692	545,039,924
Deferred Inflows of Resources:						
Deferred pension related items	112,113	17,472	156,278	-	-	285,863
Deferred OPEB related items	-	-	-	139,971,643	-	139,971,643
Total Deferred Inflows of Resources	112,113	17,472	156,278	139,971,643	-	140,257,506
Net Position:						
Investment in capital assets	32,029,320	-	6,947,730	-	-	38,977,050
Unrestricted	30,025,973	13,597,753	8,940,790	(111,377,830)	4,839,359	(53,973,955)
Total Net Position	62,055,293	13,597,753	15,888,520	(111,377,830)	4,839,359	(14,996,905)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 68,208,778	\$ 43,527,305	\$ 23,847,920	\$ 191,222,471	\$ 343,494,051	\$ 670,300,525

CITY OF ONTARIO

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

	Equipment Services	Self Insurance	Information Technology	Other Post Employment Benefits	Pension Benefits Fund	Totals
Operating Revenues:						
Interdepartmental charges	\$ 15,617,773	\$ 14,272,338	\$ 11,408,099	\$ 896,683	-	\$ 42,194,893
Miscellaneous	1,359,792	57,276	15,303	7,622,445	-	9,054,816
Total Operating Revenues	16,977,565	14,329,614	11,423,402	8,519,128	-	51,249,709
Operating Expenses:						
Administration and general	5,634,384	4,162,451	7,880,498	4,982,391	1,160,641	23,820,365
Source of supply	1,970,617	-	6,072,938	-	-	8,043,555
Claims expense	-	9,239,263	-	-	-	9,239,263
Depreciation expense	5,162,115	-	1,319,169	-	-	6,481,284
Total Operating Expenses	12,767,116	13,401,714	15,272,605	4,982,391	1,160,641	47,584,467
Operating Income (Loss)	4,210,449	927,900	(3,849,203)	3,536,737	(1,160,641)	3,665,242
Nonoperating Revenues (Expenses):						
Interest revenue	-	-	-	420,911	-	420,911
Gain on sale of other investments	-	-	-	605,267	-	605,267
Total Nonoperating Revenues (Expenses)	-	-	-	1,026,178	-	1,026,178
Income (Loss) Before Transfers	4,210,449	927,900	(3,849,203)	4,562,915	(1,160,641)	4,691,420
Transfers in	-	-	-	4,972,772	6,000,000	10,972,772
Transfers out	(65,404)	(10,616)	(85,414)	(20,000,000)	-	(20,161,434)
Changes in Net Position	\$ 4,145,045	\$ 917,284	\$ (3,934,617)	\$ (10,464,313)	\$ 4,839,359	\$ (4,497,242)
Net Position:						
Beginning of Year, as originally reported	\$ 58,565,439	\$ 12,680,469	\$ 19,823,137	\$ (100,913,517)	-	\$ (9,844,472)
Restatements	(655,191)	-	-	-	-	(655,191)
Beginning of Fiscal Year, as restated	57,910,248	12,680,469	19,823,137	(100,913,517)	-	(10,499,663)
Changes in Net Position	4,145,045	917,284	(3,934,617)	(10,464,313)	4,839,359	(4,497,242)
End of Fiscal Year	\$ 62,055,293	\$ 13,597,753	\$ 15,888,520	\$ (111,377,830)	\$ 4,839,359	\$ (14,996,905)

CITY OF ONTARIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

	Equipment Services	Self Insurance	Information Technology	Other Post Employment Benefits	Pension Benefits Fund	Totals
Cash Flows from Operating Activities:						
Cash received from/(paid to) interfund service provided	\$ 16,946,039	\$ 14,329,614	\$ 11,575,580	\$ 8,521,128	\$ -	\$ 51,372,361
Cash paid to suppliers for goods and services	(1,559,056)	(4,980,673)	(5,992,689)	(23,642)	(1,160,641)	(13,716,701)
Cash paid to employees for services	(5,212,465)	(4,069,629)	(7,647,396)	(152,604,836)	-	(169,534,326)
Net Cash Provided (Used) by Operating Activities	10,174,518	5,279,312	(2,064,505)	(144,107,350)	(1,160,641)	(131,878,666)
Cash Flows from Non-Capital Financing Activities:						
Cash transfers in	-	-	-	4,972,772	6,000,000	10,972,772
Cash transfers out	(65,404)	(10,616)	(85,414)	(20,000,000)	-	(20,161,434)
Advance received from other funds	-	-	-	-	102,069,692	102,069,692
Advance paid to other funds	(4,083,000)	(2,041,000)	(7,910,000)	-	-	(14,034,000)
Proceeds from issuance of pension obligation bonds	-	-	-	-	236,585,000	236,585,000
Additional payments to employees pension plans	-	-	-	-	(337,485,564)	(337,485,564)
Net Cash Provided (Used) by Non-Capital Financing Activities	(4,148,404)	(2,051,616)	(7,995,414)	(15,027,228)	7,169,128	(22,053,534)
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(13,040,608)	-	(1,493,589)	-	-	(14,534,197)
Net Cash Provided (Used) by Capital and Related Financing Activities	(13,040,608)	-	(1,493,589)	-	-	(14,534,197)
Cash Flows from Investing Activities:						
Proceeds from the sale of other investments	-	-	-	38,743,379	-	38,743,379
Interest received	-	-	-	894,737	-	894,737
Net Cash Provided (Used) by Investing Activities	-	-	-	39,638,116	-	39,638,116
Net Increase (Decrease) in Cash and Cash Equivalents	(7,014,494)	3,227,696	(11,553,508)	(119,496,462)	6,008,487	(128,828,281)
Cash and Cash Equivalents at Beginning of Year	37,079,619	38,104,829	17,662,383	163,687,249	-	256,534,080
Cash and Cash Equivalents at End of Year	\$ 30,065,125	\$ 41,332,525	\$ 6,108,875	\$ 44,190,787	\$ 6,008,487	\$ 127,705,799
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 4,210,449	\$ 927,900	\$ (3,849,203)	\$ 3,536,737	\$ (1,160,641)	\$ 3,665,242
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:						
Depreciation	5,162,115	-	1,319,169	-	-	6,481,284
(Increase) decrease in accounts receivable	(31,526)	-	152,178	2,000	-	122,652
(Increase) decrease in prepaid expense	9,263	-	(563,455)	(22,385)	-	(576,577)
(Increase) decrease in inventories	(54,805)	-	-	-	-	(54,805)
Increase (decrease) in accounts payable	457,103	333,590	643,704	(1,257)	-	1,433,140
Increase (decrease) in accrued liabilities	22,258	7,806	28,408	-	-	58,472
Increase (decrease) in claims and judgments	-	3,925,000	-	-	-	3,925,000
Increase (decrease) in compensated absences	74,443	(10,855)	(249,402)	-	-	(185,814)
Increase (decrease) in net pension liability	425,300	122,399	593,790	-	-	1,141,489
Increase (decrease) in deferred pension related items	(100,082)	(26,528)	(139,694)	-	-	(266,304)
Increase (decrease) in OPEB liability	-	-	-	(106,925,495)	-	(106,925,495)
Increase (decrease) in deferred OPEB related items	-	-	-	(40,696,950)	-	(40,696,950)
Total Adjustments	5,964,069	4,351,412	1,784,698	(147,644,087)	-	(135,543,908)
Net Cash Provided (Used) by Operating Activities	\$ 10,174,518	\$ 5,279,312	\$ (2,064,505)	\$ (144,107,350)	\$ (1,160,641)	\$ (131,878,666)

Non-Cash Investing, Capital, and Financing Activities:
There were no non-cash activities in Fiscal Year 2019-20.

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CITY OF ONTARIO

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2020

	Redevelopment Financing Authority	West End Communications Authority	Assessment District 106 Bond Redemption	Sanitary Collection Treatment
Assets:				
Cash and investments	\$ 99,947	\$ 1,410,934	\$ 131,414	\$ 31,200,346
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and leases	90,940,448	-	-	-
Accrued interest	354	4,992	469	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	45,325	-	465,154	-
Total Assets	\$ 91,086,074	\$ 1,415,926	\$ 597,037	\$ 31,200,346
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,081,564
Due to other governments	91,086,074	1,415,926	-	29,118,782
Due to external parties/other agencies	-	-	597,037	-
Total Liabilities	\$ 91,086,074	\$ 1,415,926	\$ 597,037	\$ 31,200,346

CITY OF ONTARIO

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2020

(CONTINUED)

	Reassessment Bond Redemption	Assessment District 100C Bond Redemption	Assessment District 103 Bond Redemption	Assessment District 104 Bond Redemption
Assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and leases	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Due to external parties/other agencies	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -

CITY OF ONTARIO

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2020

	Assessment District 108 Bond Redemption	Assessment District 107 Bond Redemption	West End Fire and Emergency Response Commission	Ontario Public Financing Authority
Assets:				
Cash and investments	\$ -	\$ -	\$ 599,941	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and leases	-	-	-	124,890,000
Accrued interest	12	-	2,123	-
Prepaid costs	-	-	3,900	-
Restricted assets:				
Cash and investments with fiscal agents	1,424,160	-	-	-
Total Assets	\$ 1,424,172	\$ -	\$ 605,964	\$ 124,890,000
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	76,521	-	605,964	124,890,000
Due to external parties/other agencies	1,347,651	-	-	-
Total Liabilities	\$ 1,424,172	\$ -	\$ 605,964	\$ 124,890,000

CITY OF ONTARIO

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2020

(CONTINUED)

