

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



**2023**



CITY OF ONTARIO

**PREMIER COMMUNITY  
OF THE INLAND EMPIRE**

**FISCAL YEAR ENDED  
JUNE 30, 2023**

# ABOUT THE COVER



Over 130 years of continued success and progress has paved the way for Ontario to become the premier community of the Inland Empire. The ongoing efforts of revitalization in the downtown, year-round engaging community events, development of the

Grand Park in Ontario Ranch, continued support of the business community and job creation, and infrastructure improvements are all part of Ontario's plan to keep growing and adequately serving the community.

Last year, the City broke ground for the 340-acre Ontario Grand Park, which will be envisioned as a focal point in the region. It will include trails, an amphitheatre, a playground, and a farm hub.

In addition to new projects, Ontario maintains a family-friendly atmosphere with returning events such as the Summer Concert Series, Movies in the Park, Independence Day Celebrations, Holiday Light Parade, Ontario 5K Reindeer Run and many more programs.

The City Council believes in supporting high-quality education programming at the community centers and continuing a strong partnership with local school districts for the children of Ontario. The City is improving infrastructure and public-private partnerships to reinvest in the community through a variety of public improvements and lifestyle projects.

Housing in Ontario is expanding, with a diverse housing stock of single family homes and apartments from market rate to affordable housing options. Ontario Ranch continues to remain strong, crowned as the nation's No. 5 top-selling master-planned community. In collaboration with private partners, the City has engaged in extensive revitalization efforts to develop new housing communities in various areas, including the C and D-Block redevelopment projects, and expansion of additional affordable housing units for Emporia Place and Vista Verde Apartments. Development continues to be on the rise and businesses are investing into the community.

Besides being the logistics hub in the region, the success of the business community serves as a job engine for Ontario and also provides employment opportunities for residents throughout the Inland region. New entertainment oriented development is in the work to transition Ontario into an entertainment hub. Tourism continues to bounce back as Ontario International Airport was recently named the fastest growing airport in the US for the fifth straight year. Ontario Convention Center, Ontario Mills, and Toyota Arena are making it on the list of popular attractions.

Ontario's infrastructure continues to grow and improve. Last November, residents voted on the Local Services Measure Q that allows for the potential to fund approximately \$1.5 billion in needed projects. This funding could include improvements to the City's water and sewer systems; construction of new park attractions and improvements to existing ones; public safety enhancement; citywide fiber internet services; services for those experiencing homelessness and mental health issues; and infrastructure projects.

At the forefront of public service, Ontario is vibrant and evolving. Besides enhancements to community services and commercial developments, Ontario has the progressive leadership to prepare the City for a future of prosperity. Residents, businesses, and visitors alike are all parts of what makes Ontario the premier community of the Inland Empire.



**City of Ontario**  
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PAUL S. LEON  
MAYOR

SCOTT OCHOA  
CITY MANAGER

ALAN D. WAPNER  
MAYOR PRO TEM

June 20, 2024

SHEILA MAUTZ  
CITY CLERK

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

JAMES R. MILHISER  
TREASURER

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

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Ontario (the City) for the fiscal year ended June 30, 2023. This report provides a broad view of the City's financial activities for the Fiscal Year 2022-23 and its financial position as of June 30, 2023. Although addressed to the elected officials and the citizens of the City, this report has several other users. Foremost among these other users are bondholders of the City, financial institutions, credit rating agencies, educational institutions, and other governmental entities. In producing an ACFR, the City of Ontario has chosen to provide financial information that is significantly greater than that which is required under state law.

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

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

The City of Ontario's financial statements have been audited by Badawi & Associates, CPAs, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Ontario for the fiscal year ended

June 30, 2023, 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, 2023, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

## **Profile of the Government**

The City of Ontario was founded as a “Model Colony” and incorporated on December 10, 1891. Ontario is located approximately 35 miles east of downtown Los Angeles and encompasses nearly 50 square miles. Ontario is one of the 150 largest cities in the United States and is home to more than 14,000 businesses, 119,000 jobs and a population of 179,061.

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 26 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 1,377 full-time employees as of June 30, 2023. 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 the City Council for consideration in June. The budget must be approved by the City Council before the start of the new fiscal year: July 1<sup>st</sup>.

The City's budget policy is that all appropriations lapse at fiscal year-end. Outstanding obligation balances at the end of the fiscal year require re-approval by the 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 the 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 if the total budget does not exceed the fund amount approved by the 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 the 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**

As the City recovers from the last three years of economic disruption from the COVID pandemic, other challenges still exist: the continued war in Ukraine; rising consumer goods prices, fuel costs, and interest rates; the impending recession due to accelerated inflation levels not seen since the early 1980's; and the recent conflict in the middle east.

Other major challenges are the City's revenues which will soon be outpaced in the forthcoming fiscal years by increasing pension expenses, rising medical benefits costs, and the overall cost of labor. Moreover, the City should be mindful that in providing service to Ontario International Airport Authority (OIAA) and Ontario Ranch, there is an absorption factor to consider as service

demands continue to grow and evolve. Additionally, it is crucial that recurring operating expenditures are strategically contained and do not outpace recurring revenues. In addition, funding of the Internal Service Allocations for Equipment Services, Information Technology Services, Facilities Maintenance, and Risk Liability have not increased to levels that ensure the sustainability of these services. For the City to successfully manage these significant fiscal issues, it is recommended that the City continue to practice fiscal discipline and establish proactive measures to safely navigate the current and upcoming fiscal challenges.

With the recent passage of Measure Q by Ontario voters in November 2022, an additional one percent transaction and use tax was added to the sales tax rate for the City. Effective April 1, 2023, Ontario's sales tax rate increased from 7.75 percent to 8.75 percent, and is anticipated to bring in annually approximately \$65 million additional revenue for the City's General Fund. For FY 2022-23, Measure Q revenues were \$13.7 million for the first quarter of activity: April through June of 2023. This revenue will provide additional local funding for infrastructure improvement projects, as well as enhancing City services and programs.

Even with the anticipated additional resources, the City will need to continue to practice fiscal discipline and establish proactive measures to safely navigate the current and upcoming fiscal challenges, as well as deliver an unparalleled level of service and commitment to our community. With the City Council's leadership and their prudent fiscal policies, the City's long-term financial health will further solidify its standing as the economic leader in the Inland Empire, and a formidable player in California, and the nation.

### **Long-Term Financial Plan**

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

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

- \$105,213,404 in public facilities projects;
- \$ 32,106,818 in sewer, storm drain, and water projects;
- \$ 26,992,353 in improvements to City parks;
- \$ 13,234,000 in street and traffic improvements; and
- \$ 3,850,000 in other miscellaneous projects

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. The contribution amount increases each year by the Annual CPI Index. The balance in the OPEB trust fund as of June 30, 2023, was \$164,600,641.

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 Unfunded Actuarial Liability (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 resulted 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 assisted the City in achieving the General Fund goal of stabilizing existing CalPERS cost; however, it will come at heightened levels in the coming years.

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

## **Relevant Financial Policies**

### **Fund Balance Policy**

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

Included in the Fund Balance Policy is the 18 Percent Stabilization Plan – the goal of the 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. As of June 30, 2023, the City's General Fund had an assigned fund balance for the stability arrangement of \$59.34

million, which achieves the goal of 18 percent of the General Fund Adopted Budget for Fiscal Year 2022-23. This goal was temporarily decreased to 15 percent during the COVID pandemic but has since been brought back up to the previous set goal of 18 percent, effective July 1, 2022, with the goal of increasing the reserves up to 25 percent in future fiscal years.

This 18 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 of \$20.0 million and Continuing Appropriations of \$6.33 million.

### **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 funds 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, 2023, the City of Ontario's cash and investments were \$1,055,615,874.

## **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 cultural and recreational amenities.

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

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

## **The Ontario Plan**

On January 27, 2010, Ontario's Mayor and City Council approved the City's forward-thinking General Plan update: The Ontario Plan (TOP). The Ontario Plan is a dynamic framework for sustained, comprehensive leadership in building our community. It integrates components of city governance that are typically disconnected. The Plan states community direction at a point in time (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*

## **Service to the Community**

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

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

## **Acknowledgements**

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

Sincerely,



Armen Harkalyan  
Executive Director of Finance

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# CITY OF ONTARIO FORM OF GOVERNMENT

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

## ELECTED OFFICIALS

**PAUL S. LEON**  
MAYOR

**DEBRA PORADA**  
MAYOR PRO TEM

**ALAN D. WAPNER**  
COUNCIL MEMBER

**JIM W. BOWMAN**  
COUNCIL MEMBER

**RUBEN VALENCIA**  
COUNCIL MEMBER

**JAMES R. MILHISER**  
CITY TREASURER

**SHEILA MAUTZ**  
CITY CLERK

## EXECUTIVE TEAM

**SCOTT OCHOA**  
CITY MANAGER  
EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY

**DARLENE SANCHEZ**  
ASSISTANT CITY MANAGER

**RUBEN DURAN**  
CITY ATTORNEY

**MICHAEL LORENZ**  
POLICE CHIEF

**MICHAEL GERKEN**  
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

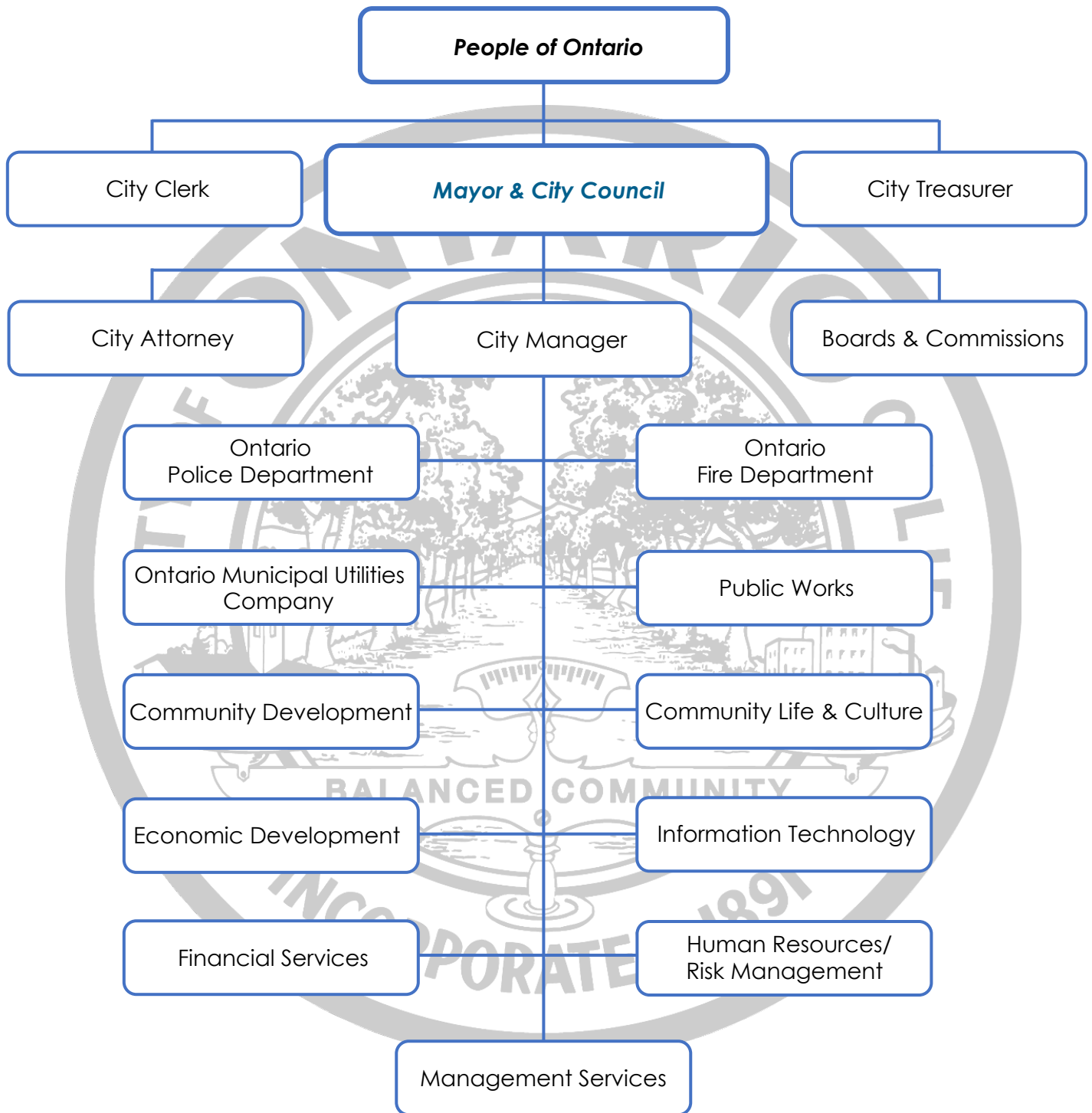
**JENNIFER MCLAIN HIRAMOTO**  
EXECUTIVE DIRECTOR ECONOMIC DEVELOPMENT

**COLIN FERNANDES**  
EXECUTIVE DIRECTOR INFORMATION TECHNOLOGY

**ARMEN HARKALYAN**  
EXECUTIVE DIRECTOR OF FINANCE

**ANGELA LOPEZ**  
EXECUTIVE DIRECTOR HUMAN RESOURCES /  
RISK MANAGEMENT

# CITY OF ONTARIO CITYWIDE ORGANIZATIONAL CHART FISCAL YEAR 2022-23





## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ontario (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Water Facilities Authority and Chino Basin Desalter Authority, which represent 2.0 percent and 12.3 percent, respectively, of the assets, and (0.1) percent and 0.5 percent, respectively, of the revenues of the Water Enterprise Fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Water Facilities Authority and Chino Basin Desalter Authority, are based solely on the reports of the other auditors.

#### *Basis for Opinions*

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, the modified approach for the City's infrastructure capital assets, and the required pension and OPEB schedules on pages 5-29 and 135-153 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

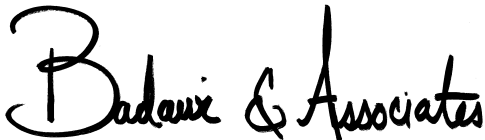
To the Honorable Mayor and Members  
of the City Council of the City of Ontario  
Ontario, California  
Page 4

### ***Other Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Badawi & Associates, CPAs  
Berkeley, California  
June 20, 2024

## 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, 2023. This narrative discussion and analysis focus is 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 \$2.13 billion (net position). Of this amount, \$428.91 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- For the fiscal year ended June 30, 2023, total net position increased by \$141.77 million before a (\$1.50) million restatement. Total revenues from all sources were \$716.86 million and total expenses for all functions/programs were \$575.09 million.
- Of total revenues, program revenues were \$396.243 million and general revenues were \$320.62 million. Program revenues are broken into three categories: Charges for Services at \$314.28 million, Operating Contributions and Grants at \$16.74 million and Capital Contributions and Grants at \$65.22 million.

#### Fund Based

- For the fiscal year ended June 30, 2023, the assigned fund balance of the General Fund was \$85.67 million. The assigned portion of \$59.34 million represents the City Council's goal to achieve a minimum of 18 percent of the annual general fund appropriations (stabilization policy). The remaining amounts comprised of the \$85.67 million includes \$20.0 million for the Economic Uncertainty reserve and \$6.33 million for continuing appropriations that were unspent in FY 2022-23. Compensated Absences no longer resides in the General Fund as it is its own Internal Service Fund effective July 1, 2022.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### Government-Wide Financial Statements

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

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

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

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

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

***Business-type activities*** – The City charges a fee to customers to recover all or most of the cost of certain services it provides. The City's water, sewer, and integrated waste are reported in this category.

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

## **Fund Financial Statements**

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

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

The City maintains twenty-four individual governmental funds. These funds report financial transactions using the modified accrual accounting method. Information for five out of the twenty-one 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, Ontario Housing Authority Fund, Community Development 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, Facilities Maintenance, Pension Benefit Funds and Other Post Employment Benefit funds. Since these activities predominantly benefit governmental rather than business-type functions, they are included within the governmental activities in the *government-wide financial statements*.

**Fiduciary Funds** – *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as a *trustee*. The *Statement of Fiduciary Net Position* separately reports all 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 combined 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, 2023. Management has included comparative data from the fiscal year ended June 30, 2022, in its analysis.

**Net Position (Table 1)**  
(in millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 1,065.41	\$ 1,057.92	\$ 416.42	\$ 401.16	\$ 1,481.83	\$ 1,459.08
Capital Assets	1,383.52	1,214.81	226.00	207.73	1,609.52	1,422.54
<b>Total Assets</b>	<b>2,448.93</b>	<b>2,272.73</b>	<b>642.42</b>	<b>608.89</b>	<b>3,091.35</b>	<b>2,881.62</b>
Deferred Charges on Refunding	2.46	2.46	3.16	3.31	5.62	5.77
Deferred Pension Related Items	136.26	50.76	12.13	2.56	148.39	53.32
Deferred OPEB Related Items	18.52	5.71	7.64	2.36	26.16	8.07
<b>Total Deferred Outflows of Resources</b>	<b>157.25</b>	<b>58.94</b>	<b>22.92</b>	<b>8.23</b>	<b>180.17</b>	<b>67.17</b>
Noncurrent Liabilities	790.54	483.49	79.30	65.61	869.84	549.10
Other Liabilities	138.33	124.36	35.05	19.96	173.38	144.32
<b>Total Liabilities</b>	<b>928.87</b>	<b>607.85</b>	<b>114.35</b>	<b>85.57</b>	<b>1,043.22</b>	<b>693.42</b>
Deferred Charges on Refunding	0.81	0.87	-	-	0.81	0.87
Deferred Pension Related Items	3.52	112.81	1.28	12.95	4.80	125.77
Deferred inflows of resources - leases	2.59	2.95	1.22	1.42	3.80	
Deferred OPEB Related Items	63.26	95.57	26.08	39.53	89.34	135.10
<b>Total Deferred Inflows of Resources</b>	<b>70.17</b>	<b>212.21</b>	<b>28.58</b>	<b>53.90</b>	<b>98.75</b>	<b>261.74</b>
Net Position:						
Net Investment in Capital Assets	1,067.85	1,106.50	163.97	143.49	1,231.83	1,249.99
Restricted	294.23	235.00	3.80	0.37	298.03	235.37
Unrestricted	245.05	170.12	354.64	333.80	599.69	503.92
<b>Total Net Position</b>	<b>\$ 1,607.13</b>	<b>\$ 1,511.61</b>	<b>\$ 522.42</b>	<b>\$ 477.65</b>	<b>\$ 2,129.55</b>	<b>\$ 1,989.26</b>

The City's Government-wide total net position was \$2.13 billion, with assets of \$3.09 billion, deferred outflows of \$180.17 million, liabilities of \$1.04 billion and deferred inflows of \$98.75 million. The net investment in capital assets of \$1.23 billion represents 57.84 percent of the City's total net position. This is a decrease of \$18.17 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 \$298.04 million (14.0 percent of the total net position) represents resources that are subject to external restrictions in how they may be used. The remaining balance of \$599.69 million or 28.16 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 \$141.77 million (see Table 2 on the following page).

The overall cost of all governmental and business-type activities this year was \$575.09 million and was an overall net increase of \$139.01 million or 31.88 percent compared to the prior year.

Total revenue of all governmental and business-type activities was \$716.86 million for this fiscal year; an increase of \$73.15 million or 11.36 percent. Program revenues were \$396.24 million and general revenues were \$320.62 million. The largest single revenue category was Charges for Services, at \$314.28 million, a component of *Program Revenue*, which increased \$25.31 million or 8.76 percent. This revenue goes directly against the expenses in recovering the costs of providing those services. The second largest revenue category, a component of *Program Revenues*, was Capital Grants and Contributions at \$65.22 million, an increase of \$20.51 million. The third and fourth largest revenue categories, both components of General Revenues, were Sales Taxes at \$140.50 million and Property Taxes at \$89.80 million, respectively.