	<u>NMC CFD #28</u>	<u>NMC CFD #30</u>	<u>NMC CFD #34</u>	<u>NMC CFD #24</u>
Assets:				
Cash and investments	\$ 175,713	\$ 71,910	\$ 114,855	\$ 202,984
Receivables:				
Accounts	-	-	-	-
Taxes	12,734	4,253	7,725	13,937
Notes and leases	-	-	-	-
Accrued interest	91	266	7	870
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	1,044,891	1,517,613	848,141	1,732,610
Total Assets	<u>\$ 1,233,429</u>	<u>\$ 1,594,042</u>	<u>\$ 970,728</u>	<u>\$ 1,950,401</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Due to external parties/other agencies	1,233,429	1,594,042	970,728	1,950,401
Total Liabilities	<u>\$ 1,233,429</u>	<u>\$ 1,594,042</u>	<u>\$ 970,728</u>	<u>\$ 1,950,401</u>

CITY OF ONTARIO

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2020

	<u>NMC CFD #25</u>	<u>NMC CFD #26</u>	<u>NMC CFD #31</u>	<u>NMC CFD #39</u>
Assets:				
Cash and investments	\$ -	\$ -	\$ 307,395	\$ 352,827
Receivables:				
Accounts	-	-	20,884	-
Taxes	6,502	6,190	-	2,710
Notes and leases	-	-	-	-
Accrued interest	8	10	1,138	1,251
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	986,239	1,197,789	575,472	338,507
Total Assets	<u>\$ 992,749</u>	<u>\$ 1,203,989</u>	<u>\$ 904,889</u>	<u>\$ 695,295</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	2,537	41,023	-	-
Due to external parties/other agencies	990,212	1,162,966	904,889	695,295
Total Liabilities	<u>\$ 992,749</u>	<u>\$ 1,203,989</u>	<u>\$ 904,889</u>	<u>\$ 695,295</u>

CITY OF ONTARIO

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2020

(CONTINUED)

	<u>OMC CFD #5</u>	<u>OMC CFD #13</u>	<u>NMC CFD #38</u>	<u>CFD #33</u>
Assets:				
Cash and investments	\$ -	\$ 774,881	\$ 134,578	\$ 251,923
Receivables:				
Accounts	-	-	-	-
Taxes	-	2,765	10,361	1,454
Notes and leases	-	-	-	-
Accrued interest	-	2,744	496	3
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	354,580	1,185,526	377,246
Total Assets	<u>\$ -</u>	<u>\$ 1,134,970</u>	<u>\$ 1,330,961</u>	<u>\$ 630,626</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Due to external parties/other agencies	-	1,134,970	1,330,961	630,626
Total Liabilities	<u>\$ -</u>	<u>\$ 1,134,970</u>	<u>\$ 1,330,961</u>	<u>\$ 630,626</u>

CITY OF ONTARIO

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2020

	<u>Total</u>
Assets:	
Cash and investments	\$ 35,829,648
Receivables:	
Accounts	20,884
Taxes	68,631
Notes and leases	215,830,448
Accrued interest	14,834
Prepaid costs	3,900
Restricted assets:	-
Cash and investments with fiscal agents	12,093,253
Total Assets	<u>\$ 263,861,598</u>
Liabilities:	
Accounts payable	\$ 2,081,564
Due to other governments	247,236,827
Due to external parties/other agencies	14,543,207
Total Liabilities	<u>\$ 263,861,598</u>

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CITY OF ONTARIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>Redevelopment Financing Authority</u>				
Assets:				
Cash and investments	\$ 51,000	\$ 31,721,974	\$ 31,673,027	\$ 99,947
Receivables:				
Notes and leases	97,371,681	-	6,431,233	90,940,448
Accrued interest	2,010	354	2,010	354
Restricted assets:				
Cash and investments with fiscal agents	1,045,982	10,395,839	11,396,496	45,325
Total Assets	<u>\$ 98,470,673</u>	<u>\$ 42,118,167</u>	<u>\$ 49,502,766</u>	<u>\$ 91,086,074</u>
Liabilities:				
Due to other governments	\$ 98,470,673	\$ 75,581,333	\$ 82,965,932	\$ 91,086,074
Total Liabilities	<u>\$ 98,470,673</u>	<u>\$ 75,581,333</u>	<u>\$ 82,965,932</u>	<u>\$ 91,086,074</u>
<u>West End Communications Authority</u>				
Assets:				
Cash and investments	\$ 1,365,771	\$ 68,619	\$ 23,456	\$ 1,410,934
Receivables:				
Accrued interest	5,307	4,993	5,308	4,992
Total Assets	<u>\$ 1,371,078</u>	<u>\$ 73,612</u>	<u>\$ 28,764</u>	<u>\$ 1,415,926</u>
Liabilities:				
Accounts payable	\$ 4,191	\$ 2,800	\$ 6,991	\$ -
Due to other governments	1,366,887	117,793	68,754	1,415,926
Total Liabilities	<u>\$ 1,371,078</u>	<u>\$ 120,593</u>	<u>\$ 75,745</u>	<u>\$ 1,415,926</u>
<u>Assessment District 106 Bond Redemption</u>				
Assets:				
Cash and investments	\$ 552,294	\$ 8,410	\$ 429,290	\$ 131,414
Receivables:				
Accrued interest	2,970	469	2,970	469
Restricted assets:				
Cash and investments with fiscal agents	459,568	5,687	101	465,154
Total Assets	<u>\$ 1,014,832</u>	<u>\$ 14,566</u>	<u>\$ 432,361</u>	<u>\$ 597,037</u>
Liabilities:				
Accounts payable	\$ 103	\$ 421,501	\$ 421,604	\$ -
Due to external parties/other agencies	1,014,729	14,480	432,172	597,037
Total Liabilities	<u>\$ 1,014,832</u>	<u>\$ 435,981</u>	<u>\$ 853,776</u>	<u>\$ 597,037</u>
<u>Sanitary Collection Treatment</u>				
Assets:				
Cash and investments	\$ 20,933,499	\$ 10,331,509	\$ 64,662	\$ 31,200,346
Total Assets	<u>\$ 20,933,499</u>	<u>\$ 10,331,509</u>	<u>\$ 64,662</u>	<u>\$ 31,200,346</u>
Liabilities:				
Accounts payable	\$ -	\$ 2,081,564	\$ -	\$ 2,081,564
Due to other governments	20,933,499	12,503,134	4,317,851	29,118,782
Total Liabilities	<u>\$ 20,933,499</u>	<u>\$ 14,584,698</u>	<u>\$ 4,317,851</u>	<u>\$ 31,200,346</u>

CITY OF ONTARIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2020**

(CONTINUED)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Reassessment Bond Redemption</u>				
Assets:				
Cash and investments	\$ 609,923	\$ 5,188	\$ 615,111	\$ -
Receivables:				
Accrued interest	2,371	-	2,371	-
Total Assets	\$ 612,294	\$ 5,188	\$ 617,482	\$ -
Liabilities:				
Due to external parties/other agencies	\$ 612,294	\$ 10,443	\$ 622,737	\$ -
Total Liabilities	\$ 612,294	\$ 10,443	\$ 622,737	\$ -
<u>Assessment District 100C Bond Redemption</u>				
Assets:				
Cash and investments	\$ 104,932	\$ 859	\$ 105,791	\$ -
Receivables:				
Accrued interest	408	-	408	-
Total Assets	\$ 105,340	\$ 859	\$ 106,199	\$ -
Liabilities:				
Due to external parties/other agencies	\$ 105,340	\$ 3,231	\$ 108,571	\$ -
Total Liabilities	\$ 105,340	\$ 3,231	\$ 108,571	\$ -
<u>Assessment District 103 Bond Redemption</u>				
Assets:				
Cash and investments	\$ 192,445	\$ 1,576	\$ 194,021	\$ -
Receivables:				
Accrued interest	748	-	748	-
Total Assets	\$ 193,193	\$ 1,576	\$ 194,769	\$ -
Liabilities:				
Due to external parties/other agencies	\$ 193,193	\$ 3,231	\$ 196,424	\$ -
Total Liabilities	\$ 193,193	\$ 3,231	\$ 196,424	\$ -
<u>Assessment District 104 Bond Redemption</u>				
Assets:				
Cash and investments	\$ 55,751	\$ 457	\$ 56,208	\$ -
Receivables:				
Accrued interest	217	-	217	-
Total Assets	\$ 55,968	\$ 457	\$ 56,425	\$ -
Liabilities:				
Due to external parties/other agencies	\$ 55,968	\$ 936	\$ 56,904	\$ -
Total Liabilities	\$ 55,968	\$ 936	\$ 56,904	\$ -

CITY OF ONTARIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>Assessment District 108 Bond Redemption</u>				
Assets:				
Cash and investments	\$ 1,137,442	\$ 81,103	\$ 1,218,545	\$ -
Receivables:				
Accrued interest	6,879	12	6,879	12
Restricted assets:				
Cash and investments with fiscal agents	1,407,059	17,393	292	1,424,160
Total Assets	<u>\$ 2,551,380</u>	<u>\$ 98,508</u>	<u>\$ 1,225,716</u>	<u>\$ 1,424,172</u>
Liabilities:				
Accounts payable	\$ 103	\$ -	\$ 103	\$ -
Due to other governments	-	76,521	-	76,521
Due to external parties/other agencies	2,551,277	21,699	1,225,325	1,347,651
Total Liabilities	<u>\$ 2,551,380</u>	<u>\$ 98,220</u>	<u>\$ 1,225,428</u>	<u>\$ 1,424,172</u>
<u>Assessment District 107 Bond Redemption</u>				
Assets:				
Cash and investments	\$ 143,205	\$ 1,173	\$ 144,378	\$ -
Receivables:				
Accrued interest	557	-	557	-
Total Assets	<u>\$ 143,762</u>	<u>\$ 1,173</u>	<u>\$ 144,935</u>	<u>\$ -</u>
Liabilities:				
Due to external parties/other agencies	\$ 143,762	\$ 2,404	\$ 146,166	\$ -
Total Liabilities	<u>\$ 143,762</u>	<u>\$ 2,404</u>	<u>\$ 146,166</u>	<u>\$ -</u>
<u>West End Fire and Emergency Response Commission</u>				
Assets:				
Cash and investments	\$ 510,295	\$ 139,909	\$ 50,263	\$ 599,941
Receivables:				
Accrued interest	2,026	2,122	2,025	2,123
Prepaid costs	2,391	7,799	6,290	3,900
Total Assets	<u>\$ 514,712</u>	<u>\$ 149,830</u>	<u>\$ 58,578</u>	<u>\$ 605,964</u>
Liabilities:				
Due to other governments	\$ 514,712	\$ 145,991	\$ 54,739	\$ 605,964
Total Liabilities	<u>\$ 514,712</u>	<u>\$ 145,991</u>	<u>\$ 54,739</u>	<u>\$ 605,964</u>
<u>Ontario Public Financing Authority</u>				
Assets:				
Notes and loans	\$ 125,940,000	\$ -	\$ 1,050,000	\$ 124,890,000
Total Assets	<u>\$ 125,940,000</u>	<u>\$ -</u>	<u>\$ 1,050,000</u>	<u>\$ 124,890,000</u>
Liabilities:				
Due to other governments	\$ 125,940,000	\$ 3,870,735	\$ 4,920,735	\$ 124,890,000
Total Liabilities	<u>\$ 125,940,000</u>	<u>\$ 3,870,735</u>	<u>\$ 4,920,735</u>	<u>\$ 124,890,000</u>

CITY OF ONTARIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2020**

(CONTINUED)

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>NMC CFD #28</u>				
Assets:				
Cash and investments	\$ 563,623	\$ 22,017	\$ 409,927	\$ 175,713
Receivables:				
Taxes	4,959	65,956	58,181	12,734
Accrued interest	3,394	91	3,394	91
Restricted assets:				
Cash and investments with fiscal agents	583,645	854,712	393,466	1,044,891
Total Assets	<u>\$ 1,155,621</u>	<u>\$ 942,776</u>	<u>\$ 864,968</u>	<u>\$ 1,233,429</u>
Liabilities:				
Accounts payable	\$ 394	\$ 370,852	\$ 371,246	\$ -
Due to external parties/other agencies	1,155,227	1,055,060	976,858	1,233,429
Total Liabilities	<u>\$ 1,155,621</u>	<u>\$ 1,425,912</u>	<u>\$ 1,348,104</u>	<u>\$ 1,233,429</u>
<u>NMC CFD #30</u>				
Assets:				
Cash and investments	\$ 635,784	\$ 21,730	\$ 585,604	\$ 71,910
Receivables:				
Taxes	5,746	5,848	7,341	4,253
Accrued interest	4,116	266	4,116	266
Restricted assets:				
Cash and investments with fiscal agents	895,124	1,153,975	531,486	1,517,613
Total Assets	<u>\$ 1,540,770</u>	<u>\$ 1,181,819</u>	<u>\$ 1,128,547</u>	<u>\$ 1,594,042</u>
Liabilities:				
Due to external parties/other agencies	1,540,770	1,291,886	1,238,614	1,594,042
Total Liabilities	<u>\$ 1,540,770</u>	<u>\$ 1,291,886</u>	<u>\$ 1,238,614</u>	<u>\$ 1,594,042</u>
<u>NMC CFD #34</u>				
Assets:				
Cash and investments	\$ 431,756	\$ 17,908	\$ 334,809	\$ 114,855
Receivables:				
Taxes	4,936	7,725	4,936	7,725
Accrued interest	2,566	7	2,566	7
Restricted assets:				
Cash and investments with fiscal agents	471,397	689,975	313,231	848,141
Total Assets	<u>\$ 910,655</u>	<u>\$ 715,615</u>	<u>\$ 655,542</u>	<u>\$ 970,728</u>
Liabilities:				
Due to external parties/other agencies	\$ 910,655	\$ 773,033	\$ 712,960	\$ 970,728
Total Liabilities	<u>\$ 910,655</u>	<u>\$ 773,033</u>	<u>\$ 712,960</u>	<u>\$ 970,728</u>

CITY OF ONTARIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>NMC CFD #24</u>				
Assets:				
Cash and investments	\$ 896,373	\$ 26,472	\$ 719,861	\$ 202,984
Receivables:				
Taxes	1,441	13,937	1,441	13,937
Accrued interest	5,547	870	5,547	870
Restricted assets:				
Cash and investments with fiscal agents	1,010,955	1,072,115	350,460	1,732,610
Total Assets	<u>\$ 1,914,316</u>	<u>\$ 1,113,394</u>	<u>\$ 1,077,309</u>	<u>\$ 1,950,401</u>
Liabilities:				
Accounts payable	\$ 103	\$ 655,940	\$ 656,043	\$ -
Due to external parties/other agencies	1,914,213	1,554,947	1,518,759	1,950,401
Total Liabilities	<u>\$ 1,914,316</u>	<u>\$ 2,210,887</u>	<u>\$ 2,174,802</u>	<u>\$ 1,950,401</u>
<u>NMC CFD #25</u>				
Assets:				
Cash and investments	\$ 318,961	\$ 22,125	\$ 341,086	\$ -
Receivables:				
Taxes	11,214	6,502	11,214	6,502
Accrued interest	2,268	8	2,268	8
Restricted assets:				
Cash and investments with fiscal agents	574,651	804,954	393,366	986,239
Total Assets	<u>\$ 907,094</u>	<u>\$ 833,589</u>	<u>\$ 747,934</u>	<u>\$ 992,749</u>
Liabilities:				
Due to other governments	\$ -	\$ 2,537	\$ -	\$ 2,537
Due to external parties/other agencies	907,094	881,666	798,548	990,212
Total Liabilities	<u>\$ 907,094</u>	<u>\$ 884,203</u>	<u>\$ 798,548</u>	<u>\$ 992,749</u>
<u>NMC CFD #26</u>				
Assets:				
Cash and investments	\$ 206,037	\$ 53,317	\$ 259,354	\$ -
Receivables:				
Taxes	4,190	6,190	4,190	6,190
Accrued interest	851	10	851	10
Restricted assets:				
Cash and investments with fiscal agents	-	11,893,158	10,695,369	1,197,789
Total Assets	<u>\$ 211,078</u>	<u>\$ 11,952,675</u>	<u>\$ 10,959,764</u>	<u>\$ 1,203,989</u>
Liabilities:				
Due to other governments	\$ -	\$ 41,023	\$ -	\$ 41,023
Due to external parties/other agencies	211,078	11,041,473	10,089,585	1,162,966
Total Liabilities	<u>\$ 211,078</u>	<u>\$ 11,082,496</u>	<u>\$ 10,089,585</u>	<u>\$ 1,203,989</u>

CITY OF ONTARIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2020**

(CONTINUED)

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>NMC CFD #31</u>				
Assets:				
Cash and investments	\$ 521,806	\$ 20,665	\$ 235,076	\$ 307,395
Receivables:				
Accounts	-	20,884		20,884
Accrued interest	2,687	1,138	2,687	1,138
Restricted assets:				
Cash and investments with fiscal agents	311,343	614,402	350,273	575,472
Total Assets	<u>\$ 835,836</u>	<u>\$ 657,089</u>	<u>\$ 588,036</u>	<u>\$ 904,889</u>
Liabilities:				
Due to external parties/other agencies	\$ 835,836	\$ 697,916	\$ 628,863	\$ 904,889
Total Liabilities	<u>\$ 835,836</u>	<u>\$ 697,916</u>	<u>\$ 628,863</u>	<u>\$ 904,889</u>
<u>NMC CFD #39</u>				
Assets:				
Cash and investments	\$ 85,610	\$ 390,384	\$ 123,167	\$ 352,827
Receivables:				
Taxes	-	2,710		2,710
Accrued interest	1,132	1,251	1,132	1,251
Restricted assets:				
Cash and investments with fiscal agents	445,132	201,324	307,949	338,507
Total Assets	<u>\$ 531,874</u>	<u>\$ 595,669</u>	<u>\$ 432,248</u>	<u>\$ 695,295</u>
Liabilities:				
Due to external parties/other agencies	\$ 531,874	\$ 395,531	\$ 232,110	\$ 695,295
Total Liabilities	<u>\$ 531,874</u>	<u>\$ 395,531</u>	<u>\$ 232,110</u>	<u>\$ 695,295</u>
<u>OMC CFD #5</u>				
Assets:				
Cash and investments	\$ 36,450	\$ 223	\$ 36,673	\$ -
Receivables:				
Accrued interest	142		142	-
Total Assets	<u>\$ 36,592</u>	<u>\$ 223</u>	<u>\$ 36,815</u>	<u>\$ -</u>
Liabilities:				
Due to external parties/other agencies	\$ 36,592	\$ 585	\$ 37,177	\$ -
Total Liabilities	<u>\$ 36,592</u>	<u>\$ 585</u>	<u>\$ 37,177</u>	<u>\$ -</u>