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

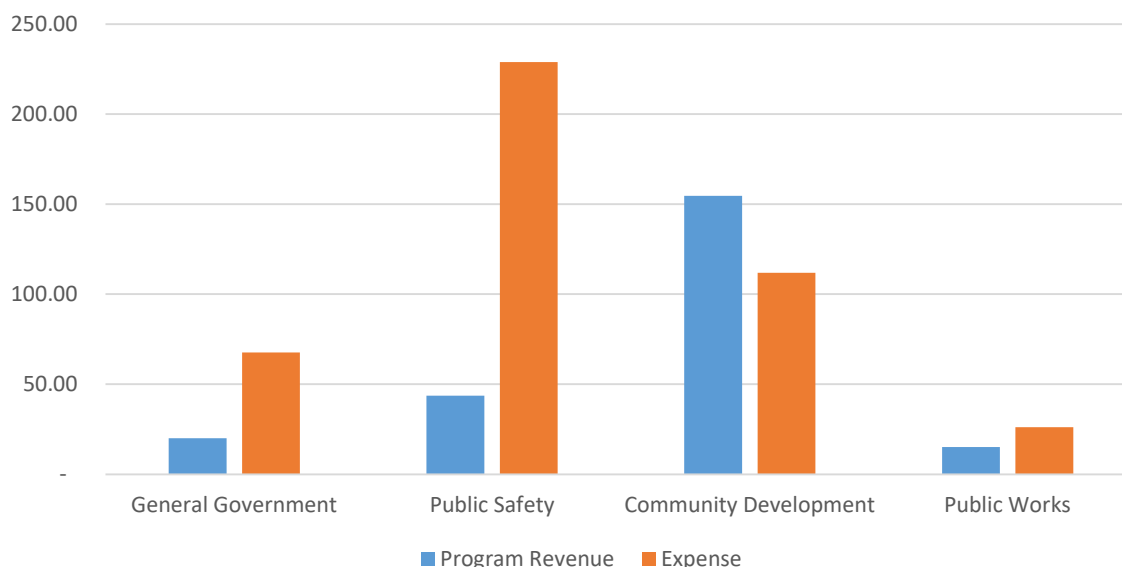
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 155.52	\$ 141.02	\$ 158.76	\$ 147.95	\$ 314.28	\$ 288.97
Operating Contributions and Grants	16.51	50.33	0.23	2.25	16.74	52.58
Capital Contributions and Grants	61.61	44.17	3.61	0.54	65.22	44.71
Sub-total Program Revenues	233.64	235.52	162.60	150.74	396.24	386.26
General Revenues:						
Property Taxes	89.80	79.33	-	-	89.80	79.33
Sales Taxes	140.50	129.33	-	-	140.50	129.33
Business Licenses Taxes	9.73	8.86	-	-	9.73	8.86
Franchise Taxes	4.57	3.82	-	-	4.57	3.82
Transient Occupancy Taxes	16.97	16.40	-	-	16.97	16.40
Other Taxes	18.51	6.00	-	-	18.51	6.00
Motor Vehicle In-Lieu	0.19	0.21	-	-	0.19	0.21
Use of Money and Property	8.06	(6.21)	8.42	(1.23)	16.48	(7.44)
Other	23.87	9.07	-	-	23.87	9.07
Gain on Sale of Other Investments	-	11.88	-	-	-	11.88
Sub-total General Revenues	312.20	258.69	8.42	(1.23)	320.62	257.46
<b>Total Revenues</b>	<b>\$ 545.84</b>	<b>\$ 494.21</b>	<b>\$ 171.02</b>	<b>\$ 149.51</b>	<b>\$ 716.86</b>	<b>\$ 643.72</b>
<b>Expenses</b>						
General government	\$ 67.73	\$ 53.01	\$ -	\$ -	\$ 67.73	\$ 53.01
Public safety	228.86	171.92	-	-	228.86	171.92
Community development	111.95	97.86	-	-	111.95	97.86
Public works	26.21	5.18	-	-	26.21	5.18
Interest on long-term debt	15.23	12.60	-	-	15.23	12.60
Water	-	-	54.99	32.07	54.99	32.07
Sewer	-	-	28.18	26.52	28.18	26.52
Integrated Waste	-	-	41.93	36.93	41.93	36.93
<b>Total Expenses</b>	<b>\$ 449.98</b>	<b>\$ 340.57</b>	<b>\$ 125.10</b>	<b>\$ 95.52</b>	<b>\$ 575.08</b>	<b>\$ 436.09</b>
<b>Change in Net Position before Transfers</b>	<b>\$ 95.86</b>	<b>\$ 153.64</b>	<b>\$ 45.92</b>	<b>\$ 53.99</b>	<b>\$ 141.78</b>	<b>\$ 207.63</b>
Transfers	2.54	(0.46)	(2.54)	0.46	-	-
Change in Net Position	\$ 98.40	\$ 153.18	\$ 43.38	\$ 54.45	\$ 141.78	\$ 207.63
Restatement of Net Position	(2.88)	12.37	1.38	(56.13)	(1.50)	(43.76)
Net Position at Beginning of Year	1,511.61	1,346.06	477.65	479.33	1,989.26	1,825.39
<b>Net Position at End of Year</b>	<b>\$ 1,607.13</b>	<b>\$ 1,511.61</b>	<b>\$ 522.42</b>	<b>\$ 477.65</b>	<b>\$ 2,129.55</b>	<b>\$ 1,989.26</b>

### **Governmental Activities**

Under the governmental activities, the City's *net position* at the end of the year increased to \$1.61 billion after a \$95.86 million net difference between revenue and expense, transfers in of \$2.54 million and restatement of (\$2.88) million. The cost of all governmental activities this year was \$449.98 million or 78.25 percent of the government-wide total expenses and was an increase \$109.42 million or 32.13 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 \$67.73 million or 15.05 percent of total Governmental Activities expenses. Of this amount, \$20.09 million was funded by program revenues, while the remaining \$47.64 million was funded by general revenues. General Government expenditures increased by \$14.72 million, or 27.78 percent compared to the previous year because of increased funding for future economic activities development.

*Public Safety* expenses were \$228.86 million or 50.86 percent of the total Governmental Activities expenses. Of this amount, \$43.73 million was funded by program revenues, while the remaining \$185.14 million was funded by general revenues. Expenses for Public Safety increased by \$56.94 million or 33.12 percent mainly due to hiring additional public safety positions, and the addition of a new Fire Station, including additional personnel and equipment.

Expenses in *Community Development* were \$111.95 million or 24.88 percent of the total Governmental Activities expenditures. These expenses increased by \$14.1 million or 14.41 percent mainly due to contractual services related to construction of City projects and funding of development projects including affordable housing. *Program revenues* relating to the funding of community development activities amounted to \$154.66 million, which were primarily from capital grants and contributions of \$41.60 million and charges for services of \$113.06 million.

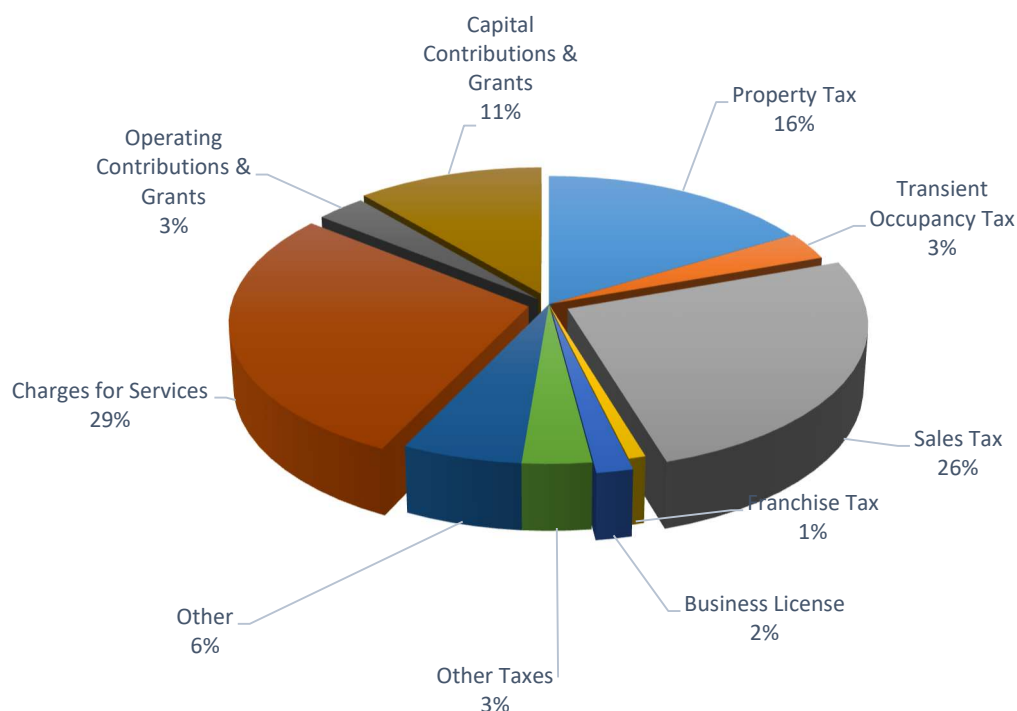
*Public Works* expenses were \$26.21 million or 5.82 percent of the total Governmental Activities expenditures. Of this amount, \$15.17 million was funded by program revenues, with the remaining \$11.02 million funded by general revenues. Public Works expenses increased by \$21.03 million or 406.9 percent from the prior year as construction on new City projects started and construction on existing City projects continued.

*Interest on long-term debt* had expenses of \$15.23 million or 3.38 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 \$545.84 million (before transfers); an increase of \$51.64 million or 10.45 percent compared to the previous fiscal year. The four largest revenue sources under governmental activities were the categories of Capital Grants and Contributions, Charges for Services, Sales Taxes and Property Taxes.

Capital Grants and Contributions, a component of *Program Revenues*, was at \$61.61 million or 11.29 percent of total governmental activities revenue. Capital Grants and Contributions increased by \$17.45 million or 39.50 percent from the prior year due to increased funding for infrastructure related activities, including development related projects like affordable housing. Charges for Services, a component of *Program Revenues*, at \$155.52 million increased \$14.50 million or 10.28 percent from prior year; this revenue goes directly against the expenses in recovering the costs of providing those services.

Sales Taxes, a component of *General Revenues*, were \$140.50 million or 24.74 percent of total governmental activities revenue. This was an increase of \$11.17 million or 8.64 percent, primarily due to the recent 1 percent sales tax measure for the City of Ontario that was approved by the voters in November 2022 and was effective April 1, 2023. *Property Taxes*, a component of *General Revenues*, was \$89.80 million or 16.45 percent of total governmental activities revenue. Growth in property valuations and new commercial and residential development are primarily the reason for this increase in revenue.

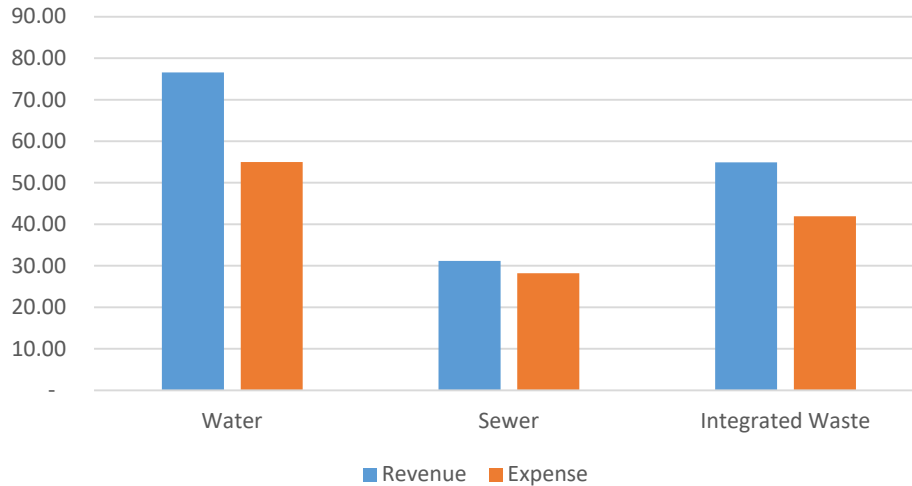
**Revenues by Source – Governmental Activities (Graph 2)****Business-type Activities**

*Net position* for business-type activities was \$522.42 as of June 30, 2023, with assets of \$642.42 million, deferred outflows of resources of \$22.92 million, liabilities of \$114.35 million and deferred inflows of resources of \$28.58 million. The unrestricted net position of \$354.64 million represented 67.88 percent of total business-type activities net position; this amount may be used to meet the government's on-going obligations. Net investment in capital assets of \$226.00 million represented 43.26 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 by \$44.76 million or 9.37 percent.

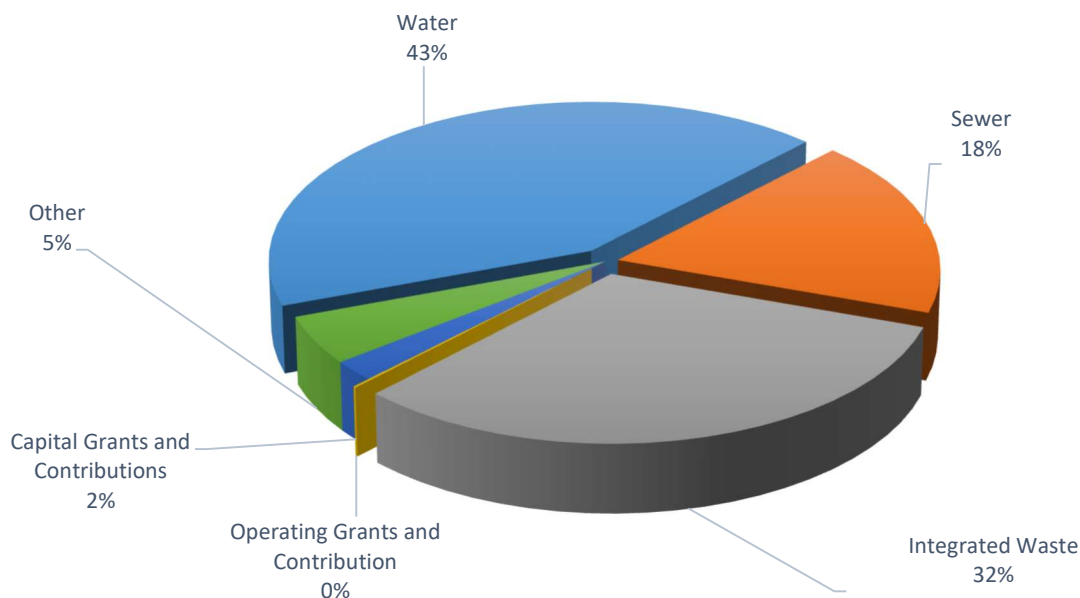
Total revenue (excluding transfers) for the City's business-type activities was \$171.02 million, which represented an increase of \$21.51 million or 14.39 percent from the prior year. Program revenues amounted to \$162.60 million, and it increased by \$11.86 million or 7.87 percent. General revenue for business-type activities was \$8.42 million. Business-type activities incurred \$125.10 million in expenditures for the year; an increase of \$29.58 million or 30.97 percent due to rising costs of materials and supplies as well as increases in capital improvement project expenditures.

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 \$171.02 million (before transfers); this was an increase of \$21.51 million or 14.39 percent compared to the previous year. Charges for Services (program revenue) amounted to \$158.76 million or 92.83 percent of total business-type activities revenues; this increased by \$10.81 million or 7.31 percent. The remaining *Program Revenues* are Operating Contributions and Grants which amount to \$0.23 million, Capital Contributions and Grants amount to \$3.61 million, and General Revenues which amount to \$8.42 million. Revenue from Water Services is the largest revenue source at \$73.11 million or 42.75 percent of the total revenues from business-type activities. It had a minor decrease of \$.13 million or 0.02 percent compared to the previous fiscal year due to a slight decline in water consumption resulting from the increased rainfall experienced in FY 2022-23. The second largest revenue source was revenue from Integrated Waste Services at \$54.68 million or 31.98 percent of total business-type activities revenues. Integrated Waste Services revenue had an increase of \$8.28 million or 17.84 percent also as a result of the increased number of consumer accounts due to the increased number of commercial and residential development projects.

**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, Ontario Housing Authority, Community Development Fund, 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 Community Development Fund accounts for housing rehab loans and grants from the California Department of Housing and for community development for single-family rehabilitation and first-time buyer 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, 2023, governmental funds reported combined ending fund balances of \$804.63 million. Approximately 10.65 percent or \$85.67 million of this total amount constitutes assigned/unassigned fund balance. The remaining fund balance of \$718.96 million is comprised of the following: Nonspendable \$3.94 million, Restricted \$332.76 million; and Committed \$382.25 million. Included in the Nonspendable fund balance are as follows: Advances to Successor Agency \$3.50 million; Inventories \$0.25 million; and Prepaid costs \$0.19 million. For the Restricted fund balance (external enforceable limitations on usage), they are comprised as follows: Endowment/trust \$0.37 million, Community Development projects \$97.58 million; Public Safety \$6.62 million; Park Development projects \$49.71 million; Transportation Improvement projects \$21.83 million; Affordable Housing \$49.67 million; AQMD activities \$1.02 million; Fiber/Broadband \$12.49 million and Public Services \$93.46 million. Included in the Committed fund balance (self-imposed limitations on usage) is \$382.25 million for City Facilities infrastructure improvements and capital replacement.

**Governmental Revenues**

Revenues of governmental funds for Fiscal Year 2022-23 were \$536.58 million, with an increase of \$74.99 million or 16.25 percent compared to the previous fiscal year. This increase in governmental revenue is primarily attributable to the increases in Sales Taxes, Property Taxes, Licenses & Permits, and Charges for Services revenues for the Fiscal Year 2022-23.

Table 3 below presents a summary of governmental fund revenues for the fiscal year ended June 30, 2023, with comparative amounts from the prior year.

**Comparison of Major Governmental Revenues (Table 3)  
Fiscal Years 2022-23 and 2021-22**

	FY 2022-23	% of Total	FY2021-22	% of Total	\$ Increase /	% Increase /
	Amount	Revenues	Amount	Revenues	(Decrease)	(Decrease)
Property Tax	\$ 89,800,425	16.74%	\$ 79,329,716	17.19%	\$ 10,470,709	13.20%
Sales Tax	140,501,064	26.18%	129,332,341	28.02%	11,168,723	8.64%
Transient Occupancy Tax	16,964,564	3.16%	16,400,754	3.55%	563,810	3.44%
Parking Tax	3,925,403	0.73%	3,368,202	0.73%	557,201	16.54%
Business Licenses Tax	9,729,862	1.81%	8,856,928	1.92%	872,934	9.86%
Other Taxes	19,353,763	3.61%	17,664,589	3.83%	1,689,174	9.56%
Licenses & Permits	12,608,106	2.35%	10,772,502	2.33%	1,835,604	17.04%
Intergovernmental	69,165,991	12.89%	55,860,245	12.10%	13,305,746	23.82%
Charges for Services	141,964,153	26.46%	130,243,516	28.22%	11,720,637	9.00%
Use of Money & Property	7,749,019	1.44%	(5,491,350)	-1.19%	13,240,369	-241.11%
Fines and Forfeitures	959,216	0.18%	1,060,576	0.23%	(101,360)	-9.56%
Miscellaneous	23,858,154	4.45%	14,193,697	3.07%	9,664,457	68.09%
<b>TOTAL</b>	<b>\$ 536,579,720</b>	<b>100%</b>	<b>\$ 461,591,716</b>	<b>100%</b>	<b>\$ 74,988,004</b>	<b>16.25%</b>

**Governmental Expenditures**

Total expenditures for Fiscal Year 2022-23 were \$587.61 million, an increase of \$174.45 million or 42.22 percent compared to the prior year. This is primarily due to increased community development activities, including funding of development related affordable housing projects that occurred in FY 2022-23.