CITY OF ONTARIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>OMC CFD #13</u>				
Assets:				
Cash and investments	\$ 747,807	\$ 400,038	\$ 372,964	\$ 774,881
Receivables:				
Taxes	-	2,765	-	2,765
Accrued interest	3,555	2,744	3,555	2,744
Restricted assets:				
Cash and investments with fiscal agents	350,320	15,597	11,337	354,580
Total Assets	<u>\$ 1,101,682</u>	<u>\$ 421,144</u>	<u>\$ 387,856</u>	<u>\$ 1,134,970</u>
Liabilities:				
Accounts payable	\$ 103	\$ 342,085	\$ 342,188	\$ -
Due to external parties/other agencies	1,101,579	409,868	376,477	1,134,970
Total Liabilities	<u>\$ 1,101,682</u>	<u>\$ 751,953</u>	<u>\$ 718,665</u>	<u>\$ 1,134,970</u>
<u>NMC CFD #38</u>				
Assets:				
Cash and investments	\$ 152,471	\$ 35,363	\$ 53,256	\$ 134,578
Receivables:				
Taxes	10,019	10,352	10,010	10,361
Accrued interest	2,149	496	2,149	496
Restricted assets:				
Cash and investments with fiscal agents	878,407	966,971	659,852	1,185,526
Total Assets	<u>\$ 1,043,046</u>	<u>\$ 1,013,182</u>	<u>\$ 725,267</u>	<u>\$ 1,330,961</u>
Liabilities:				
Due to external parties/other agencies	\$ 1,043,046	\$ 1,202,710	\$ 914,795	\$ 1,330,961
Total Liabilities	<u>\$ 1,043,046</u>	<u>\$ 1,202,710</u>	<u>\$ 914,795</u>	<u>\$ 1,330,961</u>
<u>CFD #33</u>				
Assets:				
Cash and investments	\$ -	\$ 251,923	\$ -	\$ 251,923
Receivables:				
Taxes	-	1,454	-	1,454
Accrued interest	-	3	-	3
Restricted assets:				
Cash and investments with fiscal agents	-	377,246	-	377,246
Total Assets	<u>\$ -</u>	<u>\$ 630,626</u>	<u>\$ -</u>	<u>\$ 630,626</u>
Liabilities:				
Due to external parties/other agencies	\$ -	\$ 630,626	\$ -	\$ 630,626
Total Liabilities	<u>\$ -</u>	<u>\$ 630,626</u>	<u>\$ -</u>	<u>\$ 630,626</u>

CITY OF ONTARIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2020

(CONTINUED)

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 30,253,235	\$ 43,622,942	\$ 38,046,529	\$ 35,829,648
Receivables:				
Accounts	-	20,884	-	20,884
Taxes	42,505	123,439	97,313	68,631
Notes and leases	223,311,681	-	7,481,233	215,830,448
Accrued interest	51,900	14,834	51,900	14,834
Prepaid costs	2,391	7,799	6,290	3,900
Restricted assets:				
Cash and investments with fiscal agents	8,433,583	29,063,348	25,403,678	12,093,253
Total Assets	<u>\$ 262,095,295</u>	<u>\$ 72,853,246</u>	<u>\$ 71,086,943</u>	<u>\$ 263,861,598</u>
Liabilities:				
Accounts payable	\$ 4,997	\$ 3,874,742	\$ 1,798,175	\$ 2,081,564
Due to other governments	247,225,771	92,339,067	92,328,011	247,236,827
Due to external parties/other agencies	14,864,527	19,991,725	20,313,045	14,543,207
Total Liabilities	<u>\$ 262,095,295</u>	<u>\$ 116,205,534</u>	<u>\$ 114,439,231</u>	<u>\$ 263,861,598</u>

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Statistical Section

The statistical section of the City’s comprehensive annual 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.

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

	Fiscal Year								
	2011	2012	2014	2015	2016	2017	2018	2019	2020
Governmental activities									
Net investment in capital assets	\$ 704,218,787	\$ 821,632,336	\$ 812,874,736	\$ 838,484,374	\$ 908,309,555	\$ 940,354,455	\$ 950,420,687	\$ 961,901,972	\$ 997,856,845
Restricted	243,017,889	216,270,766	254,103,989	240,480,450	156,425,046	168,765,518	173,159,152	204,484,800	215,606,868
Unrestricted	135,744,173	127,864,653	137,590,247	(66,639,420)	(1,666,599)	179,846,318	16,250,642	95,440,937	59,045,553
Total governmental activities net position	\$ 1,082,980,849	\$ 1,165,767,755	\$ 1,204,568,972	\$ 1,012,325,404	\$ 1,063,068,002	\$ 1,288,966,291	\$ 1,139,830,481	\$ 1,261,827,709	\$ 1,272,509,266
Business-type activities									
Net investment in capital assets	\$ 136,609,773	\$ 140,007,920	\$ 143,574,879	\$ 140,873,539	\$ 136,336,952	\$ 143,660,797	\$ 161,791,743	\$ 184,562,565	\$ 182,086,718
Restricted	4,185,546	4,267,828	10,578,881	5,289,769	1,528,395	369	373	378	3,140,719
Unrestricted	201,923,905	223,743,456	273,069,164	271,397,325	299,336,371	329,045,082	345,926,734	298,224,116	301,316,946
Total business-type activities net position	\$ 342,719,224	\$ 368,019,204	\$ 427,222,924	\$ 417,560,633	\$ 437,201,718	\$ 472,706,248	\$ 507,718,850	\$ 482,787,059	\$ 486,544,383
Primary government									
Net investment in capital assets	\$ 840,828,560	\$ 961,640,256	\$ 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
Restricted	247,203,435	220,538,594	264,682,870	245,770,219	157,953,441	168,765,887	173,159,525	204,485,178	218,747,587
Unrestricted	337,668,078	351,608,109	410,659,411	204,757,905	297,669,772	508,891,400	362,177,376	393,665,053	360,362,499
Total primary government net position	\$ 1,425,700,073	\$ 1,533,786,959	\$ 1,631,791,896	\$ 1,429,886,037	\$ 1,500,269,720	\$ 1,761,672,539	\$ 1,647,549,331	\$ 1,744,614,768	\$ 1,759,053,649

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 56,951,330	\$ 64,330,936	\$ 34,081,969	\$ 28,982,239	\$ 81,855,829	\$ 40,011,028	\$ 36,656,658	\$ 27,554,284	\$ 34,587,604	\$ 31,859,857
Public safety	103,472,190	107,848,353	103,814,741	110,981,159	121,981,375	125,884,228	136,032,820	178,835,586	178,045,825	177,840,309
Community development	39,888,900	47,088,876	45,485,896	41,524,328	62,623,670	19,114,534	38,552,339	42,623,892	76,420,858	92,310,831
Library	4,363,701	3,764,564	3,745,405	4,602,190	4,542,196	4,850,620	5,026,299	5,938,560	-	-
Public works	23,165,874	21,371,492	18,519,391	25,092,721	23,852,377	38,104,811	50,703,275	42,308,931	40,398,759	28,825,751
Interest on long-term debt	14,514,729	13,740,250	1,880,787	3,017,116	1,786,957	1,712,433	1,630,517	3,921,536	2,661,754	3,493,124
Total governmental activities expenses	\$ 242,356,724	\$ 258,144,471	\$ 207,528,189	\$ 214,199,753	\$ 296,642,404	\$ 229,677,654	\$ 268,601,908	\$ 301,182,789	\$ 332,114,800	\$ 334,329,872
Business-type activities:										
Water	\$ 31,052,190	\$ 28,986,963	\$ 21,485,576	\$ 30,814,880	\$ 54,841,770	\$ 42,639,260	\$ 41,413,255	\$ 41,340,763	\$ 52,901,637	\$ 57,700,824
Sewer	11,008,579	11,766,599	13,167,026	16,136,421	17,047,306	15,971,504	17,211,364	20,270,716	24,733,369	23,255,045
Integrated Waste	21,296,114	21,309,485	21,664,001	23,164,916	23,877,028	24,970,912	26,663,301	31,337,795	39,475,286	34,380,261
I.T. Fiber	-	-	-	-	-	-	993,456	1,770,591	2,027,814	3,943,666
Total business-type activities expenses	\$ 63,356,883	\$ 62,063,047	\$ 56,316,603	\$ 70,116,217	\$ 95,766,104	\$ 83,581,676	\$ 86,281,376	\$ 94,719,865	\$ 119,138,106	\$ 119,279,796
Total primary government expenses	\$ 305,713,607	\$ 320,207,518	\$ 263,844,792	\$ 284,315,970	\$ 392,408,508	\$ 313,259,330	\$ 354,883,284	\$ 395,902,654	\$ 451,252,906	\$ 453,609,668
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 269,874	\$ 294,873	\$ 379,325	\$ 445,079	\$ 1,641,300	\$ 2,622,684	\$ 4,141,068	\$ 6,149,697	\$ 5,507,407	\$ 6,965,874
Public safety	4,554,954	4,077,684	4,166,801	3,824,528	3,757,586	3,883,304	7,311,246	20,271,669	27,682,493	26,688,490
Community development	8,043,168	16,231,379	14,780,312	25,244,830	35,769,080	36,046,159	42,262,153	50,699,117	80,911,897	78,671,622
Library	147,610	143,055	124,581	121,043	155,962	131,407	137,689	122,329	-	-
Public works	-	47,931	-	-	-	-	-	-	-	-
Operating contributions and grants	15,606,700	15,311,536	7,859,746	12,081,691	15,015,783	8,710,100	10,220,710	12,542,758	8,465,032	6,542,904
Capital contributions and grants	18,851,354	47,080,485	23,737,443	33,842,540	37,210,682	35,628,037	78,825,884	56,737,883	58,825,481	46,201,742
Total governmental activities program revenues	\$ 47,473,660	\$ 83,186,943	\$ 51,048,208	\$ 75,559,711	\$ 93,550,393	\$ 87,021,691	\$ 142,898,750	\$ 146,523,453	\$ 181,392,310	\$ 165,070,632
Business-type activities:										
Charges for services:										
Water	\$ 51,174,737	\$ 51,434,727	\$ 58,276,359	\$ 63,193,036	\$ 67,342,593	\$ 65,653,131	\$ 64,533,049	\$ 68,933,067	\$ 55,447,675	\$ 57,676,762
Sewer	18,274,955	20,410,854	20,479,875	21,484,811	21,986,463	23,136,811	25,780,456	27,952,825	28,080,727	27,685,371
Integrated Waste	30,777,779	29,825,989	29,905,739	30,332,538	31,742,051	33,024,400	34,937,033	36,995,472	38,361,984	38,341,478
I.T. Fiber	-	-	-	-	-	4,126	38,954	276,033	466,522	747,095
Operating grants and contributions	6,338,128	290,724	100,546	145,881	539,519	174,073	133,279	126,452	119,686	137,783
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
Total business-type activities program revenues	\$ 106,565,599	\$ 101,962,294	\$ 111,167,915	\$ 121,799,082	\$ 122,940,030	\$ 125,498,016	\$ 136,646,405	\$ 145,540,406	\$ 126,936,844	\$ 129,136,974
Total primary government program revenues	\$ 154,039,259	\$ 185,149,237	\$ 162,216,123	\$ 197,358,793	\$ 216,490,423	\$ 212,519,707	\$ 279,545,155	\$ 292,063,859	\$ 308,329,154	\$ 294,207,606
Net (Expense)/Revenue										
Governmental activities	\$ (194,883,064)	\$ (174,957,528)	\$ (156,479,981)	\$ (138,640,042)	\$ (203,092,011)	\$ (142,655,963)	\$ (125,703,158)	\$ (154,659,336)	\$ (150,722,490)	\$ (169,259,240)
Business-type activities	43,208,716	39,899,247	54,851,312	51,682,865	27,173,926	41,916,340	50,365,029	50,820,541	7,798,738	9,857,178
Total primary government net expense	\$ (151,674,348)	\$ (135,058,281)	\$ (101,628,669)	\$ (86,957,177)	\$ (175,918,085)	\$ (100,739,623)	\$ (75,338,129)	\$ (103,838,795)	\$ (142,923,752)	\$ (159,402,062)