Table 4 presents a summary of governmental fund expenditures for the Fiscal Year ended June 30, 2023, with comparative amounts from the prior year.

**Comparison of Major Governmental Expenditures (Table 4)**  
**Fiscal Years 2022-23 and 2021-22**

	FY 2022-23 Amount	% of total expenditure	FY 2021-22 Amount	% of total expenditure	\$Increase/ (Decrease)	%Increase/ (Decrease)
General Government	\$ 56,267,255	9.58%	\$ 48,223,193	11.67%	\$ 8,044,062	16.68%
Public Safety	201,526,269	34.30%	199,451,930	48.28%	2,074,339	1.04%
Community Development	289,252,244	49.23%	106,265,455	25.72%	182,986,789	172.20%
Public Works	26,966,749	4.59%	18,005,014	4.36%	8,961,735	49.77%
<b>Total operating expenditure</b>	<b>574,012,517</b>	<b>97.69%</b>	<b>371,945,592</b>	<b>90.03%</b>	<b>202,066,925</b>	<b>54.33%</b>
Interest on long-term debt	13,595,004	2.31%	41,210,239	9.97%	(27,615,235)	-67.01%
<b>Total</b>	<b>587,607,521</b>	<b>100.00%</b>	<b>413,155,831</b>	<b>100.00%</b>	<b>174,451,690</b>	<b>42.22%</b>

**Proprietary Funds**

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

Operating revenues for Enterprise Funds include sales and service charges, interdepartmental charges and miscellaneous. Total operating revenues for all Enterprise Funds for Fiscal Year 2022-23 were \$156.73 million, while non-operating revenues were \$40.90 million and capital grants and contributions were \$3.61 million. Operating expenses for Fiscal Year 2022-23 were \$124.85 million. During the fiscal year, the net amount transferred out to the City's Governmental Funds was \$1.07 million to support the various governmental activities.

The City also has six internal service funds to allocate costs of the City's information technology, equipment services, risk management, facilities maintenance, pension benefits, other post-employment benefits, and leave liability expenditures to the various departments. The interdepartmental charges for service (revenues) in Fiscal Year 2022-23 were \$105.50 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-eight activities for which the City has a fiduciary responsibility. These include: 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 the 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 \$89.94 million as of June 30, 2023, had a decrease of \$24.04 million compared to the previous year. This is primarily due to the General Fund Trust being reclassified into its own separate internal service fund, the Leave Liability Fund. As a measure of the General Fund's liquidity, it may be useful to compare Assigned fund balance and total fund balance to total fund operating expenditures. Assigned fund balance of \$85.67 million represents 95.76 percent of total General Fund's fund balance, while the total Nonspendable, Restricted, and Committed fund balance amounts to \$4.27 million and comprises 4.74 percent of the total fund balance.

Total fund balance of the General Fund consists of two components: 1) Nonspendable fund balance of \$3.89 million – represents \$0.14 million in prepaid, \$0.25 million in inventory, and \$3.5 million in advances to Successor Agency; 2) Assigned fund balance of \$85.67 million – consists of the stability arrangement of \$59.34 million, economic uncertainty of \$20.0 million, and continuing appropriations of \$6.33 million.

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

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

For Fiscal Year 2022-23, General Fund revenues were \$356.80 million, an increase of \$32.19 million or 9.92 percent from the prior fiscal year. Sales Tax revenues were \$140.50 million, an increase of \$11.17 million from the prior fiscal year primarily due to the recent 1 percent sales tax measure for the City of Ontario that was approved by the voters in November of 2022 and was effective April 1, 2023. Transient Occupancy Tax was \$16.96 million, an increase of \$0.56 million or 3.44 percent as business travel into the City remains steady with gradual increases as Ontario continues to expand and develop. Charges for Services revenue was \$51.92 million, an increase of \$4.48 million or 9.44 percent. This was due to the increased development related activity. Property Tax revenues were \$89.80 million, an increase of \$10.47 million or 13.2 percent from the prior year because of increased property assessed valuations and continuing growth in Ontario Ranch.

**General Fund Revenues (Table 5)  
Fiscal Years 2022-23 and 2020-21**

	FY 2022-23	% of Total	FY 2021-22	\$ Increase / (Decrease) to Last Year	% of Increase (Decrease)
Property Tax	\$ 89,800,425	25.17%	\$ 79,329,716	\$ 10,470,709	13.20%
Sales Tax	140,501,064	39.38%	129,332,341	11,168,723	8.64%
Transient Occupancy Tax	16,964,564	4.75%	16,400,754	563,810	3.44%
Other Taxes	19,823,126	5.56%	18,114,015	1,709,111	9.44%
License & Permits	12,608,106	3.53%	10,772,502	1,835,604	17.04%
Intergovernmental	16,401,508	4.60%	15,306,488	1,095,020	7.15%
Charges for Services	51,923,310	14.55%	47,443,658	4,479,652	9.44%
Use of Money & Property	1,224,323	0.34%	(2,618,811)	3,843,134	146.75%
Fines & Forfeitures	959,216	0.27%	1,060,576	(101,360)	-9.56%
Miscellaneous	6,589,628	1.85%	9,466,875	(2,877,247)	-30.39%
<b>Totals</b>	<b>\$ 356,795,270</b>	<b>100%</b>	<b>\$ 324,608,114</b>	<b>\$ 32,187,156</b>	<b>9.92%</b>

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

- Property Tax revenues increased \$10.47 million or 13.2 percent the prior year, comprising 25.17 percent of total General Fund revenue. This gain was the result of increased assessed property valuations as well as from ongoing commercial and residential development.
- Sales Tax revenues experienced an increase of \$11.17 million or 8.64 percent from the prior year. Of the total General Fund revenue, 39.38 percent comes from sales taxes. This increase was due to the recent passage of Measure Q, the one percent additional sales tax in Ontario that became effective April 1, 2023.
- Transient Occupancy Tax (TOT) increased by \$0.56 million or 3.44 percent from the prior year because of the continued business interest in travel to Ontario as the City continues to expand and develop. It comprises 4.75 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, and they comprise \$19.82 million or 5.56 percent of the City's total General Fund revenue. This revenue category reflected an increase of \$1.71 million or 9.44 percent from the prior year. These revenues have continued to experience growth as the result of ongoing development in Ontario.
- License and Permit revenues experienced an increase of \$1.84 million or 17.04 percent from the prior year due to growth in development related activity; it represents 3.53 percent of the total General Fund revenue.
- Intergovernmental revenues increased by \$1.10 million, or 7.15 percent compared to the previous year, and it accounts for 4.6 percent of total General Fund revenue.
- Charges for Services revenues were \$51.92 million; an increase of \$4.48 million or 9.44 percent from the prior year. This is primarily the result of increased development related activity in the City. Of the total General Fund revenue, 14.55 percent comes from Charges for Services.
- Use of Money and Property category experienced an increase of \$3.84 million compared to prior year. This is mainly due to increased investment earnings and the rise in federal interest rates.
- Fines and Forfeitures were \$0.96 million; a decrease of \$0.10 million or (9.56) percent from the prior year. It accounts for less than one percent of the overall General Fund revenue.
- Miscellaneous revenues of \$6.59 million, representing 1.85 percent of the total General Fund revenue, decreased by \$2.88 million compared to the prior year primarily due to the decrease in cost allocation revenue for administrative services provided to other non-general Fund City departments.

**Expenditures**

For Fiscal Year 2022-23, total General Fund expenditures were \$302.69 million, and increased \$19.42 million or 6.85 percent compared to the previous year.

**General Fund Expenditures (Table 6)  
Fiscal Years 2022-23 and 2021-22**

	<b>FY 2022-23 Amount</b>	<b>% of total expenditure</b>	<b>FY 2021-22 Amount</b>	<b>\$Increase/ (Decrease)</b>	<b>%Increase/ (Decrease)</b>
General Government	\$ 29,686,747	9.81%	\$ 33,878,368	\$ (4,191,621)	-12.37%
Public Safety	196,602,479	64.95%	194,515,870	2,086,609	1.07%
Community Development	63,535,293	20.99%	39,299,440	24,235,853	61.67%
Public Works	8,908,679	2.94%	13,895,991	(4,987,312)	-35.89%
Debt Service	3,953,662	1.31%	1,681,331	2,272,331	135.15%
<b>Total</b>	<b>\$ 302,686,860</b>	<b>100.00%</b>	<b>\$ 283,271,000</b>	<b>\$ 19,415,860</b>	<b>6.85%</b>

- General Government expenditures were \$29.69 million, a decrease of \$4.19 million or 12.37 percent from the prior fiscal year. Economic Development was previously classified under General Government, now it is classified under Community Development which is the primary reason for such a big decrease in General Government expenditures.
- Public Safety expenditures were \$196.60 million, an increase of \$2.09 million or 1.07 percent compared to the previous year, mainly due to the hiring of additional public safety personnel and the opening of a new Fire Station.
- Community Development expenditures were \$63.54 million, an increase of \$24.24 million or 61.67 percent from the prior fiscal year, mainly from increased development activities.
- Public Works expenditures were \$8.91 million, a decrease of \$4.99 million or 35.89 percent compared to the previous fiscal year.
- Debt Service expenditure was \$3.95 million, an increase of \$2.27 million or 135.15 percent. This is the result of an increase in debt service expenses from the issuance of a new \$100 million bond for capital improvement projects.

**ONTARIO HOUSING AUTHORITY – FUND BALANCE ANALYSIS**

The Ontario Housing Authority Fund accounts for financial transactions for the Ontario Housing Authority. It is one of the five major funds included in the City's Annual Comprehensive Financial Report for June 30, 2023. The fund balance is \$30.35 million as of June 30, 2023, which is an increase of \$9.91 million compared to the prior year. Total Assets were \$61.79 million; an increase of \$6.07 million from the prior year. This is primarily due to funding from the state for housing. Total Liabilities were \$7.83 million, a decrease of about \$4.15 million compared to the previous fiscal year, this was due to recognition of revenues for a previous unearned revenue deposit related to the funding of an affordable housing project.

**ONTARIO HOUSING AUTHORITY – REVENUE AND EXPENDITURE ANALYSIS****Revenues**

For Fiscal Year 2022-23, total Ontario Housing Authority Fund revenues were \$24.02 million; an increase of \$21.80 million compared to the prior year. This increase is mainly due to additional revenues to fund affordable housing projects.

**Expenditures**

For Fiscal Year 2022-23, total Ontario Housing Authority Fund expenditures were \$14.10 million. There is an increase of \$11.28 million compared to the prior year due to expenditures related to the funding of affordable housing projects.

**COMMUNITY DEVELOPMENT FUND – FUND BALANCE ANALYSIS**

The Community Development Fund accounts for housing rehab loans and grants from the California Department of Housing and for community development for single-family rehabilitation and first-time buyer programs. It is one of the five major funds included in the City's Annual Comprehensive Financial Report for June 30, 2023. The fund balance of \$6.76 million as of June 30, 2023, had a decrease of \$.06 million compared to the prior year. Total Assets were \$23.97 million, an increase of \$5.69 million from the prior fiscal year. Total liabilities were \$9.24 million, a decrease of \$2.34 million compared to FY 2021-22.

## **COMMUNITY DEVELOPMENT FUND – REVENUE AND EXPENDITURE ANALYSIS**

### **Revenues**

For Fiscal Year 2022-23, total Community Development Fund revenues were \$7.43 million or \$3.51 million more compared to the prior year as there was additional grant revenue available for City projects in designated areas, as well as community assistance programs.

### **Expenditures**

For Fiscal Year 2022-23, total Community Development Fund expenditures were \$7.36 million, an increase of \$3.63 million compared to the prior year as there was an increase in grant expenditures in designated areas, as well as community assistance programs.

## **CAPITAL PROJECTS FUND – FUND BALANCE ANALYSIS**

The Capital Projects Fund accounts for financial transactions of general capital improvements. It is one of the five major funds included in the City's Annual Comprehensive Financial Report for June 30, 2023. The fund balance of \$174.30 million as of June 30, 2023, reflected an increase of \$51.21 million compared to the prior year. The increase was due to the issuance of 2023 taxable lease revenue bond in the amount of \$100 million for the new Regional Sports Complex Center and various other Capital Improvement Projects throughout the City. Total Assets were \$179.22 million; an increase of \$51.97 million from the previous year. This is mainly attributable to the increase in Cash and Investments because of the issuance of the 2023 taxable lease revenue bond referenced above. The total liabilities were \$4.92 million, which is an increase of \$0.75 million because of increases in accounts payable liabilities.

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

### **Revenues**

For Fiscal Year 2022-23, total Capital Projects Fund revenues were \$1.52 million; a slight decrease of \$0.32 million compared to the prior year.

### **Expenditures**

For Fiscal Year 2022-23, total Capital Projects Fund expenditures were \$164.72 million. This was an increase of \$114.24 million over the previous fiscal year mainly due to an increase of \$137.73 million in Community Development because of increased development activity on City projects, as well as a \$6.8 million increase in Public Works due to increased activity from Capital Improvement projects. These increases are offset by a decrease of \$30.48 million in debt service due to the prior year refinancing of the 2013 lease revenue bonds with the 2021 lease revenue refunding bonds and the debt service payment for the issuance of the 2022 lease revenue bonds.



## **IMPACT FEES FUND – FUND BALANCE ANALYSIS**

The Impact Fees Fund accounts for revenues from developer-paid impact fees for infrastructure or construction. It is one of the five major funds included in the City's Annual Comprehensive Financial Report for June 30, 2023. The fund balance of \$207.95 million as of June 30, 2023, reflected an increase of \$40.12 million. Total Assets were \$223.05 million; an increase of \$43.68 million from the previous year which is mainly attributable to the increase in Cash and Investments which was the result of increased impact fee revenues received during the year. As these projects progress, development impact fees are incurred and paid to the City. Total Liabilities of \$15.09 million increased by \$3.56 million due to the increase in Accounts Payable.

## **IMPACT FEES FUND – REVENUE AND EXPENDITURE ANALYSIS**

### **Revenues**

For Fiscal Year 2022-23, total Impact Fees Fund revenues were \$70.16 million; an increase of \$17.75 million which is due to increased development as both commercial and residential projects in Ontario Ranch continue to draw the interest of many developers.

### **Expenditures**

For Fiscal Year 2022-23, total Impact Fees Fund expenditures were \$30.04 million. This was an increase of \$1.32 million due to continued development projects.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the City Council revised the City's 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 throughout the year based on individual items that are brought forward by various departments. The General Fund budgetary comparison statement is included in the Basic Financial Statements.

### **Resources (Inflows)**

The budgeted amount for *revenues* (resources available for appropriation), including transfers, had an increase of \$56.10 million between the original budget of \$299.15 million and the final amended budget of \$355.25 million. The increase was mainly due to increases in tax revenues in the amount of \$38.65 million from gains in sales tax, property tax, as well as additional sales tax revenue from the Measure Q Transaction and Use Tax(TUT) that was approved in November 2022 and was effective April 1, 2023. Actual revenues were \$3.54 million more than the final amended budget, for a total of \$358.80 million, including transfers.

**Charges to Appropriations (Outflows)**

The budgeted amounts for expenditures (appropriations) including transfers had an increase of \$72.43 million between the original budget of \$301.88 million and the final amended budget of \$374.31 million. This increase was primarily the result of the following: \$6.33 million of continuing appropriations from the prior year; an additional transfer of \$12.5 million to the capital projects fund for additional city projects mainly funded from the new Measure Q revenues; additional transfer of \$14.0 million to fund economic development activities; increase funding transfer of \$12.79 million to the Internal Service Funds; additional personnel appropriations of \$6.08 million for new positions, mainly for public safety; additional \$2.10 million for capital purchases; and the remaining increase of approximately \$19.0 million for rising materials costs and increased contractual services. Actual expenditures, including transfers, were \$8.54 million more than the final amended budget, primarily due to additional transfers of \$22.94 million to other funds, offset with expenditure savings of \$18.28 million.

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 2022-23**  
(In millions)

	Budget Amounts				Final Budget Variance Favorable / (Unfavorable)
	Original	Final	Variance	Actual	
<b>Resources (Inflows):</b>					
Taxes	\$ 225.83	\$ 264.48	\$ 38.65	\$ 267.09	\$ 2.61
Licenses and permits	6.19	9.30	3.10	12.61	3.31
Intergovernmental	18.62	19.50	0.88	16.40	(3.10)
Charges for Services	44.70	49.98	5.28	51.92	1.95
Use of Money and Property	1.34	1.34	(0.00)	1.22	(0.12)
Fines and Forfeitures	0.75	0.77	0.02	0.96	0.19
Miscellaneous	1.72	7.88	6.16	6.59	(1.29)
Transfer from Other funds	-	2.00	2.00	2.00	-
<b>Total Resources</b>	<b>\$ 299.15</b>	<b>\$ 355.25</b>	<b>\$ 56.10</b>	<b>\$ 358.80</b>	<b>\$ 3.54</b>
<b>Charges to Appropriations (Outflows):</b>					
General Government	\$ 33.01	\$ 35.00	\$ 1.99	\$ 33.61	\$ (1.39)
Public Safety	189.26	198.36	9.09	196.60	(1.75)
Community Development	61.70	73.85	12.16	63.54	(10.32)
Public Works	8.47	9.87	1.40	8.91	(0.96)
Debt Services	-	-	-	0.03	0.03
Transfers to Other Funds	9.44	57.23	47.79	80.17	22.94
<b>Total Charges to Appropriations</b>	<b>\$ 301.88</b>	<b>\$ 374.31</b>	<b>\$ 72.43</b>	<b>\$ 382.85</b>	<b>\$ 8.54</b>

## 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, 2023, is \$1.61 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	
	2023	2022 (1)	2023	2022	2023	2022 (1)
Land	\$ 277.00	\$ 124.67	\$ 16.26	\$ 16.15	\$ 293.24	\$ 140.82
Structures and Improvement	219.04	230.14	12.51	1.95	231.55	232.09
Furniture and Equipments	42.00	50.23	4.47	5.65	46.47	55.88
Infrastructures	685.28	710.21	100.89	115.69	786.17	825.90
Construction in Progress	154.61	99.56	91.88	68.29	246.49	167.85
Subscription Assets	5.61	1.86	-	-	5.61	1.86
<b>Total Capital asset</b>	<b>\$ 1,383.53</b>	<b>\$ 1,216.67</b>	<b>\$ 226.01</b>	<b>\$ 207.73</b>	<b>\$ 1,609.51</b>	<b>\$ 1,424.40</b>

(1) FY2022 balance was restated to include subscription assets due to implementation of GASB96 in FY2023.

Additional detailed 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 \$7.26 million on street maintenance for the fiscal year ended June 30, 2023, to delay deterioration. The City has estimated that the amount of annual expenditures required maintaining the City's streets at the minimum Pavement Condition Index (PCI) rating of "Good" through the FY 2027-28 is a minimum of \$9.18 million per year. Overall, the city's PCI rating for its street system was 80.7 with 77.9 percent of city streets receiving a rating condition of "excellent to very good". As of June 30, 2023, the City had approximately 115.04 million square feet of streets with a carrying amount of approximately \$572.26 million and a replacement cost of approximately \$1,289.36 million.

The City is also continuously taking actions to arrest the deterioration of other infrastructure assets through short-term maintenance activities. The City expended \$7.66 million on other infrastructure (sidewalks, traffic signals/streetlights and catch basins/storm drains) maintenance for the fiscal year ended June 30, 2023. These expenditures delayed deterioration and improved the overall condition through these maintenance efforts. It is estimated that it will cost approximately \$9.32 million per year to maintain other infrastructure assets at their present level through FY 2027-28. For more information, see Required Supplemental Information following the footnotes to the financial statements.