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes - general purpose	\$ 88,030,394	\$ 66,733,840	\$ 45,700,153	\$ 45,144,867	\$ 48,695,469	\$ 60,338,698	\$ 53,414,598	\$ 56,199,666	\$ 63,156,933	\$ 67,236,079
Transient occupancy taxes	8,790,219	9,148,976	9,731,382	10,614,156	12,057,576	13,090,992	13,886,637	14,586,233	14,945,483	12,160,235
Sales taxes	56,390,363	61,362,958	67,150,866	67,509,611	84,294,827	78,533,022	86,168,797	87,910,014	94,486,731	90,290,690
Franchise taxes	2,879,831	2,897,780	3,047,369	3,251,592	3,476,151	3,413,854	3,020,829	3,352,120	3,420,656	3,426,464
Business licenses taxes	5,496,576	5,610,738	6,078,094	6,405,595	6,825,185	6,954,932	7,167,613	7,478,153	7,786,821	7,793,962
Other taxes	4,072,860	4,566,791	5,274,601	3,700,067	4,073,788	4,107,065	4,047,435	4,642,529	4,506,129	4,044,908
Intergovernmental, unrestricted:										
Motor vehicle in lieu	883,460	89,471	74,047	-	71,526	68,099	76,099	91,740	85,244	141,091
Use of money and property	10,267,816	10,082,524	979,899	5,174,360	3,755,010	5,422,398	2,617,545	10,834,185	32,107,405	18,599,331
Other	7,404,868	6,407,829	3,866,279	4,414,323	2,656,703	2,000,930	3,414,919	2,394,865	1,647,848	4,198,849
Gain on sale of capital asset	-	-	1,000,000	-	87,267	-	1,953,200	-	-	605,267
Special Item Note 15	-	-	-	-	-	-	-	-	-	(42,373,148)
Extraordinary gain on dissolution of RDA	-	72,762,201	-	-	-	-	-	-	-	-
Transfers	15,672,612	18,081,326	25,526,208	21,925,867	22,762,488	24,793,699	15,961,453	18,448,756	4,647,613	14,472,260
Total governmental activities	\$ 199,888,999	\$ 257,744,434	\$ 168,428,898	\$ 168,140,438	\$ 188,755,990	\$ 198,723,689	\$ 191,729,125	\$ 205,938,261	\$ 226,790,863	\$ 180,595,988
Business-type activities:										
Use of money and property	\$ 2,611,942	\$ 3,474,268	\$ 308,392	\$ 1,604,534	\$ 1,435,511	\$ 2,509,989	\$ 1,087,037	\$ 2,187,574	\$ 7,873,778	\$ 8,345,624
Other	7,768	7,791	17,237	23,416	105,193	8,455	13,917	24,988	245,676	474,940
Transfers	(15,672,612)	(18,081,326)	(25,526,208)	(21,925,867)	(22,762,488)	(24,793,699)	(15,961,453)	(18,448,756)	(4,647,613)	(14,472,260)
Total business-type activities	\$ (13,052,902)	\$ (14,599,267)	\$ (25,200,579)	\$ (20,297,917)	\$ (21,221,784)	\$ (22,275,255)	\$ (14,860,499)	\$ (16,236,194)	\$ 3,471,841	\$ (5,651,696)
Total primary government	\$ 186,836,097	\$ 243,145,167	\$ 143,228,319	\$ 147,842,521	\$ 167,534,206	\$ 176,448,434	\$ 176,868,626	\$ 189,702,067	\$ 230,262,704	\$ 174,944,292
Change in Net Position										
Governmental activities	\$ 5,005,935	\$ 82,786,906	\$ 11,948,917	\$ 29,500,396	\$ (14,336,021)	\$ 56,067,726	\$ 66,025,967	\$ 51,278,925	\$ 76,068,373	\$ 11,336,748
Business-type activities	30,155,814	25,299,980	29,650,733	31,384,948	5,952,142	19,641,085	35,504,530	34,584,347	11,270,579	4,205,482
Total primary government	\$ 35,161,749	\$ 108,086,886	\$ 41,599,650	\$ 60,885,344	\$ (8,383,879)	\$ 75,708,811	\$ 101,530,497	\$ 85,863,272	\$ 87,338,952	\$ 15,542,230

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 164,368,674	\$ 148,681,943	\$ 134,629,408	\$ 132,908,792	\$ 156,988,002	\$ 176,088,421	\$ 167,601,178	\$ 173,605,420	\$ 186,594,649	\$ 184,275,840
Special assessment taxes	1,302,993	1,362,861	1,479,517	1,514,889	1,634,568	2,180,091	3,301,654	3,143,892	5,303,668	8,581,407
Licenses and permits	1,563,722	1,639,061	1,805,849	2,199,674	3,283,593	3,845,404	4,384,727	4,887,991	5,067,374	5,488,023
Intergovernmental	32,763,572	37,725,923	27,864,489	39,695,371	44,390,225	37,492,730	35,412,862	24,359,686	21,912,280	17,814,256
Charges for services	10,123,695	17,697,037	16,108,550	25,895,011	40,368,010	39,628,058	54,446,655	80,404,296	109,518,406	114,818,886
Use of money and property	8,614,113	17,707,695	1,533,296	3,906,235	3,507,845	5,339,722	2,576,499	4,004,514	14,899,017	18,759,439
Fines and forfeitures	1,318,369	1,202,716	1,298,235	1,134,395	1,267,994	1,125,237	1,189,956	1,042,090	1,185,128	786,630
Contributions from property owners	314,000	-	-	-	-	-	24,682,518	25,349,912	34,658,232	15,503,662
Miscellaneous	8,741,044	30,081,850	6,408,027	7,062,253	4,556,170	4,534,158	6,017,657	12,389,218	8,275,990	8,286,111
Contributions	-	-	-	-	-	-	-	-	928,875	-
Total Revenues	\$ 229,110,182	\$ 256,099,086	\$ 191,127,371	\$ 214,316,620	\$ 255,996,407	\$ 270,233,821	\$ 299,613,706	\$ 329,187,019	\$ 388,343,619	\$ 374,314,254
Expenditures										
Current:										
General government	\$ 33,220,115	\$ 51,424,202	\$ 22,926,658	\$ 16,565,106	\$ 66,943,163	\$ 28,292,531	\$ 24,500,521	\$ 23,830,837	\$ 33,100,934	\$ 33,754,652
Public safety	103,296,429	110,958,962	106,934,164	114,109,242	120,286,742	127,942,682	136,721,141	160,838,334	160,884,992	180,119,824
Community development	71,571,514	53,503,162	52,081,393	58,988,089	98,405,497	104,688,312	95,398,612	67,805,408	102,279,086	130,014,298
Library	3,974,567	4,049,363	4,077,037	4,196,204	4,368,241	4,568,202	4,654,465	4,768,627	-	-
Public works	16,164,629	20,642,548	18,851,564	17,231,048	18,784,827	21,003,964	23,834,203	21,279,011	24,047,574	22,694,083
Debt service:										
Principal retirement	5,849,785	25,255,023	1,290,000	1,350,000	1,410,000	1,480,000	1,565,000	12,000	175,000	1,050,000
Interest and fiscal charges	13,227,758	16,318,551	1,931,758	1,876,513	1,815,778	1,745,753	1,667,190	3,930,914	2,824,049	2,802,938
Bond issuance costs	-	-	-	965,190	-	-	-	526,390	-	-
Pass-through agreement payments	5,911,331	2,634,157	-	-	-	-	-	4,770,057	-	-
Total Expenditures	\$ 253,216,128	\$ 284,785,968	\$ 208,092,574	\$ 215,281,392	\$ 312,014,248	\$ 289,721,444	\$ 288,341,132	\$ 287,761,578	\$ 323,311,635	\$ 370,435,795
Excess (deficiency) of revenues over (under) expenditures	\$ (24,105,946)	\$ (28,686,882)	\$ (16,965,203)	\$ (964,772)	\$ (56,017,841)	\$ (19,487,623)	\$ 11,272,574	\$ 41,425,441	\$ 65,031,984	\$ 3,878,459

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Transfers in	\$ 39,422,158	\$ 68,493,176	\$ 37,357,867	\$ 34,628,235	\$ 34,856,839	\$ 34,615,190	\$ 36,101,144	\$ 58,065,111	\$ 43,871,997	\$ 52,691,271
Transfers out	(23,545,610)	(49,661,850)	(12,209,848)	(17,288,068)	(9,564,945)	(8,310,991)	(29,588,174)	(49,353,662)	(45,445,779)	(29,030,349)
Long-term debt issued	-	-	-	33,390,000	-	-	-	26,810,000	-	23,780,842
Bond Discount	-	-	-	(380,848)	-	-	-	3,260,875	-	-
Pass-through agreement payments	-	-	-	-	-	-	-	(28,554,885)	-	-
Gain (loss) on sale of assets	-	-	-	4,551	87,267	-	-	-	-	-
Proceeds from sale of capital equipment	-	-	1,000,000	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 15,876,548</u>	<u>\$ 18,831,326</u>	<u>\$ 26,148,019</u>	<u>\$ 50,353,870</u>	<u>\$ 25,379,161</u>	<u>\$ 26,304,199</u>	<u>\$ 6,512,970</u>	<u>\$ 10,227,439</u>	<u>\$ (1,573,782)</u>	<u>\$ 47,441,764</u>
Special Item	-	-	-	-	-	-	-	-	-	(42,373,148)
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	(5,225,859)	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ (8,229,398)</u>	<u>\$ (15,081,415)</u>	<u>\$ 9,182,816</u>	<u>\$ 49,389,098</u>	<u>\$ (30,638,680)</u>	<u>\$ 6,816,576</u>	<u>\$ 17,785,544</u>	<u>\$ 51,652,880</u>	<u>\$ 63,458,202</u>	<u>\$ 8,947,075</u>
Total Current Expenditures	\$ 253,216,128	\$ 284,785,968	\$ 208,092,574	\$ 215,281,392	\$ 312,014,248	\$ 289,721,444	\$ 288,341,132	\$ 287,761,578	\$ 323,311,635	\$ 370,435,795
Less: Capital outlay	(28,242,375)	(20,629,670)	(22,072,081)	(29,585,954)	(41,745,591)	(79,957,813)	(45,292,825)	(24,876,172)	(26,388,451)	(70,262,127)
Total Non-Capital Expenditures	<u>\$ 224,973,753</u>	<u>\$ 264,156,298</u>	<u>\$ 186,020,493</u>	<u>\$ 185,695,438</u>	<u>\$ 270,268,657</u>	<u>\$ 209,763,631</u>	<u>\$ 243,048,307</u>	<u>\$ 262,885,406</u>	<u>\$ 296,923,184</u>	<u>\$ 300,173,668</u>
Total Debt Service Expenditures	<u>\$ 19,077,543</u>	<u>\$ 41,573,574</u>	<u>\$ 3,221,758</u>	<u>\$ 3,226,513</u>	<u>\$ 3,225,778</u>	<u>\$ 3,225,753</u>	<u>\$ 3,232,190</u>	<u>\$ 3,942,914</u>	<u>\$ 2,999,049</u>	<u>\$ 3,852,938</u>
Debt service as a percentage of non-capital expenditures	8.5%	15.7%	1.7%	1.7%	1.2%	1.5%	1.3%	1.5%	1.0%	1.3%

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	12,712,698	3,730,345	3,869,157	4,911,968	3,785,154	20,002,802	33,893,841	46,318,442	46,472,802	4,052,097
Restricted	398,047	403,914	408,576	412,411	415,723	419,644	424,497	430,484	438,872	417,464
Committed	44,429,493	41,613,880	42,685,082	43,817,117	42,436,574	23,195,527	28,877,191	21,066,012	415,884	595,469
Assigned	33,062,541	58,426,392	64,892,830	77,628,587	56,798,002	80,398,228	52,081,697	47,410,303	84,063,218	99,862,976
Unassigned	-	-	-	-	-	-	-	-	-	2,622,364
Total General Fund	\$ 90,602,779	\$ 104,174,531	\$ 111,855,645	\$ 126,770,083	\$ 103,435,453	\$ 124,016,201	\$ 115,277,226	\$ 115,225,241	\$ 131,390,776	\$ 107,550,370
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	123,135,004	105,361,843	107,297,677	108,638,002	108,436,971	-	-	-	-	-
Restricted	83,617,857	53,187,901	46,333,050	46,603,397	30,597,699	156,005,402	168,341,021	172,728,668	204,045,928	215,189,404
Committed	45,687,149	54,286,462	64,646,487	82,201,933	102,233,386	75,173,595	91,585,019	113,795,063	121,913,367	134,372,092
Assigned	1,558,488	2,664,225	3,462,343	14,169,115	5,653,602	22,785,386	14,197,954	6,098,646	13,872,159	22,962,330
Unassigned	(9,845,119)	(219)	(4,614,745)	(12,975)	(2,626,236)	(23,149,529)	(16,784,621)	(402,755)	(521,927)	(464,083)
Total All Other Governmental Funds	\$ 244,153,379	\$ 215,500,212	\$ 217,124,812	\$ 251,599,472	\$ 244,295,422	\$ 230,814,854	\$ 257,339,373	\$ 292,219,622	\$ 339,309,527	\$ 372,059,743
Grand Total Governmental Funds	\$ 334,756,158	\$ 319,674,743	\$ 328,980,457	\$ 378,369,555	\$ 347,730,875	\$ 354,831,055	\$ 372,616,599	\$ 407,444,863	\$ 470,700,303	\$ 479,610,113

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	City			Taxable Assessed Value	Redevelopment Agency		Taxable Assessed Value	Total Direct Tax Rate ^(a)
	Secured	Unsecured	Less: Exemptions		Secured	Unsecured		
2011	11,851,209	1,854,606	(114,659)	13,591,156	4,260,662	834,052	5,094,714	1.0037
2012	11,997,380	1,792,402	(113,832)	13,675,950	4,021,157	763,987	4,785,144	1.0041
2013	12,065,269	1,788,106	(112,198)	13,741,177	3,999,768	737,016	4,736,784	1.0039
2014	12,465,751	1,758,596	(110,182)	14,114,165	4,137,730	774,208	4,911,938	1.0035
2015	12,413,859	2,552,384	(108,252)	14,857,991	4,295,948	786,273	5,082,221	1.0035
2016	13,124,582	2,611,079	(105,864)	15,629,797	4,494,605	786,273	5,280,877	1.0035
2017	13,781,901	2,543,614	(109,080)	16,216,435	4,697,741	781,204	5,478,946	1.0035
2018	14,844,332	2,624,317	(108,915)	17,359,734	5,060,484	781,204	5,841,689	1.0035
2019	16,575,762	2,814,842	(108,701)	19,281,903	5,458,072	781,204	6,239,276	1.0035
2020	18,181,749	2,910,729	(110,654)	20,981,823	5,754,326	781,204	6,535,530	1.0035

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Basic Levy ¹	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Chaffey Community College Bond	0.0091	0.0153	0.0111	0.0157	0.0109	0.0113	0.0116	0.0088	0.0153	0.0241
Chaffey High School Bond	0.0192	0.0194	0.0101	0.0371	0.0294	0.0409	0.0319	0.0279	0.0402	0.0375
Chino Unified School Bond	0.0395	0.0346	0.0357	0.0358	0.0331	0.0331	0.0383	0.0934	0.0849	0.079
Metropolitan Water Agency	0.0037	0.0037	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Mt. View Elementary	0.0306	0.0357	0.0328	0.0351	0.0336	0.0314	0.0255	0.0263	0.0206	0.018
Ontario-Montclair Elementary Bond	0.0336	0.0289	0.0274	0.0294	0.026	0.0268	0.0264	0.0557	0.0555	0.0428
Total Direct & Overlapping ² Tax Rates	1.1357	1.1376	1.1206	1.1566	1.1365	1.147	1.1372	1.2156	1.22	1.2049
City's Share of 1% Levy Per Prop 13 ³	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808
Voter Approved City Debt Rate/Redevelopment Rate ⁴	1.0037	1.0037								
Total Direct Rate ⁵	0.39757	0.38632	0.38397	0.17052	0.17057	0.17058	0.17057	0.17064	0.17075	0.17087

Source: The HDL Companies (San Bernardino County Assessor 2010/11 - 2019-20 tax rate table)

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

Taxpayer	2020		2011	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Prologis	554,212,904	2.01%	267,290,589	1.42%
United Parcel Service Co	524,431,546	1.90%	426,382,045	2.27%
Ontario Mills LP	409,216,412	1.48%	352,287,548	1.88%
Vineyard Industrial I LLC	287,535,637	1.04%		
Watson Land Company	249,455,066	0.90%		
Rexford Industrial Realty LP	225,730,467	0.82%		
Catellus Finance 1 LLC	213,113,375	0.77%	215,489,004	1.15%
Roc III California Terracina LLC	150,849,527	0.55%		
Comref So California Industrial LLC	146,683,701	0.53%		
Majestic-CCC IV Partners	139,677,379	0.51%	120,707,804	0.64%
Landmark Pr I Ontario LLC			114,541,600	0.61%
SVF Safari LLC			110,504,932	0.59%
Southwest Airlines Company Inc			108,615,483	0.58%
Niagra Bottling Llc			99,030,340	0.53%
Toyota Motor Sales USA Inc.			86,230,525	0.46%
Total Top 10 Taxpayers	2,900,906,014	10.52%	1,901,079,870	10.12%
Total Taxable Value	27,568,831,755	100.00%	18,776,685,458	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
2011	23,607,260	22,446,825	95.08%	1,234,642	23,681,467	100.31%
2012	23,917,413	22,616,034	94.56%	934,663	23,550,698	98.47%
2013	24,076,262	23,032,185	95.66%	1,250,281	24,282,466	100.86%
2014	24,858,740	24,518,130	98.63%	812,490	25,330,619	101.90%
2015	25,868,724	25,584,269	98.90%	768,052	26,352,321	101.87%
2016	27,397,660	27,022,201	98.63%	755,577	27,777,778	101.39%
2017	28,598,396	28,237,630	98.74%	628,491	28,866,121	100.94%
2018	30,476,605	30,258,907	99.29%	662,586	30,921,494	101.46%
2019	33,855,137	33,811,751	99.87%	275,397	34,087,147	100.69%
2020	36,873,998	36,420,730	98.77%	332,350	36,753,080	99.67%

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

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

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

City of Ontario
Taxable Sales by Category
Last Ten Fiscal Years
(dollars in thousands)