**Long-term Debt**

At year end, the City had \$709.06 million in outstanding long-term debt. This debt consisted of revenue bonds, loans payable, installment sale and advances from Successor Agency. For additional details of the City's long-term debt, please refer to Note 7 in the Notes to the Basic Financial Statements.

Table 9 below is a summary of the City's long-term debt for the year ended June 30, 2023.

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

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2023	2022	2023	2022	2023	2022
Revenue Bonds	\$ 248.97	\$ 150.90	\$ 65.19	\$ 67.55	\$ 314.16	\$ 218.45
Pension Obligation Bonds	223.67	228.86	-	-	223.67	228.86
Loan Payable	146.96	50.33	-	-	146.96	50.33
Installment Sale	9.75	14.51	-	-	9.75	14.51
Advances from the Successor Agency	1.59	1.60	-	-	1.59	1.60
Unamortized bond premium/discount	12.93	13.41	-	-	12.93	13.41
<b>Total long term debt</b>	<b>\$ 643.87</b>	<b>\$ 459.61</b>	<b>\$ 65.19</b>	<b>\$ 67.55</b>	<b>\$ 709.06</b>	<b>\$ 527.16</b>

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

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

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# **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

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**City of Ontario**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 698,969,292	\$ 129,337,207	\$ 828,306,499
Receivables:			
Accounts	60,756,451	33,421,143	94,177,594
Taxes	35,108	-	35,108
Accrued interest	3,955,880	1,236,757	5,192,637
Leases	206,329	191,164	397,493
Internal balances	(40,595,361)	40,595,361	-
Prepaid costs	1,568,006	77,913	1,645,919
Deposits	13,825,723	285,029	14,110,752
Inventories	5,179,064	2,473,736	7,652,800
Advances to Successor Agency	3,500,000	-	3,500,000
Restricted assets:			
Cash and investments	99,332,124	3,804,526	103,136,650
Cash and investments with fiscal agent	1,931,273	-	1,931,273
Total current assets	<u>848,663,889</u>	<u>211,422,836</u>	<u>1,060,086,725</u>
Noncurrent assets:			
Notes and Loans	57,750,901	-	57,750,901
Leases receivable	2,524,884	1,065,951	3,590,835
Investment in joint venture	-	73,000,840	73,000,840
Other investments	-	130,926,719	130,926,719
Land held for resale	156,464,502	-	156,464,502
Capital assets:			
Nondepreciable	1,003,856,697	108,132,380	1,111,989,077
Depreciable	726,891,518	288,676,532	1,015,568,050
Less accumulated depreciation	(347,223,836)	(170,807,027)	(518,030,863)
Total capital assets	<u>1,383,524,379</u>	<u>226,001,885</u>	<u>1,609,526,264</u>
Total noncurrent assets	<u>1,600,264,666</u>	<u>430,995,395</u>	<u>2,031,260,061</u>
<b>Total assets</b>	<u>2,448,928,555</u>	<u>642,418,231</u>	<u>3,091,346,786</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	2,461,252	3,160,969	5,622,221
Deferred pension related items	136,260,395	12,127,453	148,387,848
Deferred OPEB related items	18,524,779	7,636,468	26,161,247
<b>Total deferred outflows of resources</b>	<u>157,246,426</u>	<u>22,924,890</u>	<u>180,171,316</u>

See accompanying Notes to Basic Financial Statements.

**City of Ontario**  
**Statement of Net Position (Continued)**  
**June 30, 2023**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	31,748,342	19,953,699	51,702,041
Accrued liabilities	7,251,632	2,101,155	9,352,787
Accrued interest	3,925,422	632,938	4,558,360
Unearned revenue	24,273,427	1,835,940	26,109,367
Deposits payable	29,349,506	6,454,743	35,804,249
Due to other governments	3,416,370	-	3,416,370
SBITA liabilities - current	2,114,881	-	2,114,881
Compensated absences - current	2,257,196	1,500,868	3,758,064
Claims and judgements - current	9,273,278	-	9,273,278
Long-term debt - current portion	24,724,270	2,565,000	27,289,270
Total current liabilities	<u>138,334,324</u>	<u>35,044,343</u>	<u>173,378,667</u>
Noncurrent liabilities:			
SBITA liabilities	2,520,591	-	2,520,591
Compensated absences	17,011,612	392,537	17,404,149
Claims and judgements	27,519,722	-	27,519,722
Net pension liability	110,802,283	10,707,661	121,509,944
OPEB liability	13,532,941	5,578,683	19,111,624
Long-term debt	619,149,894	62,625,000	681,774,894
Total noncurrent liabilities	<u>790,537,043</u>	<u>79,303,881</u>	<u>869,840,924</u>
<b>Total liabilities</b>	<u>928,871,367</u>	<u>114,348,224</u>	<u>1,043,219,591</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charges on refunding	811,950	-	811,950
Deferred inflows of resources - pension	3,517,735	1,283,387	4,801,122
Deferred inflows of resources - leases	2,585,921	1,217,097	3,803,018
Deferred inflows of resources - OPEB	63,258,545	26,077,066	89,335,611
<b>Total deferred inflows of resources</b>	<u>70,174,151</u>	<u>28,577,550</u>	<u>98,751,701</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,067,848,444	163,972,854	1,231,821,298
Restricted for:			
Community development projects	207,137,850	-	207,137,850
Public safety	25,942,220	-	25,942,220
Capital projects	-	3,804,526	3,804,526
Affordable housing	60,408,696	-	60,408,696
Other purposes	742,023	-	742,023
Total restricted	<u>294,230,789</u>	<u>3,804,526</u>	<u>298,035,315</u>
Unrestricted	<u>245,050,230</u>	<u>354,639,967</u>	<u>599,690,197</u>
<b>Total net position</b>	<u>\$ 1,607,129,463</u>	<u>\$ 522,417,347</u>	<u>\$ 2,129,546,810</u>

See accompanying Notes to Basic Financial Statements.

**City of Ontario**  
**Statement of Activities**  
**For the year ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
General government	\$ 67,731,301	\$ 3,654,493	\$ 16,435,638	\$ -	\$ 20,090,131
Public safety	228,863,410	36,198,869	-	7,526,259	43,725,128
Community development	111,954,023	113,058,410	-	41,601,708	154,660,118
Public works	26,209,165	2,605,129	78,760	12,485,289	15,169,178
Interest on long-term debt	15,226,418	-	-	-	-
Total governmental activities	449,984,317	155,516,901	16,514,398	61,613,256	233,644,555
<b>Business-type Activities:</b>					
Water	54,989,884	73,109,977	-	3,422,371	76,532,348
Sewer	28,183,295	30,970,684	-	184,023	31,154,707
Integrated Waste	41,931,502	54,684,214	227,236	-	54,911,450
Total Business-Type activities	125,104,681	158,764,875	227,236	3,606,394	162,598,505
<b>Total primary government</b>	<b>\$ 575,088,998</b>	<b>\$ 314,281,776</b>	<b>\$ 16,741,634</b>	<b>\$ 65,219,650</b>	<b>\$ 396,243,060</b>

**General Revenues:**

Taxes:

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

**Total taxes**

Motor vehicle in lieu, unrestricted

Use of money and property

Other

Gain on sale of investments

Transfers

**Total general revenues and transfers**

**Change in net position**

**Net position - beginning of year, as restated**

**Net position - end of year**

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (47,641,170)	\$ -	\$ (47,641,170)
(185,138,282)	-	(185,138,282)
42,706,095	-	42,706,095
(11,039,987)	-	(11,039,987)
(15,226,418)	-	(15,226,418)
(216,339,762)	-	(216,339,762)
-	21,542,464	21,542,464
-	2,971,412	2,971,412
-	12,979,948	12,979,948
-	37,493,824	37,493,824
(216,339,762)	37,493,824	(178,845,938)
89,800,425	-	89,800,425
16,964,564	-	16,964,564
140,501,064	-	140,501,064
4,573,517	-	4,573,517
9,729,862	-	9,729,862
18,510,327	-	18,510,327
280,079,759	-	280,079,759
184,008	-	184,008
8,063,020	8,421,097	16,484,117
23,872,727	-	23,872,727
(43)	-	(43)
2,541,337	(2,541,337)	-
314,740,808	5,879,760	320,620,568
98,401,046	43,373,584	141,774,630
\$ 1,508,728,417	\$ 479,043,763	\$ 1,987,772,180
\$ 1,607,129,463	\$ 522,417,347	\$ 2,129,546,810

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

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**City of Ontario**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	General	Special Revenue Funds	
		Ontario Housing Authority	Community Development
<b>ASSETS</b>			
Cash and investments	\$ 80,525,740	\$ 1,125,475	\$ -
Receivables:			
Accounts	42,236,552	2,077,759	7,580,711
Taxes	-	-	-
Notes and loans	60,373	31,959,351	10,346,015
Leases	2,731,213	-	-
Accrued interest	648,798	21,562	-
Prepaid costs	140,299	-	-
Deposits	-	10,342,799	-
Due from other funds	9,490,170	-	-
Advances to other funds	-	-	5,961,399
Advances to Successor Agency	3,500,000	-	-
Inventories	253,007	-	-
Land held for resale	-	16,263,403	51,050
Restricted assets:			
Cash and investments	-	-	35,775
Cash and investments with fiscal agents	-	-	-
<b>Total assets</b>	<b>\$ 139,586,152</b>	<b>\$ 61,790,349</b>	<b>\$ 23,974,950</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 9,813,476	\$ 18,092	\$ 394,366
Accrued liabilities	5,193,921	55,456	61,416
Unearned revenues	17,606,106	-	-
Deposits payable	14,446,446	-	-
Due to other governments	-	1,004,339	2,412,031
Due to other funds	-	795,045	6,376,399
Advances from other funds	-	5,961,399	-
<b>Total liabilities</b>	<b>47,059,949</b>	<b>7,834,331</b>	<b>9,244,212</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	-	23,604,825	7,969,759
Leases	2,585,921	-	-
<b>Total deferred inflows of resources</b>	<b>2,585,921</b>	<b>23,604,825</b>	<b>7,969,759</b>
<b>Fund Balances:</b>			
Nonspendable	3,893,306	-	-
Restricted	373,447	30,351,193	6,760,979
Committed	-	-	-
Assigned	85,673,529	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<b>89,940,282</b>	<b>30,351,193</b>	<b>6,760,979</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 139,586,152</b>	<b>\$ 61,790,349</b>	<b>\$ 23,974,950</b>

See accompanying Notes to Basic Financial Statements.

Capital Project Funds			
Capital Projects	Impact Fees	Other Governmental Funds	Total Governmental Funds
\$ 79,657,129	\$ 221,367,737	\$ 139,143,352	\$ 521,819,433
16	1,388	7,962,687	59,859,113
-	-	35,108	35,108
-	-	15,385,162	57,750,901
-	-	-	2,731,213
238,442	1,503,792	858,641	3,271,235
-	-	49,442	189,741
2,199	172,336	2,780,363	13,297,697
-	-	-	9,490,170
-	-	-	5,961,399
-	-	-	3,500,000
-	-	3,674,792	3,927,799
-	-	140,150,049	156,464,502
99,296,349	-	-	99,332,124
24,529	-	22,245	46,774
<u>\$ 179,218,664</u>	<u>\$ 223,045,253</u>	<u>\$ 310,061,841</u>	<u>\$ 937,677,209</u>
\$ 2,867,920	\$ 3,543,350	\$ 3,572,045	\$ 20,209,249
-	-	916,163	6,226,956
-	-	6,667,321	24,273,427
2,048,653	11,550,622	301,333	28,347,054
-	-	-	3,416,370
-	-	2,318,726	9,490,170
-	-	-	5,961,399
<u>4,916,573</u>	<u>15,093,972</u>	<u>13,775,588</u>	<u>97,924,625</u>
-	-	962,106	32,536,690
-	-	-	2,585,921
-	-	962,106	35,122,611
-	-	49,442	3,942,748
-	-	295,279,092	332,764,711
174,302,091	207,951,281	-	382,253,372
-	-	-	85,673,529
-	-	(4,387)	(4,387)
<u>174,302,091</u>	<u>207,951,281</u>	<u>295,324,147</u>	<u>804,629,973</u>
<u>\$ 179,218,664</u>	<u>\$ 223,045,253</u>	<u>\$ 310,061,841</u>	<u>\$ 937,677,209</u>

# City of Ontario

## Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

June 30, 2023

**Total Fund Balances - Total Governmental Funds** \$ 804,629,973

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

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

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	\$ 1,003,856,697	\$ (36,980,832)	966,875,865
Depreciable, net	379,667,682	(52,003,470)	327,664,212
<b>Total capital assets</b>	<b>\$ 1,383,524,379</b>	<b>\$ (88,984,302)</b>	<b>1,294,540,077</b>

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

(155,458,546)

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

32,536,690

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

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Deferred outflows of resources related to pension	136,260,395	(6,065,781)	130,194,614
Deferred outflows of resources related to OPEB	18,524,779	(18,524,779)	-
Deferred inflows of resources related to pension	(3,517,735)	641,914	(2,875,821)
Deferred inflows of resources related to OPEB	(63,258,545)	63,258,545	-

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

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Compensated absences - due within one year	\$ (2,257,196)	\$ 2,257,196	\$ -
Interest payable	(3,925,422)	783,659	(3,141,763)
Long-term debt - due within one year	(24,724,270)	7,460,979	(17,263,291)
Unamortized deferred gain on refunding	(811,950)	-	(811,950)
Unamortized deferred loss on refunding	2,461,252	-	2,461,252
Unamortized prepaid bond insurance premium	127,647	-	127,647
SBITA liabilities	(4,635,472)	4,550,278	(85,194)
Compensated absences - due in more than one year	(17,011,612)	17,011,612	-
Long-term debt - due in more than one year	(619,149,894)	246,872,287	(372,277,607)
Net pension liability	(110,802,283)	5,355,665	(105,446,618)
Net OPEB liability	13,532,941	(13,532,941)	-
<b>Total long-term liabilities</b>	<b>\$ (767,196,259)</b>	<b>\$ 270,758,735</b>	<b>(496,437,524)</b>

**Net Position of Governmental Activities**

**\$ 1,607,129,463**

See accompanying Notes to Basic Financial Statements.

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# City of Ontario

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Governmental Funds

For the year ended June 30, 2023

	General	Special Revenue Funds	
		Ontario Housing Authority	Community Development
<b>REVENUES:</b>			
Taxes	\$ 267,089,179	\$ -	\$ -
Special assessment taxes	-	-	-
Licenses and permits	12,608,106	-	-
Intergovernmental	16,401,508	6,965,560	7,293,630
Charges for services	51,923,310	-	-
Use of money and property	1,224,323	873,667	(3,080)
Fines and forfeitures	959,216	-	-
Miscellaneous	6,589,628	16,175,916	135,084
<b>Total revenues</b>	<b>356,795,270</b>	<b>24,015,143</b>	<b>7,425,634</b>
<b>EXPENDITURES:</b>			
Current:			
General government	29,686,747	76,094	430,934
Public safety	196,602,479	-	-
Community development	63,535,293	14,012,787	6,246,752
Public works	8,908,679	-	686,857
Debt service:			
Principal retirement	1,958,065	12,000	-
Interest and fiscal charges	1,995,597	-	-
<b>Total expenditures</b>	<b>302,686,860</b>	<b>14,100,881</b>	<b>7,364,543</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>54,108,410</b>	<b>9,914,262</b>	<b>61,091</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	2,000,000	-	-
Transfers out	(80,167,806)	-	-
Notes and loans issued	-	-	-
Other financing sources - SBITA	17,476	-	-
<b>Total other financing sources (uses)</b>	<b>(78,150,330)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (24,041,920)</b>	<b>\$ 9,914,262</b>	<b>\$ 61,091</b>
<b>FUND BALANCES:</b>			
Beginning of year	113,982,202	20,436,931	6,699,888
Restatements	-	-	-
Beginning of year, as restated	113,982,202	20,436,931	6,699,888
End of year	<b>\$ 89,940,282</b>	<b>\$ 30,351,193</b>	<b>\$ 6,760,979</b>

See accompanying Notes to Basic Financial Statements.



Capital Project Funds			
Capital Projects	Impact Fees	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 236,324	\$ 267,325,503
-	-	12,938,263	12,938,263
-	-	-	12,608,106
-	12,588,248	25,928,360	69,177,306
-	55,101,513	34,939,330	141,964,153
1,518,296	2,464,616	1,671,197	7,749,019
-	-	-	959,216
497	9,111	947,918	23,858,154
1,518,793	70,163,488	76,661,392	536,579,720
840	6,353,144	19,719,496	56,267,255
518,356	1,072,631	3,332,803	201,526,269
153,362,228	22,303,183	29,792,001	289,252,244
6,800,064	313,899	10,257,250	26,966,749
2,083,899	-	4,773,133	8,827,097
1,950,518	-	821,792	4,767,907
164,715,905	30,042,857	68,696,475	587,607,521
(163,197,112)	40,120,631	7,964,917	(51,027,801)
14,140,000	-	88,500,209	104,640,209
-	-	(8,448,894)	(88,616,700)
200,269,446	-	-	200,269,446
-	-	74,530	92,006
214,409,446	-	80,125,845	216,384,961
\$ 51,212,334	\$ 40,120,631	\$ 88,090,762	\$ 165,357,160
123,089,757	167,830,650	206,257,224	638,296,652
-	-	976,161	976,161
123,089,757	167,830,650	207,233,385	639,272,813
\$ 174,302,091	\$ 207,951,281	\$ 295,324,147	\$ 804,629,973

# City of Ontario

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities For the year ended June 30, 2023

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 165,357,160</b>
Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds.	188,437,535
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.	(17,387,161)
Accrued compensated absence liabilities relating to governmental funds were transferred to the Leave Liability internal service fund at the beginning of the year.	17,551,707
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments	8,827,097
Issuance of long-term debt	(200,361,452)
Interest payable	(1,806,990)
Amortization of prepaid bond insurance	(8,783)
Amortization of deferred charges	62,060
Amortization of bonds premium (discount), net	479,475
Capital assets and pension amounts transferred from the business type activities	
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	18,786,836
Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	(66,111,729)
Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	8,871,590
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	(24,296,299)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 98,401,046</b>

See accompanying Notes to Basic Financial Statements.

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**City of Ontario**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Integrated Waste	Totals	
<b>ASSETS</b>					
Current Assets:					
Cash and investments	\$ 70,315,543	\$ 37,807,233	\$ 21,214,431	\$ 129,337,207	\$ 177,149,859
Receivables:					
Accounts	15,862,139	4,563,723	12,995,281	33,421,143	897,338
Leases	191,164	-	-	191,164	-
Accrued interest	639,413	427,850	169,494	1,236,757	684,645
Prepaid costs	33,897	17,222	26,794	77,913	1,250,615
Deposits	285,029	-	-	285,029	528,026
Inventories	1,978,989	494,747	-	2,473,736	1,251,265
Restricted:					
Cash and investments	3,804,526	-	-	3,804,526	-
Cash with fiscal agent	-	-	-	-	1,884,499
Total current assets	93,110,700	43,310,775	34,406,000	170,827,475	183,646,247
Noncurrent:					
Leases receivable	1,065,951	-	-	1,065,951	-
Advances to other funds	26,161,545	30,011,714	15,478,675	71,651,934	19,467,109
Investment in joint venture	73,000,840	-	-	73,000,840	-
Other investments	130,926,719	-	-	130,926,719	-
Capital assets:					
Nondepreciable	100,192,062	4,007,506	3,932,812	108,132,380	36,980,832
Depreciable	225,649,430	55,475,881	7,551,221	288,676,532	127,559,554
Less accumulated depreciation	(125,711,641)	(42,761,181)	(2,334,205)	(170,807,027)	(75,556,084)
Net capital assets	200,129,851	16,722,206	9,149,828	226,001,885	88,984,302
Total noncurrent assets	431,284,906	46,733,920	24,628,503	502,647,329	108,451,411
<b>Total assets</b>	524,395,606	90,044,695	59,034,503	673,474,804	292,097,658
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charges on refunding	3,160,969	-	-	3,160,969	-
Deferred pension related items	4,761,231	2,098,086	5,268,136	12,127,453	6,065,781
Deferred OPEB related items	2,998,079	1,321,143	3,317,246	7,636,468	18,524,779
<b>Total deferred outflows of resources</b>	10,920,279	3,419,229	8,585,382	22,924,890	24,590,560

See accompanying notes to Basic Financial Statements.