Category ^a	Fiscal Year								
	2011 ^a	2012 ^a	2013 ^a	2014 ^a	2015 ^a	2016 ^a	2017 ^a	2018 ^a	2019 ^a
Office equipment	\$ 7,640,210	\$ 7,904,060	\$ 8,488,630	\$ 9,164,060	\$ 11,186,139	\$ 12,647,597	\$ 12,242,885	\$ 6,391,434	\$ 4,501,683
Auto sales	7,321,120	8,822,100	9,781,880	11,325,100	12,148,725	13,199,228	13,914,694	13,450,234	13,809,754
Service stations/energy sales	6,858,610	6,586,720	8,126,030	8,166,950	7,092,706	4,933,726	5,383,423	6,307,067	6,943,784
Light/heavy industry	5,641,520	6,031,250	6,933,420	8,248,530	9,074,259	9,977,010	8,335,142	9,333,939	13,665,638
General merchandise	4,583,440	4,201,310	4,917,630	5,603,030	1,115,654	6,143,625	9,711,525	8,921,944	7,634,507
Building materials	3,882,920	4,226,400	4,599,700	4,968,440	5,072,811	5,547,679	5,570,950	5,340,675	5,252,016
Health & government	3,098,790	3,627,150	3,302,440	1,637,820	1,688,204	1,741,938	3,178,549	3,543,141	220,060
Apparel stores	3,584,610	3,785,500	4,295,240	4,712,040	5,030,620	5,367,609	5,961,700	5,623,498	5,443,386
Restaurants	3,000,890	3,156,450	3,194,150	3,475,260	3,802,133	4,013,129	4,268,377	4,538,666	4,761,664
Furniture/appliances	1,886,340	1,317,800	2,513,300	2,513,520	2,467,111	2,618,394	2,807,147	2,593,238	2,600,183
Leasing	1,256,270	1,361,150	1,395,150	1,604,750	1,776,856	1,995,507	2,343,558	8,121,151	2,878,862
Other	1,795,900	4,311,900	1,581,150	1,618,100	1,754,032	6,210,540	5,467,202	3,500,895	11,919,561
Total	\$ 50,550,620	\$ 55,331,790	\$ 59,128,720	\$ 63,037,600	\$ 62,209,250	\$ 74,395,982	\$ 79,185,152	\$ 77,665,882	\$ 79,631,098

Category ^b	2020 ^b
Autos & transportation	\$ 17,073,347
Building & construction	7,911,276
Business & industry	30,320,151
Food & drugs	1,095,211
Fuel & service stations	5,776,778
General consumer goods	11,025,448
Restaurants & hotels	4,465,893
Total	\$ 77,668,104

City direct sales tax rate - - - - -

Source: MuniServices, LLC^a and The HDL Companies^b

Note: For the City of Ontario, property and sales taxes provide similar amounts of annual revenue; therefore, the City has elected to disclose revenue capacity information about both the property and sales tax.

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
2011	-	0.50%	1.00%	7.25%
2012	-	0.50%	1.00%	6.25%
2013	-	0.50%	1.00%	6.50%
2014	-	0.50%	1.00%	6.50%
2015	-	0.50%	1.00%	6.50%
2016	-	0.50%	1.25%	6.25%
2017	-	0.50%	1.25%	6.00%
2018	-	0.50%	1.25%	6.00%
2019	-	0.50%	1.25%	6.00%
2020	-	0.50%	1.25%	6.00%

Source: California Department of Tax and Fee Administration.

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

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

City of Ontario
Sales Taxpayers by Industry
Current Year and Ten Years Ago
(dollars in thousands)

Economic Category	Fiscal Year 2020 ^b			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Autos & transportation	2,826	32.18%	\$ 17,073	21.98%
Building & construction	632	7.20%	7,911	10.19%
Business & industry	339	3.86%	30,320	39.04%
Food & drugs	4,125	46.97%	1,095	1.41%
Fuel & service stations	98	1.12%	5,777	7.44%
General consumer goods	577	6.57%	11,025	14.20%
Restaurants & hotels	185	2.11%	4,466	5.75%
	8,782	100.00%	77,668	100.00%

Economic Category	Fiscal Year 2011 ^a			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
General retail	1,564	38.90%	\$ 8,830	17.47%
Food products	535	13.31%	4,023	7.96%
Transportation	442	10.99%	13,122	25.96%
Construction	219	5.45%	3,883	7.68%
Business to business	947	23.55%	17,506	34.63%
Miscellaneous	314	7.81%	3,187	6.30%
	4,021	100.00%	\$ 50,551	100.00%

Source: MuniServices, LLC^a and The HDL Companies^b

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

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

Fiscal Year Ended June 30	Governmental Activities					Total Governmental Activities	Certificates of Participation	Total Business-type Activities	Total Primary Government	Percentage of Personal Income ^b	Per Capita
	General Obligation Bonds	Pension Obligation Bonds	Tax Allocation Bonds	Revenue Bonds	Loans						
2010	64,935		52,150	19,696	12,824	149,606	47,860	47,860	197,466	5.72%	1,205
2011	63,546		48,965	20,166	12,449	145,126	46,760	46,760	191,886	7.99%	1,164
2012 ^a	41,736		-	-	-	41,736	45,615	45,615	87,350	3.63%	527
2013	40,417		-	-	-	40,417	44,425	44,425	84,842	3.66%	508
2014 ^c	72,067		-	-	-	72,067	74,808	74,808	146,875	4.82%	877
2015	70,647		-	-	-	70,647	73,488	73,488	144,136	4.65%	852
2016	69,158		-	-	-	69,158	72,119	72,119	141,277	4.38%	832
2017 ^d	67,593		-	-	149	67,742	70,700	70,700	138,442	4.38%	794
2018	63,153		-	-	137	63,290	69,225	69,225	132,515	3.85%	754
2019	62,881		-	-	127	63,008	67,696	67,696	130,704	3.76%	722
2020	2,988 ^e	236,585	-	58,737 ^f	23,907	322,217	67,596	67,596	389,814	10.19%	2,107

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

- a Outstanding long-term debts of the Ontario Redevelopment Agency were transferred to the Successor Agency on February 1, 2012 as a result of dissolution of Redevelopment Agencies in California.
- b See Schedule 17 for personal and population data. These ratios are calculated using personal income and population for the prior calendar year.
- c The City issued \$74.545 million in Water Revenue Bonds.
- d The Ontario Housing Authority (Authority) negotiated the purchase of a property and assumed a promissory note and deed from Housing Opportunities Group Inc (HOGI) with a balance of \$158,566.
- e City issued \$236.585 million in Pension Obligation Bonds to pay a portion of the City's unfunded pension liability to the California Public Employees' Retirement System (CalPERS) for the benefit of the City public safety police and fire employees.
- f The City entered into an installment sale agreement to purchase a parcel of land for the future Great Park in the Ontario Ranch development for \$33.100 million, with a five year loan of \$23,780 million.

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

Fiscal Year Ended June 30	General Bonded Debt Outstanding					Percentage of Assessed Value ^a of Property	Per Capita ^b
	General Obligation Bonds	General Obligation Bonds	Redevelopment Bonds		Total		
			Tax Allocation Bonds	Revenue Bonds			
2010	64,935	-	52,150	19,696	136,782	0.79%	783.69
2011	63,546	-	48,965	20,166	132,677	0.78%	804.90
2012	41,736	-	-	-	41,736	0.25%	251.74
2013	40,417	-	-	-	40,417	0.24%	242.21
2014	72,067	-	-	-	72,067	0.41%	430.55
2015	70,647	-	-	-	70,647	0.40%	417.81
2016	69,158	-	-	-	69,158	0.38%	407.13
2017	67,593	-	-	-	67,593	0.31%	387.83
2018	63,153	-	-	-	63,153	0.27%	359.15
2019	62,881	-	-	-	62,881	0.25%	347.20
2020	2,988 ^d	236,585	-	-	239,573	0.87%	1,294.92

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

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

City of Ontario
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020
(dollars in thousands)

City Assessed Valuation	\$ 20,981,823			*Does not include deduction of the homeowner's	
Redevelopment Agency Incremental Valuation	6,535,530			exception of \$108,701.	
Total Assessed Valuation	<u>\$ 27,517,353</u> *				
	Outstanding	Percentage	Est. Share of		
	Debt	Applicable ^a	Overlapping		
	6/30/2020		Debt		
			6/30/2020		
Overlapping Debt Repaid with Property Taxes:					
Metropolitan Water District	\$ 37,300,000	0.890%	\$ 331,970		
Chaffey Community College District	332,395,000	22.821%	75,855,863	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.	
Chino Valley Unified School District	568,980,000	5.929%	33,734,824		
Chaffey Union High School District	486,526,948	40.668%	197,860,779		
Ontario-Montclair School District	114,200,015	69.915%	79,842,940		
Mountain View School District School Facilities Improvement District No. 1	10,482,376	99.778%	10,459,105		
Mountain View School District CFD No. 1997-1	560,000	100.000%	560,000		
Ontario Community Facilities District No. 13	3,720,000	100.000%	3,720,000		
Ontario Community Facilities District No. 24	15,255,000	100.000%	15,255,000		
Ontario Community Facilities District No. 25	8,505,000	100.000%	8,505,000		
Ontario Community Facilities District No. 26	8,835,000	100.000%	8,835,000		
Ontario Community Facilities District No. 28	8,675,000	100.000%	8,675,000		
Ontario Community Facilities District No. 30	13,735,000	100.000%	13,735,000		
Ontario Community Facilities District No. 31	4,885,000	100.000%	4,885,000		
Ontario Community Facilities District No. 33	5,990,000	100.000%	5,990,000		
Ontario Community Facilities District No. 34	7,770,000	100.000%	7,770,000		
Ontario Community Facilities District No. 38	10,450,000	100.000%	10,450,000		
Ontario Community Facilities District No. 39	5,115,000	100.000%	5,115,000		
City of Ontario 1915 Act Bonds	1,570,000	100.000%	1,570,000		
	<u>1,644,949,339</u>		<u>493,150,481</u>		
Total overlapping debt repaid with property taxes					
Overlapping General Fund Debt:					
San Bernardino County General Fund Obligations	239,140,000	11.473%	27,436,532 ^(a)	For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of 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.	
San Bernardino County Pension Obligation Bonds	237,212,638	11.473%	27,215,406		
San Bernardino County Flood Control District GF Obligation	57,155,000	11.473%	6,557,393		
Chaffey Community College District Certificates of Participation	29,955,000	22.478%	6,733,285		
Chino Valley Unified School District Certificates of Participation	1,315,000	5.569%	73,232		
Cucamonga School District Certificate of Participation	4,960,000	52.581%	2,608,018		
City of Ontario General Fund Obligations	58,985,000	100.000%	58,985,000		
City of Ontario Pension Obligation Bonds	236,585,000	100.000%	236,585,000		
City of Ontario General Fund Obligations-Unamortized Bond Premium and Discount	298,588,000		298,588,000		
Loans Payable	23,907,409		23,907,409		
West Valley Vector Control District Certificate of Participation	2,221,501	31.554%	700,972		
	<u>1,190,024,548</u>		<u>161,373,873</u>		
Total overlapping general fund debt					
Overlapping Tax Increment Debt (Successor Agency):	\$ 35,892,100	100.00%	35,892,100		
			<u>308,936,045</u>		
Total overlapping debt					
City direct debt			381,480,409		
Total direct and overlapping debt	194		<u>\$ 690,416,454</u>		