**City of Ontario**  
**Statement of Net Position**  
**Proprietary Funds (Continued)**  
**June 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Integrated Waste	Totals	
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	10,246,400	5,103,853	4,603,446	19,953,699	11,539,093
Accrued liabilities	932,372	254,254	914,529	2,101,155	1,024,676
Accrued interest	632,938	-	-	632,938	783,659
Unearned revenues	86,000	1,315,208	434,732	1,835,940	-
Deposits payable	5,171,525	(1,538)	1,284,756	6,454,743	1,002,452
SBITA liabilities - current	-	-	-	-	2,068,872
Compensated absences - current	902,573	149,698	448,597	1,500,868	2,257,196
Claims and judgements - current	-	-	-	-	9,273,278
Long-term debt - current portion	2,565,000	-	-	2,565,000	7,460,979
<b>Total current liabilities</b>	<b>20,536,808</b>	<b>6,821,475</b>	<b>7,686,060</b>	<b>35,044,343</b>	<b>35,410,205</b>
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	91,119,043
SBITA liabilities	-	-	-	-	2,481,406
Compensated absences	236,059	39,152	117,326	392,537	17,011,612
Claims and judgements	-	-	-	-	27,519,722
Net pension liability	4,203,829	1,852,473	4,651,359	10,707,661	5,355,665
OPEB liability	2,190,192	965,138	2,423,353	5,578,683	13,532,941
Long-term debt	62,625,000	-	-	62,625,000	246,872,287
<b>Total noncurrent liabilities</b>	<b>69,255,080</b>	<b>2,856,763</b>	<b>7,192,038</b>	<b>79,303,881</b>	<b>403,892,676</b>
<b>Total liabilities</b>	<b>89,791,888</b>	<b>9,678,238</b>	<b>14,878,098</b>	<b>114,348,224</b>	<b>439,302,881</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension related items	503,858	222,031	557,498	1,283,387	641,914
Deferred leases related amounts	1,217,097	-	-	1,217,097	-
Deferred OPEB related items	10,237,861	4,511,449	11,327,756	26,077,066	63,258,545
<b>Total deferred inflows of resources</b>	<b>11,958,816</b>	<b>4,733,480</b>	<b>11,885,254</b>	<b>28,577,550</b>	<b>63,900,459</b>
<b>NET POSITION</b>					
Net investment in capital assets	138,100,820	16,722,206	9,149,828	163,972,854	60,200,519
Restricted	3,804,526	-	-	3,804,526	-
Unrestricted	291,659,835	62,330,000	31,706,705	385,696,540	(246,715,641)
<b>Total net position</b>	<b>\$ 433,565,181</b>	<b>\$ 79,052,206</b>	<b>\$ 40,856,533</b>	<b>\$ 553,473,920</b>	<b>\$ (186,515,122)</b>

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

Net Position per Statement of Net Position - Proprietary Funds	\$ 553,473,920
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds, as restated	(32,461,857)
Current year's adjustment to reflect the consolidation of internal service activities related to enterprise funds	1,405,284
<b>Net Position per Government-Wide Statement of Net Position</b>	<b>\$ 522,417,347</b>

See accompanying notes to Basic Financial Statements.

**City of Ontario**  
**Statement of Revenues, Expenditures and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Integrated Waste	Totals	
<b>OPERATING REVENUES:</b>					
Sales and service charges	\$ 70,186,919	\$ 30,910,537	\$ 54,647,301	\$ 155,744,757	\$ -
Interdepartmental charges	-	-	-	-	105,500,170
Miscellaneous	890,636	60,147	36,913	987,696	1,468,755
<b>Total operating revenues</b>	<b>71,077,555</b>	<b>30,970,684</b>	<b>54,684,214</b>	<b>156,732,453</b>	<b>106,968,925</b>
<b>OPERATING EXPENSES:</b>					
Administration and general	18,102,070	10,202,331	41,924,644	70,229,045	68,383,491
Source and supply	23,446,819	-	-	23,446,819	9,613,681
Pumping	6,739,672	-	-	6,739,672	-
Treatment	-	17,047,962	-	17,047,962	-
Claims expense	-	-	-	-	581,253
Depreciation expense	5,585,454	1,182,017	616,336	7,383,807	11,456,081
<b>Total operating expenses</b>	<b>53,874,015</b>	<b>28,432,310</b>	<b>42,540,980</b>	<b>124,847,305</b>	<b>90,034,506</b>
<b>Operating income (loss)</b>	<b>17,203,540</b>	<b>2,538,374</b>	<b>12,143,234</b>	<b>31,885,148</b>	<b>16,934,419</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Grant revenue	-	-	227,236	227,236	78,760
Interest revenue	6,060,565	1,769,204	591,328	8,421,097	313,999
Interest expense	(1,662,660)	-	-	(1,662,660)	(9,184,273)
Gain on joint venture	2,032,422	-	-	2,032,422	-
Gain on sale of other investments	-	-	-	-	(43)
Contributions from governmental activities	-	-	-	-	(17,551,707)
<b>Total nonoperating revenues (expenses)</b>	<b>6,430,327</b>	<b>1,769,204</b>	<b>818,564</b>	<b>9,018,095</b>	<b>(26,343,264)</b>
<b>Income before contributions and transfers</b>	<b>23,633,867</b>	<b>4,307,578</b>	<b>12,961,798</b>	<b>40,903,243</b>	<b>(9,408,845)</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>					
Capital grants and contributions	3,422,371	184,023	-	3,606,394	-
Transfers in	-	-	-	-	47,073,172
Transfers out	(902,242)	(375,733)	(1,263,362)	(2,541,337)	(60,555,344)
<b>Total contributions and transfers</b>	<b>2,520,129</b>	<b>(191,710)</b>	<b>(1,263,362)</b>	<b>1,065,057</b>	<b>(13,482,172)</b>
<b>Change in net position</b>	<b>\$ 26,153,996</b>	<b>\$ 4,115,868</b>	<b>\$ 11,698,436</b>	<b>\$ 41,968,300</b>	<b>\$ (22,891,017)</b>
<b>NET POSITION:</b>					
Beginning of year	406,237,437	75,074,937	28,808,404	510,120,778	(177,027,776)
Restatements	1,173,748	(138,599)	349,693	1,384,842	13,403,671
Beginning of year, as restated	407,411,185	74,936,338	29,158,097	511,505,620	(163,624,105)
End of year	\$ 433,565,181	\$ 79,052,206	\$ 40,856,533	\$ 553,473,920	\$ (186,515,122)

**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	\$ 41,968,300
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds	1,405,284
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>	<b>\$ 43,373,584</b>

See accompanying notes to Basic Financial Statements.

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**City of Ontario**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Integrated Waste	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and users	\$ 60,566,920	\$ 28,874,496	\$ 48,467,938	\$ 137,909,354	\$ -
Cash received from/(paid to) interfund services	-	-	-	-	115,708,711
Cash paid to suppliers for goods and services	(20,857,120)	(16,826,335)	4,385,043	(33,298,412)	1,571,490
Cash paid to employees for services	(18,400,386)	(8,912,085)	(46,325,392)	(73,637,863)	(88,194,004)
<b>Net cash provided by (used in) operating activities</b>	<b>21,309,414</b>	<b>3,136,076</b>	<b>6,527,589</b>	<b>30,973,079</b>	<b>29,086,197</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash transfers in	-	-	-	-	47,073,172
Cash transfers out	(902,242)	(375,733)	(1,263,362)	(2,541,337)	(60,555,344)
Advance from other funds	(14,548,392)	(24,797,237)	(4,576,041)	(43,921,670)	(10,118,513)
Interest paid on pension obligation bonds	-	-	-	-	(9,053,922)
Principal paid on pension obligation bonds	-	-	-	-	(5,190,000)
Grant subsidy	-	-	227,236	227,236	78,760
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(15,450,634)</b>	<b>(25,172,970)</b>	<b>(5,612,167)</b>	<b>(46,235,771)</b>	<b>(37,765,847)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	(22,361,557)	(673,925)	(1,235,671)	(24,271,153)	(11,564,330)
Acquisition of other investments	(10,127,464)	-	-	(10,127,464)	56,632,051
Proceeds from leases receivable	184,967	-	-	184,967	-
Interest paid on capital debt	(1,716,916)	-	-	(1,716,916)	(956,694)
Principal paid on capital debt	(2,360,000)	-	-	(2,360,000)	(1,543,985)
Proceed from issuance of SBITAs	-	-	-	-	5,378,172
Principal paid on SBITAs	-	-	-	-	(2,210,929)
Reimbursement agreement	3,422,371	184,023	-	3,606,394	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(32,958,599)</b>	<b>(489,902)</b>	<b>(1,235,671)</b>	<b>(34,684,172)</b>	<b>45,734,285</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	5,792,556	1,570,966	504,010	7,867,532	(153,445)
<b>Net cash provided by (used in) investing activities</b>	<b>5,792,556</b>	<b>1,570,966</b>	<b>504,010</b>	<b>7,867,532</b>	<b>(153,445)</b>
<b>Net cash flows</b>	<b>(21,307,263)</b>	<b>(20,955,830)</b>	<b>183,761</b>	<b>(42,079,332)</b>	<b>36,901,190</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>95,427,332</b>	<b>58,763,063</b>	<b>21,030,670</b>	<b>175,221,065</b>	<b>142,133,168</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 74,120,069</b>	<b>\$ 37,807,233</b>	<b>\$ 21,214,431</b>	<b>\$ 133,141,733</b>	<b>\$ 179,034,358</b>

See accompanying notes to Basic Financial Statements.



**City of Ontario**  
**Statement of Cash Flows**  
**Proprietary Funds (Continued)**  
**For the year ended June 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Integrated Waste	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 17,203,540	\$ 2,538,374	\$ 12,143,234	\$ 31,885,148	\$ 16,934,419
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	5,585,454	1,182,017	616,336	7,383,807	11,456,081
(Increase) decrease in accounts receivable	(10,058,357)	(2,065,692)	(6,599,177)	(18,723,226)	8,739,786
(Increase) decrease in prepaid expense	(18,414)	478	(17,965)	(35,901)	1,766,432
(Increase) decrease in deposits	(285,029)	-	-	(285,029)	(528,026)
(Increase) decrease in inventories	(527,687)	(131,922)	-	(659,609)	(318,639)
Increase (decrease) in accounts payable	4,436,014	284,248	3,085,467	7,805,729	9,480,531
Increase (decrease) in accrued liabilities	615,795	116,022	544,832	1,276,649	672,126
Increase (decrease) in unearned revenues	36,000	(30,496)	382,901	388,405	-
Increase (decrease) in deposits payable	4,823,663	(47,199)	772,709	5,549,173	-
Increase (decrease) in claims and judgements	-	-	-	-	694,000
Increase (decrease) in compensated absences	8,840	15,836	6,847	31,523	717,895
Increase (decrease) in deferred leases related amounts	(203,249)	-	-	(203,249)	-
Increase (decrease) in net pension liability	10,114,310	3,596,549	13,673,817	27,384,676	12,069,788
Increase (decrease) in deferred pension related items	(7,939,543)	(2,962,597)	(10,331,541)	(21,233,681)	(9,606,699)
Increase (decrease) in OPEB liability	3,450,391	1,336,999	4,347,071	9,134,461	22,129,516
Increase (decrease) in deferred OPEB related items	(5,932,314)	(696,541)	(12,096,942)	(18,725,797)	(45,121,013)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 21,309,414</b>	<b>\$ 3,136,076</b>	<b>\$ 6,527,589</b>	<b>\$ 30,973,079</b>	<b>\$ 29,086,197</b>
<b>NONCASH TRANSACTIONS:</b>					
Gain on investment in joint venture	\$ 2,032,422	\$ -	\$ -	\$ -	\$ -
Contributions from governmental activities - compensated absences liability	-	-	-	-	(17,551,707)

See accompanying notes to Basic Financial Statements.

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**City of Ontario**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

	Custodial Funds	Private Purpose Trust Fund Successor Agency of the Former RDA
<b>ASSETS</b>		
Cash and investments	\$ 44,063,200	\$ -
Receivables:		
Taxes	44,410	-
Notes and leases	-	35,000
Accrued interest	457,099	9,984
Advances to City	-	1,600,000
Land held for resale	-	10,728,379
Restricted assets:		
Cash and investments with fiscal agents	68,478,095	9,700,157
<b>Total assets</b>	<b>113,042,804</b>	<b>22,073,520</b>
<b>LIABILITIES</b>		
Accounts payable	122,582	1,458
Accrued interest	-	1,009,123
Deposits payable	763,699	305,887
Due to other governments	24,374,474	767,312
Long-term liabilities:		
Long-term debt - due within one year	-	7,297,328
Long-term debt - due in more than one year	-	19,758,114
<b>Total liabilities</b>	<b>25,260,755</b>	<b>29,139,222</b>
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations, and other governments	87,782,049	-
Held in trust for private purposes	-	(7,065,702)
<b>Total Net Position</b>	<b>\$ 87,782,049</b>	<b>\$ (7,065,702)</b>

See accompanying notes to Basic Financial Statements.

**City of Ontario**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2023**

	Custodial Funds	Private Purpose Trust Fund Successor Agency of the Former RDA
<b>ADDITIONS:</b>		
Taxes	\$ 15,327,378	\$ 8,401,924
Interest and change in fair value of investments	2,449,952	(280,149)
Fee collections for other governments	124,557	170,406
Bond proceeds and premiums	22,225,711	-
<b>Total additions</b>	<b>40,127,598</b>	<b>8,292,181</b>
<b>DEDUCTIONS:</b>		
Administrative expenses	45,520,747	259,701
Payments on conduit bonds - principal	2,825,000	-
Interest expense	7,519,527	2,683,546
Contributions to other governments	24,557	-
<b>Total deductions</b>	<b>55,889,831</b>	<b>2,943,247</b>
<b>Change in net position</b>	<b>(15,762,233)</b>	<b>5,348,934</b>
<b>NET POSITION:</b>		
Beginning of year	103,544,282	(13,872,567)
Restatements	-	1,457,931
Beginning of year, restated	103,544,282	(12,414,636)
End of year	<b>\$ 87,782,049</b>	<b>\$ (7,065,702)</b>

See accompanying notes to Basic Financial Statements.

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# NOTES TO BASIC FINANCIAL STATEMENTS

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# City of Ontario

## Notes to Basic Financial Statements

### For the Year Ended June 30, 2023

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### A. *Financial Reporting Entity*

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

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

##### **Blended Component Units**

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

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

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**A. Financial Reporting Entity, 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 Ontario Public Financing Authority is to assist in the financing of capital improvement projects of the Members and other activities of the Members as permitted under Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code, as amended. Separate financial statements are not available for the Ontario Public Financing Authority.

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

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

**B. Basis of Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues, and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions, or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government-Wide Financial Statements**

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

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

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

Charges for services

- Operating grants and contributions
- Capital grants and contributions



**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

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

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

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

**Governmental Fund Financial Statements**

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

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

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

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

*The 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 Community Development Fund* is used to account for housing rehab loan/grants.

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

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

**Proprietary Fund Financial Statements**

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

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

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the operations of the fund. All other expenses are reported as nonoperating expenses.

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

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

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

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

The City also reports the following proprietary fund type:

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

**Fiduciary Fund Financial Statements**

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

The City reports the following types of fiduciary funds:

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

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

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

**C. Cash and Investments**

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

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

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

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

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid money market investments with maturities of one-year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City did not have any investments measured using Level 3 inputs as of June 30, 2023.

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. *Cash and Investments, Continued***

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

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

**D. *Leases Receivable***

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

**E. *Inventories, Prepaid Items and Land Held for Resale***

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the purchases method.

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

**F. *Capital Assets***

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

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***F. Capital Assets, Continued***

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. Each year the City completes review of the streets to provide an updated assessment. These streets, primarily asphalt concrete, were defined as all physical features associated with the operation of motorized vehicles that exist within the limits of right of way. This condition assessment will be performed every three years. Each street was assigned a physical condition on 17 potential defects. A Pavement Condition Index (PCI), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street.

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

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*F. Capital Assets, Continued*

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

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

*G. Property Taxes*

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

*H. Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position or balance sheet report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The first item that qualifies for reporting in this category is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has deferred outflows of resources related to pensions and OPEB as discussed in Notes 10 and 11.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*H. Deferred Outflows/Inflows of Resources, Continued*

In addition to liabilities, the statement of net position or balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The first item which qualifies for reporting in this category arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: loans receivable, grants receivable and interest on interfund advances. The City also has deferred inflows of resources related to leases receivable as discussed in Note 1D, and deferred inflows related to pensions and OPEB as discussed in Notes 10 and 11.

*I. Net Position and Fund Balances*

**Net Position**

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

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

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

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

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*I. Net Position and Fund Balances, Continued*

**Fund Balance**

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

Nonspendable fund balance (inherently nonspendable)

Restricted fund balance (external enforceable limitations on use)

Committed fund balance (self-imposed limitations on use)

Assigned fund balance (limitation resulting from intended use)

Unassigned fund balance (residual net resources)

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

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

Included in the Fund Balance Policy is the 18 percent Stabilization Plan. This is the goal of City Council to achieve a minimum of 18 percent of annual General Fund appropriations, as assigned fund balance in the General Fund. Based on the current year General Fund appropriations, the amount assigned to the 18 percent stabilization plan will either increase or decrease accordingly. This assigned balance is intended to be used for specific and defined emergency services and to minimize the potential for disruption of municipal services to its citizens. As of June 30, 2023, the City's General Fund has an assigned fund balance for the stability arrangement of \$59.34 million, which achieves the goal of 18 percent of the General Fund adopted budget for fiscal year 2022-23.



**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**I. *Net Position and Fund Balances, Continued***

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

**J. *Compensated Absences***

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

**K. *Long-Term Obligations***

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

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

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

**L. *Pension***

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**M. Other Post Employment Benefits (OPEB)**

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

**N. Use of Estimates**

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

**O. New Pronouncements**

In 2023, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 91, Conduit Debt Obligations – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The City updated disclosures relating to conduit debt obligations as part of implementation of this statement.
- GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP in an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 96, Subscription-based Information Technology Arrangements – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The City recognized an intangible asset and SBITA liability as part of implementation of this statement.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**2. CASH AND INVESTMENTS**

The following is a summary of the cash and investments at June 30, 2023:

	Government-Wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and investments	\$ 698,969,292	\$ 129,337,207	\$ 44,063,200	\$ 872,369,699
Restricted cash and investments	101,263,397	3,804,526	78,178,252	183,246,175
Total cash and investments	<u>\$ 800,232,689</u>	<u>\$ 133,141,733</u>	<u>\$ 122,241,452</u>	<u>\$ 1,055,615,874</u>

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

**A. Summary of Cash and Investments**

Cash and investments at June 30, 2023 consist of the following:

Cash on hand	\$ 10,060
Deposits with financial institutions	67,084,462
Total cash on hand and deposits	<u>67,094,522</u>
Investments:	
U.S. Treasury securities	424,672,188
Federal government agency	185,950,007
Medium-term corporate notes	98,567,725
Supranational	23,197,400
Local Agency Investment Fund (LAIF)	72,887,857
Total investments	<u>805,275,177</u>
Total City Treasury	<u>872,369,699</u>
Investments with fiscal agent:	
Money market funds	183,246,175
Total cash and investments	<u>\$ 1,055,615,874</u>

**B. Deposits**

The carrying amount of the City's cash deposit was \$67,084,462 as of June 30, 2023. Bank balances before reconciling items were a positive amount of \$69,729,794 at June 30, 2023. The City's cash deposit was fully insured up to \$250,000 by the Federal Deposit Insurance Commission. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**2. CASH AND INVESTMENTS, Continued**

***B. Deposits, Continued***

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

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

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

Under the City's investment policy, and in accordance with the Code, the following investments are authorized at June 30, 2023:

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**2. CASH AND INVESTMENTS, Continued**

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

- Repurchase Agreements – The City may invest in repurchase agreements with primary dealers of the Federal Reserve Bank of New York with which the City has entered into a master repurchase agreement. The Public Securities Association master repurchase agreement is the “master repurchase agreement”. The maturity of repurchase agreements shall not exceed one year. The market value of securities used as collateral for repurchase agreements shall be valued at no less than 102% of the value of the repurchase agreement. Investments in repurchase agreements may not exceed 20% of the cost value of the fund.
- Local Agency Investment Fund of the State of California
- Time Deposits – No more than 25% of the fund may be invested in this category.
- Medium-term notes of a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any State and operating within the United States. The issuing corporation must have a minimum rating of “A” or its equivalent by at least two NRSROs and have in excess of \$500 million in shareholder equity. Purchase of medium-term notes may not exceed 30% of the cost value of the fund with no more than 15% of the cost value of the fund rated below “AA” or its equivalent by at least two NRSROs. No more than 5% of the fund (at time of purchase) may be invested in any one corporate name, including the parent corporation or subsidiaries.
- Any collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, or consumer receivable-backed bond. Securities eligible for investment under this section shall be rated in a rating category of “AA” by a nationally recognized statistical rating organization and have a maximum remaining maturity of 5 years or less. Investment in this type of securities may not exceed 20% of the cost value of the fund.
- Bonds, notes, warrants or other evidences of indebtedness of any local agency of this state.
- Registered state warrants or treasury notes or bonds of this state.
- United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed 10 percent of the City's moneys that may be invested pursuant to this section.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**2. CASH AND INVESTMENTS, Continued**

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

- Mutual Funds and Money Market Mutual Funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:
  - Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:
    - Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
    - Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
    - No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
  - Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
    - Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
    - Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
    - No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.
  - No more than 20% of the total portfolio may be invested in these securities.

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

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2023 include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**2. CASH AND INVESTMENTS, Continued**

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

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

At June 30, 2023, the City had \$72,887,857 invested in LAIF, which had invested 2.78% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 1.88% in the previous year. The LAIF fair value factor of .984828499 was used to calculate the fair value of the investments in LAIF.

**D. Investments Authorized by Debt Agreements**

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

**E. Interest Rate Risk**

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

At June 30, 2023, the City had the following investments and original maturities:

Investment Type	Remaining Investment Maturities			Total
	6 months to 1 year	1 to 3 years	3 to 5 years	
<i>Investments:</i>				
U.S. Treasury	\$ 216,513,478	\$ 139,938,470	\$ 68,220,240	\$ 424,672,188
Federal Government Agency	7,593,272	143,575,885	34,780,850	185,950,007
Medium-Term Corporate Notes	34,003,050	51,911,919	12,652,756	98,567,725
Supranational	-	18,369,700	4,827,700	23,197,400
Local Agency Investment Fund	72,887,857	-	-	72,887,857
Subtotal	330,997,657	353,795,974	120,481,546	805,275,177
<i>Investments with fiscal agents:</i>				
Money Market Funds	183,246,175	-	-	183,246,175
Total	\$ 514,243,832	\$ 353,795,974	\$ 120,481,546	\$ 988,521,352

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**2. CASH AND INVESTMENTS, Continued**

**F. Credit Risk**

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

All securities were investment grade and were legal under State and City law. Investments in U.S. Treasury securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2023, the City's investments in external investment pools and money market mutual funds are unrated.

**G. Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2023, none of the City's deposits or investments were subject to custodial credit risk.

**H. Concentration of Credit Risk**

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. In accordance with the disclosure requirement of GASB Statement No. 40, if the City has invested more than 5% of its investment in any one issuer, it is exposed to credit risk. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement. During the fiscal year ending June 30, 2023, the City did not hold any investments in any one issuer (other than mutual funds and external investment pools) that represents 5% or more of total City investments.

**I. Fair Value Hierarchy**

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



**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**2. CASH AND INVESTMENTS, Continued**

**I. Fair Value Hierarchy, Continued**

The following is a summary of the fair value hierarchy of the fair value of the City's investments as of June 30, 2023:

Investment Type	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
U.S. Treasury Securities	\$ -	\$ 424,672,188	\$ -	\$ 424,672,188
Federal Government Agency	-	185,950,007	-	185,950,007
Medium-Term Corporate Notes	-	98,567,725	-	98,567,725
Supranational	-	23,197,400	-	23,197,400
Total investments subject to fair value	\$ -	\$ 732,387,320	\$ -	732,387,320
<i>Investments Measured at Amortized Cost</i>				
Investments held by fiscal agents:				
Money Market Mutual Funds				183,246,175
<i>Investments not subject to levelling:</i>				
Local Agency Investment Funds (LAIF)				72,887,857
Total Investments				\$ 988,521,352

**3. INTERFUND ACTIVITIES**

**A. Due To/From Other Funds**

At June 30, 2023, the City's due to/from other fund balances comprised of the following:

Due to Other Funds	Due from Other Funds
	General Fund
Ontario Housing Authority	\$ 795,045
Community Development	6,376,399
Nonmajor Governmental Funds	2,318,726
<b>Total</b>	<b>\$ 9,490,170</b>

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**3. INTERFUND ACTIVITIES, Continued**

**B. Advances To/From Other Funds**

At June 30, 2023, the City's advances to/from other fund balances comprised of the following:

Advances from Other Funds	Advances to Other Funds					Total
	Community Development	Water	Sewer	Integrated Waste	Internal Service Funds	
Ontario Housing Authority	\$ 5,961,399	\$ -	\$ -	\$ -	\$ -	\$ 5,961,399
Internal Service Funds	-	26,161,545	30,011,714	15,478,675	19,467,109	91,119,043
<b>Total</b>	<b>\$ 5,961,399</b>	<b>\$26,161,545</b>	<b>\$30,011,714</b>	<b>\$15,478,675</b>	<b>\$19,467,109</b>	<b>\$97,080,442</b>

During prior years, the Community Development Fund 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. In fiscal year 2022-2023, the City reallocated the outstanding internal financing balance of \$54,040,183 from the General Fund among other City funds to ensure there will be sufficient available fund balance in the General Fund for upcoming capital improvement projects, including the Regional Sports Complex.

**C. Transfers In/Out**

For the year ended June 30, 2023, the City's transfers in/out comprised of the following:

Transfers Out	Transfers In				Total
	General Fund	Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 14,140,000	\$ 29,087,521	\$ 36,940,285	\$ 80,167,806
Nonmajor Governmental Funds	2,000,000	-	73,638	6,375,256	8,448,894
Water	-	-	-	902,242	902,242
Sewer	-	-	-	375,733	375,733
Integrated Waste	-	-	-	1,263,362	1,263,362
Internal Service Funds	-	-	59,339,050	1,216,294	60,555,344
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 14,140,000</b>	<b>\$ 88,500,209</b>	<b>\$ 47,073,172</b>	<b>\$ 151,713,381</b>

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**3. INTERFUND ACTIVITIES, Continued**

*C. Transfers In/Out, Continued*

General Fund transfers out to the Capital Projects Fund pertains to various City construction projects, including Bon View Sports Park, C-Block Parking Structure, Economic Development Office construction, landscaping installations, and prior year CIP carryforwards. Transfers from the General Fund to nonmajor governmental funds include monthly budgeted amounts. The transfers to internal service funds include regular OPEB budgeted amounts, funding for economic development activities of \$16 million, future PERS unfunded liabilities of \$15 million, public safety equipment funding of \$1 million, and funding for a computer aided dispatch program in Broadband/Fiber for \$8 million. Transfers from nonmajor governmental funds to the Impact Fees Fund included budgeted amounts and two lump sum payments for funding of the services related to the new Fire Station 9 in Ontario Ranch.

**4. NOTES AND LOANS RECEIVABLE**

The City's loans receivable were comprised of the following at June 30, 2023:

	Balance at June 30, 2023
General Fund	\$ 60,373
Ontario Housing Authority	31,959,351
Community Development	10,346,015
Nonmajor Governmental Funds	15,385,162
Total notes and loans receivable	<u>\$ 57,750,901</u>

The City provides loans to City police officers to assist them in acquiring personal residence within the City or reducing an existing loan on an officer's residence within the City. The loans are non-interest bearing until maturity, and thereafter interest shall be 7% per annum. The outstanding balance at June 30, 2023, was \$28,000.

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, 2023, was \$2,292,095.

On June 7, 1994, the former Ontario Redevelopment Agency's Combined Low and Moderate Housing Fund loaned \$43,000 to a developer to finance the purchase of low and moderate income property located outside of redevelopment project areas. The note is non-interest bearing and was due in full on March 7, 1995. A new note was negotiated on November 11, 1996 and will mature on October 31, 2026. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2023, was \$43,000.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**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, 2023, was \$39,000.

On March 16, 1993, the former Ontario Redevelopment Agency accepted a note receivable of \$112,000 from a developer as consideration for housing located outside of the redevelopment areas. The note is noninterest bearing and is due and payable upon the sale or transfer of property. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The unpaid principal balance at June 30, 2023, was \$77,000.

On May 29, 1997, the former Ontario Redevelopment Agency agreed to loan up to \$2,656,200 to Ontario Housing Investors, L.P. to finance development of residential improvements to the Ground Lease premises as defined in a disposition and development agreement dated March 19, 1996. The note bears interest at the rate of 3% per annum. The note is due and payable either: (a) on the first day of the first full calendar month following the date of the last disbursement of the agency loan proceeds, or (b) on the first day of the 15th full calendar month following the date of recordation of the Agency Loan Deed and Trust in the Official Records of the County. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2023, was \$4,883,643.

On September 11, 2003, the former Ontario Redevelopment Agency and Ontario Housing Investors entered into a Residual Receipts promissory note in the amount of \$487,408. The loan bears interest of 7% per annum and requires principal and interest payments from residual receipts. On May 1, 2007, the Authority agreed to provide a gap loan in the amount of \$168,469. The loan has a 40-year term and a 6% simple interest per annum. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2023, was \$1,130,832.

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, 2023, 4 households have been assisted with these funds. The receivable at June 30, 2023, 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, 2023, 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, 2023, was \$2,412,031.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**4. NOTES AND LOANS RECEIVABLE, Continued**

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, 2023, was \$1,187,986.

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, 2023, was \$5,499,603.

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 1-3% deferred simple interest per annum, the receivable balance at June 30, 2023, was \$232,236.

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, 2023, 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, 2023, 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, 2023, was \$124,317.

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, 2023 the outstanding principal balance was \$15,702,628

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**4. NOTES AND LOANS RECEIVABLE, Continued**

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 \$4,420,000 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, 2023 the outstanding principal balance was \$3,556,493 with accrued interest of \$499,929, totaling \$4,056,422.

On March 21, 2019, pursuant to the Transformative Climate Communities (TCC) Loan Agreement the City funded a loan to Virginia-Holt Housing, LP in the amount of \$14,729,325 to be used for the development, operation, and maintenance of a residential rental Affordable Housing Development currently known as Vista Verde. The City is responsible for submitting all invoices and reporting documents to the California Strategic Growth Council (SGC) and disbursing all grant/loan funds to all applicants/partners. Any unused funds that have not been expended according to the agreement gives the City the right to take action either with developer forfeiture of funds or repayment of previously expended funds. In accordance with the agreement the state will reimburse the City for the making of the TCC Loan Agreement. At June 30, 2023 the outstanding principal balance was \$15,385,162.

On March 2, 2010, the former Ontario Redevelopment Agency provided a loan amount of \$557,966 to the Ontario Housing Authority. It was for the acquisition of the Mission and Oakland site. The loan is due and payable upon demand by the Ontario Redevelopment Agency with an annual simple interest of 6%. The receivable balance at June 30, 2023 was \$1,004,339.

Other note receivable amounts at June 30, 2023 included \$7,373 for code abatement loan program and \$25,000 of Gibson advances.

**5. LEASES RECEIVABLE**

**Sprint Nextel Property Services 2001**

In January 2001, the City entered into a lease with Sprint Nextel Property Services. Under the lease, the lessee pays the City \$1,000 per month for 10 years, with a 3% increase every year in exchange for use of the cell tower site. The lease term shall automatically be extended for 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. If the lessee remains in possession of the site at the expiration of the final renewal term, the lease shall continue upon the same terms and conditions for additional periods of 1-year, and for like annual periods thereafter, unless terminated by either party. The City estimates that the lessee will extend the lease term until 2030. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$18,478 of lease revenue and \$5,797 of interest revenue under the lease.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**5. LEASES RECEIVABLE, Continued**

**Verizon Wireless (American Tower)**

In August 2004, the City entered into a lease with Verizon Wireless. Under the lease, the lessee pays the City \$1,600 per month for 10 years, with an increase every year equal to the greater of the increase in the Consumer Price Index All Urban Consumers of the Los Angeles Orange Riverside County area during the period 12-month period or 3%, in exchange for use of the cell tower site. The lease term shall be automatically extended for up to 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until 2034. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$22,049 of lease revenue and \$12,266 of interest revenue under the lease.

**T-Mobile USA, Inc. (Vertical Bridge)**

In October 1999, the City entered into a lease with T-Mobile USA, Inc. Under the lease, the lessee pays the City \$2,000 per month for 5 years, with an increase every year equal to the greater of 4% or an amount equal to the increase in the Consumer Price Index All Urban Consumers of the Los Angeles Orange Riverside County area during the period 12-month period, provided that no annual increase shall exceed 10%, in exchange for use of the cell tower site. The lease term shall be automatically extended for up to 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. If the lessee remains in possession of the site at the expiration of the final renewal term without a written agreement, the lease shall be deemed month-to-month. The City estimates that the lessee will extend the lease term until 2029. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$42,554 of lease revenue and \$11,856 of interest revenue under the lease.

**Wells Fargo**

In July 1990, the City entered into a lease with Wells Fargo. Under the lease, the lessee pays the City \$12,100 per month for 5 years in exchange for use of the commercial lease space with an additional five years optional renewal term. The City estimates that the lessee will extend the lease term until 2025. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$132,637 of lease revenue and \$12,563 of interest revenue under the lease.

**Verizon Wireless (NG60439 - Palmetto)**

In October 2004, the City entered into a lease with Verizon Wireless. Under the lease, the lessee pays the City \$1,600 per month for 10 years, with an increase every year equal to the greater of the increase in the Consumer Price Index or 3%, in exchange for use of the cell tower site. The City estimates that the lessee will extend the lease term until 2034. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$24,778 of lease revenue and \$13,488 of interest revenue under the lease.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**5. LEASES RECEIVABLE, Continued**

**T-Mobile USA, Inc. (Crown Castle)**

In December 2010, the City entered into a lease with T-Mobile USA, Inc. Under the lease, the lessee pays the City \$2,000 per month for 5 years, with an increase every year equal to the greater 4% or an amount equal to the increase in the Consumer Price Index of Los Angeles Orange Riverside County Area during the prior 12-month period for use of the cell tower site. The lease term shall be automatically extended for up to 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until 2036. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$52,330 of lease revenue and \$27,900 of interest revenue under the lease.

**American Tower, Inc.**

In April 2007, the City entered into a lease with American Tower, Inc. (formerly Royal Street Communications). Under the lease, the lessee pays the City \$2,000 per month for 10 years, with an increase every year equal 5% for use of the cell tower site. The lease term shall be automatically extended for up to 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until 2037. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$24,993 of lease revenue and \$24,109 of interest revenue under the lease.

**AT&T**

In November 2006, the City entered into a lease with AT&T (formerly Cingular Wireless). Under the lease, the lessee pays the City \$1,375 per month for 10 years, with a 3% increase every year in exchange for use of the cell tower site. The lease term shall automatically be extended for 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until 2036. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$20,670 of lease revenue and \$14,622 of interest revenue under the lease.

**U.S. Auctions**

In October 2018, the City entered into a lease with U.S. Auctions. Under the lease, the lessee pays the City \$26,135 per month for 3 years. The lessee shall have the option to extend the term by 1 additional year. The City estimates that the lessee will extend the lease term until October 2022. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$103,894 of lease revenue and \$646 of interest revenue under the lease.



**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**5. LEASES RECEIVABLE, Continued**

**Verizon Wireless (NG182885 - Metrolink)**

In December 2017, the City entered into a lease with Verizon Wireless. Under the lease, the lessee pays the City \$3,326 per month for 5 years, with a 3.5% increase every year in exchange for use of the cell tower site. The lease term shall automatically be extended for 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until December 2022. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$20,477 of lease revenue and \$178 of interest revenue under the lease.