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed valuation ^a	\$ 13,476,497	\$ 13,562,118	\$ 13,741,177	\$ 14,114,165	\$ 14,857,991	\$ 15,629,797	\$ 16,216,435	\$ 17,359,734	\$ 19,281,903	\$ 20,981,823
Conversion percentage ^b	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 3,369,124	\$ 3,390,530	\$ 3,435,294	\$ 3,528,541	\$ 3,714,498	\$ 3,907,449	\$ 4,054,109	\$ 4,339,934	\$ 4,820,476	\$ 5,245,456
Debt limit percentage ^c	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	\$ 505,369	\$ 508,579	\$ 515,294	\$ 529,281	\$ 557,175	\$ 586,117	\$ 608,116	\$ 650,990	\$ 723,071	\$ 786,818
Total net debt applicable to limit: General obligation bonds	61,995	41,285	39,995	72,035	70,625	69,145	67,590	60,200	60,035	58,985
Legal debt margin	<u>\$ 443,374</u>	<u>\$ 467,294</u>	<u>\$ 475,299</u>	<u>\$ 457,246</u>	<u>\$ 486,550</u>	<u>\$ 516,972</u>	<u>\$ 540,526</u>	<u>\$ 590,790</u>	<u>\$ 663,036</u>	<u>\$ 727,833</u>
Total debt applicable to the limit as a percentage of debt limit	13.98%	8.83%	8.41%	15.75%	14.52%	13.37%	12.50%	10.19%	9.05%	8.10%

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
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year Ended June 30	Tax Allocation/Tax Increment Revenue Bonds				Water Certificates of Participation					
	Tax Increment	Debt Service		Coverage	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
		Principal	Interest					Principal	Interest	
2011	49,667	5,592	9,454	3.30	51,182 ^b	25,021	26,161	1,055	2,352	7.68
2012 ^a	10,176	1,240	2,966	2.42	55,482 ^b	22,723	32,759	1,100	2,310	9.61
2013	-	-	-	-	57,433 ^b	26,692	30,741	1,145	2,266	9.01
2014	-	-	-	-	60,108 ^b	33,427	26,681	2,025	3,576	3.98
2015	-	-	-	-	60,176 ^b	39,894	20,282	1,220	3,576	3.98
2016	-	-	-	-	55,649 ^b	39,639	16,010	1,270	3,527	3.34
2017	-	-	-	-	59,459 ^b	36,604	22,855	1,320	3,476	4.77
2018	-	-	-	-	61,126 ^b	42,748	18,377	1,375	3,423	3.83
2019	-	-	-	-	59,888 ^b	40,578	19,310	1,430	3,368	4.02
2020	-	-	-	-	55,828	50,003	5,824	1,485	3,311	1.21

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

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

b Restated

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)
2011	164,836	2,403,359	17,947	14.1%
2012	165,790	2,315,184	18,229	14.7%
2013	166,866	3,047,233	18,522	10.7%
2014	167,382	3,100,249	18,774	8.2%
2015	169,089	3,224,189	19,068	5.8%
2016	169,869	3,159,733	18,601	6.5%
2017	174,283	3,444,006	19,761	5.5%
2018	175,841	3,474,794	19,761	3.4%
2019	181,107	3,826,610	21,129	3.0%
2020	185,010	4,114,067	22,237	8.3%

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 - Current Year
Principal Employment Sectors - Current Year and Nine Years Ago**

Employer	2020		2011	
	Number of Employees ^(a)	Percentage of Total City Employment	Number of Employees	Percentage of Total City Employment
Ontario Intl Airport-Ont	5,000 - 9,999			
United Parcel Service (UPS)	5,000 - 9,999			
Ontario Montclair School District	1,000-4,999			
Niagara Bottling LLC	1,000-4,999			
Chaffey Joint Union High School District	1,000-4,999			
QVC Ontario LLC	500 - 999			
Home Depot	500 - 999			
ULINE	500 - 999			
FedEx	500 - 999			
Cardinal Health	500 - 999			
Walmart #3796	250 to 499	^(a) Left intentionally blank	^(a) Left intentionally blank	^(a) Left intentionally blank
Gold Star Foods Inc	250 to 499			
Autozone	250 to 499			
Toyota Motor Sales	250 to 499			
Ventura Foods	250 to 499			
Mag Instrument Inc	250 to 499			
Staples	250 to 499			
Ajinimoto Windsor	250 to 499			
Cardenas Markets LLC	250 to 499			
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>

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

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

Source: EDD

City of Ontario Business License Dept

Employment Sector	2020		2011	
	Number of Employees ^(a)	Percentage of Total City Employment	Number of Employees	Percentage of Total City Employment
Distribution	19,000	15.32%	23,194	25.69%
Retail/Wholesale Trade	27,010	21.77%	14,768	16.36%
Manufacturing	14,420	11.62%	11,970	13.26%
Administrative Support	15,470	12.47%	10,575	11.71%
Construction	5,480	4.42%	2,984	3.31%
Education	6,015	4.85%	4,993	5.53%
Other Services	3,150	2.54%	4,156	4.60%
Business Services	5,000	4.03%	3,534	3.91%
Engineering and Management	960	0.77%	2,468	2.73%
Financial Institution/Insurance/Real Estate	4,400	3.55%	3,066	3.40%
Hotels and Entertainment	8,480	6.84%	2,604	2.88%
Information	2,050	1.65%	1,074	1.19%
Health Services	6,015	4.85%	2,375	2.63%
Utilities	720	0.58%	781	0.87%
Public Administration	5,890	4.74%	1,202	1.33%
Aerospace (in the engineering figures)	-	0.00%	533	0.60%
Total	124,060	100.00%	90,277	100.00%

Source: Number of employees by sector estimates - California EDD

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

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	103	103	103	148	137	147	122	126	144	149
Public Safety	492	492	492	495	499	506	596	600	624	640
Community Development	132	132	118	145	157	156	183	131	133	195
Public Works	333	332	331	285	289	289	296	355	376	329
Total	1,060	1,059	1,044	1,073	1,082	1,098	1,197	1,212	1,277	1,313

Source: City of Ontario, FY 2020-21 Adopted Budget, p.273-275, Current 2019-20 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Building permits issued	3,244	3,300	3,550	3,724	3,987	4,353	4,231	5,130	4,652	4,568
Police										
Physical arrests	7,877	8,839	8,959	8,546	8,280	8,916	10,433	10,024	7,955	6,415
Citations	14,636	12,006	13,161	9,377	8,469	7,957	6,733	7,058	9,415	5,340
Fire										
Emergency response	15,487	15,889	15,783	16,736	16,794	18,326	19,418	20,223	20,258	20,623
Fire inspections	1,210	3,537	4,227	4,168	4,650	6,986	3,269	2,843	2,938	3,200
Public works										
Street resurfacing (miles)	9.10	9.30	16.10	18.50	15.20	11.26	8.97	11.00	13.50	8.00
Parks and recreation										
Number of recreation classes	1,286	1,401	1,402	1,299	1,265	1,233	1,202	1,106	1,125	806
Number of facility rentals	3,231	3,780	4,337	6,118	6,259	5,761	6,754	6,468	5,472	3,181
Library										
Total volumes of books borrowed	467,185	472,384	387,092	393,308	390,740	466,189	433,527	407,395	419,646	312,583
Total volumes of audio/visual items borrowed	169,827	155,855	129,435	133,041	121,908	127,989	120,066	100,901	100,333	65,548
Water										
Number of recycled water connections	205	218	221	220	244	290	333	339	417	426
Number of potable connections	32,907	32,904	33,304	33,134	33,504	34,000	34,468	35,308	36,831	30,912
Average daily potable consumption (MGD)	31	31	32	34	29	30	26	30	27	26
Solid waste										
Refuse collected (tons per day)	565	535	545	564	592	598	655	683	678	739
Recyclables collected (tons per day)	48	49	49	49	48	50	54	55	61	75
Recyclables recovered (tons per day)	33	34	33	38	38	39	37	40	41	49

Source: City of Ontario, various departments

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

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Police stations	2	2	2	2	2	2	2	2	2	2
Fire										
Fire stations	8	8	8	8	8	8	8	9	9	9
Public works										
Streets (miles) ^a	544	544	552	552	543	503	503	486	508	499
Traffic signals	191	191	191	191	191	191	207	207	209	217

^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

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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

SHEILAMAUTZ

CITY MANAGER

SCOTT OCHOA

EXECUTIVE DIRECTOR OF FINANCE

ARMEN HARKALYAN