**Verizon Wireless (NG167669 - Creekside-Stallion)**

In December 2019, the City entered into a lease with Verizon Wireless. Under the lease, the lessee pays the City \$3,105 per month for 5 years, with a 3.5% increase every year in exchange for use of the cell tower site. The lease term shall automatically be extended for 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until December 2024. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.98%, which is the 10-year U.S. Treasury Rate. For the year ended June 30, 2023, the City recognized \$36,426 of lease revenue and \$2,363 of interest revenue under the lease.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**5. LEASES RECEIVABLE, Continued**

The future lease payments on the leases as of June 30, 2023 were as follows:

**Governmental Activities**

Year Ending June 30,	Sprint Nextel 2001		Verizon Wireless (American Tower)		T-Mobile USA, Inc. (Vertical Bridge)		Verizon Wireless (Palmetto)		American Tower, Inc.	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 19,775	\$ 5,229	\$ 23,759	\$ 11,586	\$ 46,597	\$ 10,533	\$ 26,690	\$ 12,723	\$ 28,237	\$ 23,321
2025	21,132	4,621	25,551	10,853	50,900	9,087	28,695	11,901	31,703	22,432
2026	22,554	3,972	27,430	10,066	55,478	7,508	30,796	11,017	35,404	21,438
2027	24,042	3,280	29,399	9,222	60,346	5,789	32,998	10,070	39,355	20,330
2028	25,599	2,542	31,462	8,318	65,521	3,921	35,305	9,055	43,568	19,100
2029-2033	71,329	2,814	191,806	25,728	95,565	2,048	215,098	27,483	291,373	72,222
2034-2037	-	-	70,103	1,679	-	-	69,401	1,484	325,525	19,556
<b>Total</b>	<b>\$ 184,431</b>	<b>\$ 22,458</b>	<b>\$ 399,510</b>	<b>\$ 77,452</b>	<b>\$ 374,407</b>	<b>\$ 38,886</b>	<b>\$ 438,983</b>	<b>\$ 83,733</b>	<b>\$ 795,165</b>	<b>\$ 198,399</b>

Year Ending June 30,	AT&T		Verizon Wireless (Creekside-Stallion)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 22,368	\$ 13,983	\$ 38,903	\$ 1,244	\$ 206,329	\$ 78,619
2025	24,149	13,292	20,477	178	202,607	72,364
2026	26,017	12,547	-	-	197,679	66,548
2027	27,976	11,745	-	-	214,116	60,436
2028	30,029	10,884	-	-	231,484	53,820
2029-2033	184,528	39,200	-	-	1,049,699	169,495
2034-2037	164,270	8,847	-	-	629,299	31,566
<b>Total</b>	<b>\$ 479,337</b>	<b>\$ 110,498</b>	<b>\$ 59,380</b>	<b>\$ 1,422</b>	<b>\$ 2,731,213</b>	<b>\$ 532,848</b>

**Business-Type Activities**

Year Ending June 30,	Wells Fargo		T-Mobile USA, Inc. (Crown Castle)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 136,644	\$ 8,556	\$ 54,520	\$ 26,311	\$ 191,164	\$ 34,867
2025	140,773	4,427	56,782	24,655	197,555	29,082
2026	71,973	627	59,117	22,932	131,090	23,559
2027	-	-	61,526	21,137	61,526	21,137
2028	-	-	64,014	19,270	64,014	19,270
2029-2033	-	-	360,259	65,622	360,259	65,622
2034-2037	-	-	251,507	11,765	251,507	11,765
<b>Total</b>	<b>\$ 349,390</b>	<b>\$ 13,610</b>	<b>\$ 907,725</b>	<b>\$ 191,692</b>	<b>\$ 1,257,115</b>	<b>\$ 205,302</b>

**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.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**6. CAPITAL ASSETS, Continued**

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

	Balance at July 1, 2022	Adjustment	Restated balance at July 1, 2022	Additions	Retirements	Transfers	Balance at June 30, 2023
<i>Governmental Activities</i>							
Capital assets not being depreciated:							
Land	\$ 124,666,776	\$ (100,420)	\$ 124,566,356	\$ 152,422,586	\$ -	\$ -	\$ 276,988,942
Infrastructure - payment system	572,886,178	(626,064)	572,260,114	-	-	-	572,260,114
Construction in progress	99,564,523	20,808,667	120,373,190	34,234,451	-	-	154,607,641
Total capital assets not being depreciated	797,117,477	20,082,183	817,199,660	186,657,037	-	-	1,003,856,697
Capital assets being depreciated:							
Structures and improvements	401,373,918	(4,486,471)	396,887,447	2,423,413	-	-	399,310,860
Furniture and equipment	134,653,750	(4,459,849)	130,193,901	5,447,294	-	-	135,641,195
Infrastructure - other systems	204,017,136	(19,417,860)	184,599,276	-	-	-	184,599,276
Subscription based I.T. agreements	-	1,858,509	1,858,509	5,481,678	-	-	7,340,187
Total capital assets being depreciated	740,044,804	(26,505,671)	713,539,133	13,352,385	-	-	726,891,518
Less accumulated depreciation for:							
Infrastructure - other systems	(66,696,157)	884,327	(65,811,830)	(5,772,067)	-	-	(71,583,897)
Structures and improvements	(171,236,100)	2,376,166	(168,859,934)	(11,409,753)	-	-	(180,269,687)
Furniture and equipment	(84,424,792)	723,517	(83,701,275)	(9,942,871)	-	-	(93,644,146)
Subscription based I.T. agreements	-	-	-	(1,726,106)	-	-	(1,726,106)
Total accumulated depreciation/amortization	(322,357,049)	3,984,010	(318,373,039)	(28,850,797)	-	-	(347,223,836)
Capital asset being depreciated, net	417,687,755	(22,521,661)	395,166,094	(15,498,412)	-	-	379,667,682
Governmental activity capital assets, net	\$ 1,214,805,232	\$ (2,439,478)	\$ 1,212,365,754	\$ 171,158,625	\$ -	\$ -	\$ 1,383,524,379

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

Governmental Activities	
General Government	\$ 5,601,402
Public Works	15,527,094
Community Development	2,171,153
Public Safety	4,052,841
Non-Departmental	1,498,307
Total Governmental Activities	<u>\$ 28,850,797</u>

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**6. CAPITAL ASSETS, Continued**

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

	Balance at July 1, 2022	Adjustment	Restated balance at July 1, 2022	Additions	Retirements	Transfers	Balance at June 30, 2023
<i>Business-Type Activities</i>							
Capital assets not being depreciated:							
Land	\$ 16,154,603	\$ 100,419	\$ 16,255,022	\$ -	\$ -	\$ -	\$ 16,255,022
Construction in progress	68,289,767	-	68,289,767	23,587,591	-	-	91,877,358
Total capital assets not being depreciated	84,444,370	100,419	84,544,789	23,587,591	-	-	108,132,380
Capital assets being depreciated:							
Structures and improvements	11,583,852	5,803,507	17,387,359	41,980	-	-	17,429,339
Furniture and equipment	8,222,732	(952,502)	7,270,230	683,565	-	-	7,953,795
Infrastructure	266,901,963	(3,608,565)	263,293,398	-	-	-	263,293,398
Total capital assets being depreciated	286,708,547	1,242,440	287,950,987	725,545	-	-	288,676,532
Less accumulated depreciation for:							
Structures and improvements	(9,635,420)	5,238,403	(4,397,017)	(520,848)	-	-	(4,917,865)
Furniture and equipment	(2,573,223)	-	(2,573,223)	(908,847)	-	-	(3,482,070)
Infrastructure	(151,214,577)	(5,238,403)	(156,452,980)	(5,954,112)	-	-	(162,407,092)
Total accumulated depreciation	(163,423,220)	-	(163,423,220)	(7,383,807)	-	-	(170,807,027)
Capital asset being depreciated, net	123,285,327	1,242,440	124,527,767	(6,658,262)	-	-	117,869,505
Governmental activity capital assets, net	\$ 207,729,697	\$ 1,342,859	\$ 209,072,556	\$ 16,929,329	\$ -	\$ -	\$ 226,001,885

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

Business-Type Activities	
Water	\$ 5,585,454
Sewer	1,182,017
Integrated Waste	616,336
Total Business-Type Activities	<u>\$ 7,383,807</u>

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**7. COMPENSATED ABSENCES**

As described in Note 1, it is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements and in the proprietary fund financial statements. For the governmental activities, the liability will be paid in future years by the Leave Liability 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, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences payable	\$ 18,550,913	\$ 10,547,581	\$ (9,829,686)	\$ 19,268,808	\$ 2,257,196
<b>Business-Type Activities:</b>					
Compensated absences payable	1,861,882	2,243,441	(2,211,918)	1,893,405	1,500,868
	<u>\$ 20,412,795</u>	<u>\$ 12,791,022</u>	<u>\$ (12,041,604)</u>	<u>\$ 21,162,213</u>	<u>\$ 3,758,064</u>

**8. LONG-TERM DEBT**

**A. Governmental Activities**

The following is a summary of changes in governmental activities long-term debt for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Public offerings:					
Revenue bonds	\$ 150,895,000	\$ 100,000,000	\$ (1,930,000)	\$ 248,965,000	3,255,000
Pension obligation bonds	228,855,000	-	(5,190,000)	223,665,000	5,850,000
Direct borrowings:					
Loans payable	90,566	-	(12,000)	78,566	12,000
Loan payable - Fiber/Broadband	18,031,000	-	-	18,031,000	631,416
Installment sale	14,506,926	-	(4,754,832)	9,752,094	4,835,190
Loan Payable - Climatec	29,314,031	-	(1,263,372)	28,050,659	1,295,142
Loan Payable - CEC	2,898,220	-	(280,613)	2,617,607	315,837
Loan Payable - Family Trust	-	100,269,446	(2,083,899)	98,185,547	8,529,685
Advances from the Successor Agency	1,600,000	-	-	1,600,000	-
Total	<u>\$ 446,190,743</u>	<u>\$ 200,269,446</u>	<u>\$ (15,514,716)</u>	<u>630,945,473</u>	<u>\$ 24,724,270</u>
Unamortized bond premium				12,928,691	
				<u>\$ 643,874,164</u>	

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

**2017 Lease Revenue Refunding Bonds**

In July 2017, the Ontario Public Financing Authority issued lease revenue bonds in the amount of \$26,810,000 to provide funds to refinance the City's remaining lease payment obligations under the City's 2001 Lease Revenue Bonds and to fully refund the 2007 Lease Revenue Bonds. The bonds dated July 1, 2018, and issued at a premium of \$3,260,875, are payable semiannually on November 1 and May 1 of each year, commencing May 1, 2019, and mature in 2042. The bonds are payable from base rental payments to be made by the City for the right to the use certain real property and improvements of the City pursuant to a Lease Agreement, dated July 1, 2018. The balance at June 30, 2023, including the unamortized bond premium of \$2,625,967 amounted to \$27,060,967.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

For the Years Ending June 30,	2017 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2024	\$ 780,000	\$ 1,061,381	\$ 1,841,381
2025	820,000	1,021,381	1,841,381
2026	865,000	979,256	1,844,256
2027	905,000	935,006	1,840,006
2028	950,000	888,631	1,838,631
2029-2033	5,495,000	3,708,331	9,203,331
2034-2038	6,550,000	2,650,722	9,200,722
2039-2043	8,070,000	1,048,000	9,118,000
<b>Total</b>	<b>\$ 24,435,000</b>	<b>\$ 12,292,709</b>	<b>\$ 36,727,709</b>

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

**2021 Lease Revenue Refunding Bonds**

In December 2021, the Ontario Public Financing Authority issued lease revenue bonds in the amount of \$35,045,000 to provide funds to fully refund the 2013 Lease Revenue Bonds. The bonds dated December 1, 2021, are payable semiannually on April 1 and October 1 of each year, commencing April 1, 2022, and mature in 2043. The bonds are payable from base rental payments to be made by the City for the right to the use certain real property and improvements of the City pursuant to a Lease Agreement, dated December 1, 2021. The refunding resulted in an overall debt service savings of \$7,665,166. The net present value of the debt service savings is called an economic gain and amounted to \$4,017,520. The balance at June 30, 2023, amounted to \$33,700,000.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

For the Years Ending June 30,	2021 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2024	\$ 1,140,000	\$ 890,532	\$ 2,030,532
2025	1,180,000	879,451	2,059,451
2026	1,230,000	863,764	2,093,764
2027	1,290,000	844,426	2,134,426
2028	1,340,000	821,948	2,161,948
2029-2033	7,315,000	3,657,624	10,972,624
2034-2038	8,330,000	2,600,430	10,930,430
2039-2043	9,735,000	1,167,232	10,902,232
2044	2,140,000	35,128	2,175,128
<b>Total</b>	<b>\$ 33,700,000</b>	<b>\$ 11,760,535</b>	<b>\$ 45,460,535</b>

**2022 Lease Revenue Refunding Bonds**

In May 2022, the Ontario Public Financing Authority issued lease revenue bonds in the amount of \$90,830,000 to finance the acquisition and construction of capital projects. The bonds dated May 26, 2022, are payable semiannually on May 1 and November 1 of each year, commencing November 1, 2022, and mature in 2042. The bonds are payable from base rental payments to be made by the City for the right to the use certain real property and improvements of the City pursuant to a Lease Agreement, dated June 1, 2022. The balance at June 30, 2023, including the unamortized bond premium of \$10,302,725 amounted to \$101,132,725.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

For the Years Ending June 30,	2022 Lease Revenue Bonds		
	Principal	Interest	Total
2024	\$ 1,335,000	\$ 4,508,125	\$ 5,843,125
2025	1,405,000	4,439,625	5,844,625
2026	1,480,000	4,367,500	5,847,500
2027	1,555,000	4,291,625	5,846,625
2028	1,635,000	4,211,875	5,846,875
2029-2033	9,510,000	19,713,750	29,223,750
2034-2038	12,215,000	17,011,625	29,226,625
2039-2043	15,685,000	13,541,875	29,226,875
2044-2048	20,140,000	9,085,750	29,225,750
2049-2053	25,870,000	3,363,000	29,233,000
<b>Total</b>	<b>\$ 90,830,000</b>	<b>\$ 84,534,750</b>	<b>\$ 175,364,750</b>

**2023 Lease Revenue Refunding Bonds**

In March 2023, the Ontario Public Financing Authority issued lease revenue bonds in the amount of \$100,000,000 to finance land acquisition and infrastructure improvements. The bonds are payable semiannually on September 1 and March 1 of each year, commencing September 1, 2023 and maturing in 2053 at an interest rate 12% per annum. The balance at June 30, 2023 amounted to \$100,000,000.

For the Years Ending June 30,	2023 Lease Revenue Bonds		
	Principal	Interest	Total
2024	\$ -	\$ 4,146,111	\$ 4,146,111
2025	-	4,390,000	4,390,000
2026	-	4,390,000	4,390,000
2027	2,004,569	12,000,000	14,004,569
2028	2,092,570	11,759,452	13,852,022
2029-2033	11,924,166	54,802,772	66,726,938
2034-2038	14,781,634	46,991,921	61,773,555
2039-2043	18,323,860	37,309,302	55,633,162
2044-2048	22,714,933	25,306,370	48,021,303
2049-2053	28,158,268	10,427,093	38,585,361
<b>Total</b>	<b>\$ 100,000,000</b>	<b>\$ 211,523,021</b>	<b>\$ 311,523,021</b>



**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

**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, 2023 amounted to \$223,665,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

For the Years Ending June 30,	2020 Taxable Pension Obligation Bonds		
	Principal	Interest	Total
2024	\$ 5,850,000	\$ 7,990,855	\$ 13,840,855
2025	6,660,000	7,848,290	14,508,290
2026	7,620,000	7,679,326	15,299,326
2027	7,835,000	7,460,098	15,295,098
2028	8,070,000	7,226,851	15,296,851
2029-2033	44,390,000	32,083,006	76,473,006
2034-2038	52,975,000	23,497,932	76,472,932
2039-2043	63,845,000	12,637,047	76,482,047
2044-2048	25,565,000	2,117,181	27,682,181
2049-2050	855,000	49,141	904,141
<b>Total</b>	<b>\$ 223,665,000</b>	<b>\$ 108,589,727</b>	<b>\$ 332,254,727</b>

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.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**8. LONG-TERM DEBT, Continued**

*A. Governmental Activities, Continued*

**Loan Payable**

On May 19, 2015, the Ontario Housing Authority (Authority) negotiated the purchase of the Vesta property and assumed a promissory note and deed from Housing Opportunities Group Inc. (HOGI). HOGI entered into a promissory note secured by a subordinated deed of trust with the Inland Fair Housing and Mediation Board (Board) and agreed to assign the Authority such property and promissory note with a balance of \$158,566, effective September 11, 2015. Monthly payments in the amount of \$1,000, shall commence one year after the effective date. The loan is payable within 20 years from the effective date at zero interest. A monthly payment may be deferred by Borrower, upon providing notice to the Lender, should Borrower have insufficient net revenue from operation of the Property for the relevant month, as determined by Borrower in its reasonable discretion. In such case, the subsequent month's payment shall remain One Thousand Dollars (\$1,000), and the payment period shall be extended. No monthly payment was received during fiscal year 2022-2023. The outstanding balance at June 30, 2023 amounted to \$78,566.

The annual requirements to amortize the outstanding loan as of June 30, 2023, including interest, are as follows:

For the Years Ending June 30,	Loan Payable		
	Principal	Interest	Total
2024	\$ 12,000	\$ -	\$ 12,000
2025	12,000	-	12,000
2027	12,000	-	12,000
2027-2031	42,566	-	42,566
Total	\$ 78,566	\$ -	\$ 78,566

**Loan Payable - Fiber/Broadband**

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

The annual requirements to amortize the outstanding loan as of June 30, 2023, including interest, are as follows:

For the Years Ending June 30,	Loan Payable - Fiber Broadband		
	Principal	Interest	Total
2024	\$ 631,416	\$ 648,991	\$ 1,280,407
2025	652,426	627,980	1,280,406
2026	677,625	602,781	1,280,406
2027	702,015	578,392	1,280,407
2028	727,283	2,495,861	3,223,144
2029-2033	4,045,636	1,740,893	5,786,529
2034-2038	4,830,038	837,746	5,667,784
2039-2043	5,764,561	44,485	5,809,046
<b>Total</b>	<b>\$ 18,031,000</b>	<b>\$ 7,577,129</b>	<b>\$ 25,608,129</b>

**Installment Sale**

In November 2019, the City entered into an installment sale agreement in the amount of \$33,100,000 for the purchase of a parcel of land in the Ontario Ranch for the future Great Park. The purchase and sale agreement includes an initial payment amount of \$8,100,000 to be paid at close of the escrow and five (5) equal annual payments of \$5,000,000 each to the seller with an imputed interest rate of 1.690%. The outstanding balance at June 30, 2023 amounted to \$9,752,093.

The annual requirements for the installment sale agreement outstanding as of June 30, 2023, including imputed interest, as follows:

For the Years Ending June 30,	Ontario Ranch Great Park Loan Payable		
	Principal	Interest	Total
2024	\$ 4,835,189	\$ 164,810	\$ 4,999,999
2025	4,916,904	83,096	5,000,000
<b>Total</b>	<b>\$ 9,752,093</b>	<b>\$ 247,906</b>	<b>\$ 9,999,999</b>

**Climatec Loan**

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

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

For the Years Ending June 30,	Climatec Loan		
	Principal	Interest	Total
2024	\$ 1,295,142	\$ 695,210	\$ 1,990,352
2025	1,327,722	662,630	1,990,352
2026	1,361,132	629,220	1,990,352
2027	1,395,394	594,958	1,990,352
2028	1,430,531	559,821	1,990,352
2029-2033	7,711,908	2,239,852	9,951,760
2034-2038	8,735,163	1,216,596	9,951,759
2039-2041	4,793,667	182,212	4,975,879
<b>Total</b>	<b>\$ 28,050,659</b>	<b>\$ 6,780,499</b>	<b>\$ 34,831,158</b>

**California Energy Commission Loan**

In June 2021, the City entered into a direct borrowing loan agreement with the California Energy Commission in the amount of \$2,898,220. The purpose of the loan is to provide funding for the installation of LED lights. The loan bears a 1% interest rate and is due in semi-annual payments in December and June through December 2030. During the year ended June 30, 2023, no principal repayment on the loan was paid and the California Energy Commission amended the repayment schedule.

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

For the Years Ending June 30,	California Energy Commission Loan		
	Principal	Interest	Total
2024	\$ 315,837	\$ 25,458	\$ 341,295
2025	319,071	22,224	341,295
2026	322,270	19,026	341,296
2027	325,500	15,795	341,295
2028	328,731	12,564	341,295
2029-2030	1,006,198	17,688	1,023,886
<b>Total</b>	<b>\$ 2,617,607</b>	<b>\$ 112,755</b>	<b>\$ 2,730,362</b>

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

**Loan Payable – Family Trust**

In February 2023 the City entered into a purchase and loan agreement with the Ronald and Kristine Pietersma Family Trust in the amount of \$100,269,446. The purpose of the loan is to provide funding for the purchase of a property located in the City to be used for construction of a sports complex. The loan bears a 3.68% interest rate and is due in monthly payments of \$1,000,000 from April 2023 to March 2033. The outstanding balance at June 30, 2023 amounted to \$98,185,547.

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

For the Years Ending June 30,	Loan Payable - Family Trust		
	Principal	Interest	Total
2024	\$ 8,529,685	\$ 3,470,315	\$ 12,000,000
2025	8,848,926	3,151,074	12,000,000
2026	9,180,115	2,819,885	12,000,000
2027	9,523,700	2,476,300	12,000,000
2028	9,880,145	2,119,855	12,000,000
2029-2033	52,222,976	4,777,024	57,000,000
Total	<u>\$ 98,185,547</u>	<u>\$ 18,814,453</u>	<u>\$ 117,000,000</u>

**Advances from Successor Agency**

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

**SBITA Liabilities**

The City entered into subscription agreements with various vendors for software. The terms of the agreements range from 19 months to 72 months. The interest rates used were between 4.31% to 4.44% based on the terms of the agreements.

Principal and interest payments to maturity at June 30, 2023 are as follows:

For the Years Ending June 30,	Subscription Based I.T. Agreements		
	Principal	Interest	Total
2024	\$ 2,114,881	\$ 207,590	\$ 2,322,471
2025	1,600,172	113,219	1,713,391
2026	563,518	41,415	604,933
2027	237,320	16,128	253,448
2028	119,581	5,419	125,000
Total	<u>\$ 4,635,472</u>	<u>\$ 383,771</u>	<u>\$ 5,019,243</u>

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**8. LONG-TERM DEBT, Continued**

**B. Business-Type Activities**

The following is a summary of changes in business-type activities long-term debt for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Public offerings:					
Revenue bonds	\$ 67,550,000	\$ -	\$ 2,360,000	\$ 65,190,000	\$ 2,565,000
Total	<u>\$ 67,550,000</u>	<u>\$ -</u>	<u>\$ 2,360,000</u>	<u>65,190,000</u>	<u>\$ 2,565,000</u>

**2021 Water Revenue Bonds**

In December 2021, the City issued revenue bonds in the amount of \$67,550,000 to refund all of the outstanding Ontario Public Financing Authority 2013 Water Revenue Bonds. The bonds dated December 2, 2021, mature in 2043, and are payable semiannually on February 1 and August 1 of each year, commencing August 1, 2022, from net revenues, which consist of gross revenues of the City's Water System remaining after the payment of maintenance and operation costs of the City's Water System. The refunding resulted in an overall debt service savings of \$14,912,873. The net present value of the debt service savings is called an economic gain and amounted to \$7,816,238. The outstanding balance on the bonds at June 30, 2023 amounted to \$65,190,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

For the Years Ending June 30,	2021 Water Revenue Bonds		
	Principal	Interest	Total
2024	\$ 2,565,000	\$ 1,510,831	\$ 4,075,831
2025	2,580,000	1,489,994	4,069,994
2026	2,610,000	1,460,544	4,070,544
2027	2,650,000	1,424,629	4,074,629
2028	2,685,000	1,383,411	4,068,411
2029-2033	14,150,000	6,125,776	20,275,776
2034-2038	15,845,000	4,350,980	20,195,980
2039-2043	18,155,000	1,944,785	20,099,785
2044	3,950,000	58,243	4,008,243
Total	<u>\$ 65,190,000</u>	<u>\$ 19,749,193</u>	<u>\$ 84,939,193</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 Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**9. NON-CITY OBLIGATIONS**

**A. Special Assessment Bonds**

The City has entered into a number of Special Assessment Bond programs. The City of Ontario is not obligated in any manner for the Special Assessment Bonds as the bonds are secured by unpaid assessments against the property owners. Accordingly, the City is only acting as an agent for the property owners/bondholders in collecting and forwarding the special assessments. Special Assessment Bonds payable at June 30, 2023, totaled \$214,405,000. This amount is not reported in the City's financial statements. The construction phase is reported in the Capital Projects Funds. Likewise, amounts recorded in the Custodial Funds represent only debt service activities, i.e., collection from property owners and payment to bondholders.

**B. Other Bond and Loan Programs**

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

Multi-Family Mortgage Revenue Bonds	Interest % Rate	Date Issued	Date Series Matures	Outstanding Balance at June 30, 2023
City of Ontario Multi-Family Housing Revenue Bonds, Seasons at Ontario, Series 2017A	Variable	2017	2036	\$ 2,508,843
City of Ontario Multi-Family Housing Revenue Bonds, Vista Verde Apts, Series 2019A	Variable	2019	2038	<u>3,227,855</u>
Total				<u>\$ 5,736,698</u>

**10. DEFINED BENEFIT PENSION PLAN**

The following is a summary of the City's pension plan amounts for the year ended June 30, 2023:

	Deferred Outflow of Resources	Net Pension Liability (Asset)	Deferred Inflow of Resources	Pension Expense (Income)
Miscellaneous Plan	\$ 41,549,211	\$ 36,682,639	\$ (4,396,669)	\$ 27,306,467
Safety Police Plan	59,425,028	47,440,032	(140,192)	28,978,759
Safety Fire Plan	47,413,609	37,387,273	(264,261)	21,020,253
Totals	<u>\$ 148,387,848</u>	<u>\$ 121,509,944</u>	<u>\$ (4,801,122)</u>	<u>\$ 77,305,479</u>

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**10. DEFINED BENEFIT PENSION PLAN, Continued**

*A. General Information about the Pension Plans*

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

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

The plans' provisions and benefits in effect at June 30, 2023 are summarized as follows:

	Miscellaneous	
	Tier 1*	PEPRA (Tier 2)
Hire date	Prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	Minimum 50 years	Minimum 52 years
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00% (a)	6.25%
Required employer contribution rates	9.87%	9.87%

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

\* Closed to new entrants



**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**10. DEFINED BENEFIT PENSION PLAN, Continued**

**A. General Information about the Pension Plans, 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 years	Minimum 50 years	Minimum 50 years
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00% (b)	9.00% (b)	12.00%
Required employer contribution rates	21.36%	21.36%	21.36%

(b) The City contributed 0% to employee contribution rate of 9.00% for 2023

	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 years	Minimum 50 years	Minimum 50 years
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00% (c)	9.00% (c)	10.50%
Required employer contribution rates	18.50%	18.50%	18.50%

(c) The City contributed 0% to employee contribution rate of 9.00% for 2023

\* Closed to new entrants

**Employees Covered** – As of the June 30, 2022 measurement date, the following employees were covered by the benefit terms of the plans:

	Number of Members		
	Miscellaneous Plan	Safety Police Plan	Safety Fire Plan
Active members	645	257	153
Transferred members	333	29	17
Terminated members	301	28	20
Retired members and beneficiaries	1,063	306	189
Total	2,342	620	379

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**10. DEFINED BENEFIT PENSION PLAN, Continued**

**A. General Information about the Pension Plans, Continued**

*Contributions* - Section 20814(c) of the California Public Employees' Retirement Law (PERSL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the City to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2023, the contributions that were recognized as a reduction to the net pension liability were \$5,595,658, \$8,472,943, and \$5,741,862, for the Miscellaneous Plan, the Safety Police Plan, and the Safety Fire Plan, respectively.

**B. Net Pension Liability**

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2022 using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard updated procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

*Actuarial Assumptions* - The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal Cost Method in accordance with requirements of GASB 68
Actuarial Assumptions:	
Discount Rate	6.90%
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 2.3% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.3%

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**10. DEFINED BENEFIT PENSION PLAN, Continued**

***B. Net Pension Liability, Continued***

All other actuarial assumptions used in the June 30, 2021 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](http://www.calpers.ca.gov) under Forms and Publications.

***Discount Rate*** - The discount rate used to measure the total pension liability was 6.90 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 6.90 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**10. DEFINED BENEFIT PENSION PLAN, Continued**

**B. Net Pension Liability, Continued**

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

Asset Class	Assumed asset Allocation	Real Return (a,b)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

**C. Changes in the Net Pension Liability**

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

**Miscellaneous Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 Measurement Date	\$ 430,362,634	\$ 487,358,582	\$ (56,995,948)
Changes in the year:			
Service cost	8,971,176	-	8,971,176
Interest on the total pension liability	31,021,937	-	31,021,937
Changes of Benefit Terms	15,815,925	-	15,815,925
Changes of Assumptions	16,829,276	-	16,829,276
Differences between actual and expected experience	(6,228,614)	-	(6,228,614)
Contribution - employer	-	5,595,658	(5,595,658)
Contribution - employees	-	3,821,215	(3,821,215)
Net investment income	-	(36,382,163)	36,382,163
Benefit payments, including refunds of employee contributions	(23,343,080)	(23,343,080)	-
Contributions	-	(303,597)	303,597
Net changes	43,066,620	(50,611,967)	93,678,587
Balance at June 30, 2022 Measurement Date	\$ 473,429,254	\$ 436,746,615	\$ 36,682,639

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**10. DEFINED BENEFIT PENSION PLAN, Continued**

**C. Changes in the Net Pension Liability, Continued**

**Safety Police Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 Measurement Date	\$ 459,880,744	\$ 514,860,241	\$ (54,979,497)
Changes in the year:			
Service cost	10,855,558	-	10,855,558
Interest on the total pension liability	33,448,693	-	33,448,693
Changes of Benefit Terms	11,666,947	-	11,666,947
Changes of Assumptions	19,552,043	-	19,552,043
Differences between actual and expected experience	344,379	-	344,379
Contribution - employer	-	8,472,943	(8,472,943)
Contribution - employees	-	3,959,475	(3,959,475)
Net investment income	-	(38,663,601)	38,663,601
Benefit payments, including refunds of employee contributions	(24,216,445)	(24,216,445)	-
Administrative expenses	-	(320,726)	320,726
Net changes	51,651,175	(50,768,354)	102,419,529
Balance at June 30, 2022 Measurement Date	\$ 511,531,919	\$ 464,091,887	\$ 47,440,032

**Safety Fire Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 Measurement Date	\$ 333,036,397	\$ 371,521,603	\$ (38,485,206)
Changes in the year:			
Service cost	6,700,238	-	6,700,238
Interest on the total pension liability	24,303,588	-	24,303,588
Changes of Benefit Terms	8,447,824	-	8,447,824
Changes of Assumptions	11,704,148	-	11,704,148
Differences between actual and expected experience	5,111,381	-	5,111,381
Contribution - employer	-	5,741,862	(5,741,862)
Contribution - employees	-	2,691,344	(2,691,344)
Net investment income	-	(27,807,071)	27,807,071
Benefit payments, including refunds of employee contributions	(18,847,882)	(18,847,882)	-
Administrative expenses	-	(231,435)	231,435
Net changes	37,419,297	(38,453,182)	75,872,479
Balance at June 30, 2022 Measurement Date	\$ 370,455,694	\$ 333,068,421	\$ 37,387,273
Total Plans	\$ 1,355,416,867	\$ 1,233,906,923	\$ 121,509,944

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**10. DEFINED BENEFIT PENSION PLAN, Continued**

**C. Changes in the Net Pension Liability, Continued**

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

Net Pension Liability (Asset)	Discount Rate -1 % (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1 % (7.90%)
Miscellaneous Plan	\$ 101,517,478	\$ 36,682,639	\$ (16,561,733)
Safety Police Plan	120,636,011	47,440,032	(12,058,255)
Safety Fire Plan	87,526,013	37,387,273	(3,734,371)
Total	\$ 309,679,502	\$ 121,509,944	\$ (32,354,359)

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

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

As of the start of the measurement period (July 1, 2021), the combined net pension asset for the Miscellaneous Plan, the Safety Police Plan and the Safety Fire Plan was \$150,460,651. For the measurement period ending June 30, 2022, (the measurement date), the City recognized pension (income) expense of \$27,306,467, \$28,978,759, and \$21,020,253 for the Miscellaneous Plan, the Safety Police Plan, and the Safety Fire Plan, respectively. Note that no adjustments have been made for contributions subsequent to the measurement date.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**10. DEFINED BENEFIT PENSION PLAN, Continued**

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

As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b><u>Miscellaneous Plan:</u></b>		
Contributions made after the measurement date	\$ 6,289,226	\$ -
Changes of Assumptions	11,879,489	(4,396,669)
Differences between Expected and Actual Experience	1,127,740	-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	22,252,756	-
Miscellaneous Plan Total	<u>\$ 41,549,211</u>	<u>\$ (4,396,669)</u>
<b><u>Safety Police Plan:</u></b>		
Contributions made after the measurement date	\$ 8,910,236	\$ -
Changes of Assumptions	16,060,607	(140,192)
Differences between Expected and Actual Experience	10,731,598	-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	23,722,587	-
Safety Police Plan Total	<u>\$ 59,425,028</u>	<u>\$ (140,192)</u>
<b><u>Safety Fire Plan:</u></b>		
Contributions made after the measurement date	\$ 6,170,533	\$ -
Changes of Assumptions	9,816,382	(264,261)
Differences between Expected and Actual Experience	14,415,581	-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	17,011,113	-
Safety Fire Plan Total	<u>\$ 47,413,609</u>	<u>\$ (264,261)</u>
Total	<u>\$ 148,387,848</u>	<u>\$ (4,801,122)</u>

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**10. DEFINED BENEFIT PENSION PLAN, Continued**

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

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

Year Ended June 30,	Annual Amortization		
	Miscellaneous	Safety - Police	Safety - Fire
2023	\$ 7,622,146	\$ 12,254,968	\$ 9,230,466
2024	6,714,262	10,749,984	8,540,900
2025	2,626,876	6,527,116	5,261,355
2026	13,900,032	18,710,770	14,330,414
2027	-	2,131,762	3,073,243
Thereafter	-	-	542,437
<b>Total</b>	<b>\$ 30,863,316</b>	<b>\$ 50,374,600</b>	<b>\$ 40,978,815</b>

**11. OTHER POST-EMPLOYMENT BENEFITS**

The following is a summary of the City's OPEB plan amounts for the year ended June 30, 2023:

	Deferred Outflow of Resources	Net OPEB Liability (Asset)	Deferred Inflow of Resources	OPEB Expense (Income)
Retiree Healthcare Plan	\$ 26,161,247	\$ 19,111,624	\$ 89,335,611	\$ (19,482,533)
<b>Totals</b>	<b>\$ 26,161,247</b>	<b>\$ 19,111,624</b>	<b>\$ 89,335,611</b>	<b>\$ (19,482,533)</b>

*A. General Information about the City's OPEB Plan*

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

**Employees Covered** – At June 30, 2022, the measurement date, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
Inactives currently receiving benefits	720
Inactives entitled to but not yet receiving benefits	222
Active employees	1,183
<b>Total</b>	<b>2,125</b>



**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**11. OTHER POST-EMPLOYMENT BENEFITS, Continued**

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

**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 2022-2023, the City paid \$6,144,352 in benefits and made a one-time contribution to the trust (CERBT) of \$5,859,978. Thereafter, the City will contribute \$5,000,000 per year adjusted for inflation.

**B. Total OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2022 for the measurement period July 1, 2021 through June 30, 2022. The net OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial assumptions:

**Actuarial Assumptions** - The June 30, 2021 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	6.25% at June 30, 2022 (Long-Term expected asset return)
Inflation	2.50% per annum
Salary Increases	Aggregate - 2.75%
	Merit - Tables from CalPERS 2000-2019 Experience Study
Investment Rate of Return	6.25%
Mortality Rate	CalPERS 2000-2019 Experience Study
Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076
	Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076
	Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Contribution Policy	City contributed \$140 million in 2019/20, and will contribute \$5 million per year (adjusted for inflation) thereafter.
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2021
Cap Increases	Miscellaneous Flat Dollar Caps: 0%
	Safety Tier 1 Premium Caps: Medical Trend

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**11. OTHER POST-EMPLOYMENT BENEFITS, Continued**

**B. Total OPEB Liability, Continued**

*Discount Rate* - The discount rate used to measure the net OPEB liability was 6.25%. The discount rate is based on the long-term expected asset return described below:

Asset Class	Target Allocation CERBT Strategy 1	Expected Real Rate of Return
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return		6.25%

**C. Changes in the Net OPEB Liability**

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2022 (June 30, 2020 measurement date)	\$ 162,461,848	\$ 174,614,201	\$ (12,152,353)
Changes in the year:			
Service cost	3,606,416	-	3,606,416
Interest	10,129,002	-	10,129,002
Differences between actual and expected experience	-	-	-
Assumption changes	-	-	-
Contribution - employer	-	6,642,354	(6,642,354)
Net investment income	-	(24,105,673)	24,105,673
Benefit payments	(8,008,479)	(8,008,479)	-
Administrative expenses	-	(65,240)	65,240
Other Miscellaneous Income/ (Expense)	-	-	-
Net changes	5,726,939	(25,537,038)	31,263,977
Balance at June 30, 2023 (June 30, 2022 measurement date)	\$ 168,188,787	\$ 149,077,163	\$ 19,111,624

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**11. OTHER POST-EMPLOYMENT BENEFITS, Continued**

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

The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point higher or one percentage point lower than the current discount rate, for the measurement period June 30, 2022:

	Discount Rate		
	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability (Asset)	\$ 43,208,254	\$ 19,111,624	\$ (482,525)

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

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

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability (Asset)	\$ (2,793,787)	\$ 19,111,624	\$ 46,774,571

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

For the fiscal year ended June 30, 2023, the City recognized OPEB income of \$19,482,533. At June 30, 2023, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 28,314,867
Changes of Assumptions	1,236,692	61,020,744
Net difference between projected and actual earnings on plan investments	11,824,252	-
Contributions made after the measurement date	13,100,303	-
Total	<u>\$ 26,161,247</u>	<u>\$ 89,335,611</u>

The \$13,100,303 reported as deferred outflows of resources represents contributions made after the measurement date of the OPEB liability but before the end of the City's reporting period and will be recognized as a reduction of the OPEB liability in the subsequent fiscal period rather than in the current fiscal period.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**11. OTHER POST-EMPLOYMENT BENEFITS, Continued**

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (22,111,045)
2025	(21,632,085)
2026	(17,758,870)
2027	(10,327,312)
2028	(2,199,195)
Thereafter	(2,246,160)
Total	<u>\$ (76,274,667)</u>

**12. SELF-INSURANCE PROGRAM**

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

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

On April 6, 1979, the City initiated a program of self-insurance for general liability claims. At present, the City will pay all claims up to \$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.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**12. SELF-INSURANCE PROGRAM, Continued**

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

Fiscal Year	Beginning Balance	Changes in Estimates	Claim Payments	Ending Balance
2021-2022	\$ 35,507,643	\$ 6,835,536	\$ 6,244,179	\$ 36,099,000
2022-2023	36,099,000	20,865,011	20,171,011	36,793,000

Of the total estimated claims liabilities, \$9,273,278 is estimated due within one year or less. The liability will be paid in future years from the Self Insurance Fund.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**13. FUND BALANCE CLASSIFICATIONS**

Fund balances of governmental funds at June 30, 2023 have been classified as follows:

	General	Ontario Housing Authority	Community Development	Capital Projects	Impact Fees	Other Governmental Funds	Total Governmental Funds
<b>Fund balances:</b>							
<b>Nonspendable</b>							
Prepaid costs	\$ 140,299	\$ -	\$ -	\$ -	\$ -	\$ 49,442	\$ 189,741
Advances to Successor Agency	3,500,000	-	-	-	-	-	3,500,000
Inventory	253,007	-	-	-	-	-	253,007
<b>Total nonspendable</b>	<b>3,893,306</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,442</b>	<b>3,942,748</b>
<b>Restricted</b>							
Endowment/trust	373,447	-	-	-	-	-	373,447
Community development projects	-	-	6,760,779	-	-	90,821,269	97,582,048
Public safety	-	-	-	-	-	6,619,388	6,619,388
Park development	-	-	-	-	-	49,709,982	49,709,982
Affordable housing	-	30,351,193	-	-	-	19,322,832	49,674,025
AQMD activities	-	-	-	-	-	1,023,761	1,023,761
Fiber/broadband	-	-	-	-	-	12,489,040	12,489,040
Public services	-	-	-	-	-	93,463,427	93,463,427
Transportation improvement	-	-	-	-	-	21,829,393	21,829,393
<b>Total restricted</b>	<b>373,447</b>	<b>30,351,193</b>	<b>6,760,779</b>	<b>-</b>	<b>-</b>	<b>295,279,092</b>	<b>332,764,511</b>
<b>Committed</b>							
City infrastructure	-	-	-	174,302,091	207,951,281	-	382,253,372
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,302,091</b>	<b>207,951,281</b>	<b>-</b>	<b>382,253,372</b>
<b>Assigned</b>							
Continuing appropriations	6,330,047	-	-	-	-	-	6,330,047
Stability arrangement	59,343,482	-	-	-	-	-	59,343,482
Economic uncertainty	20,000,000	-	-	-	-	-	20,000,000
<b>Total assigned</b>	<b>85,673,529</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,673,529</b>
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,387)</b>	<b>(4,387)</b>
<b>Total fund balances</b>	<b>\$ 89,940,282</b>	<b>\$ 30,351,193</b>	<b>\$ 6,760,779</b>	<b>\$ 174,302,091</b>	<b>\$ 207,951,281</b>	<b>\$ 295,324,147</b>	<b>\$ 804,629,773</b>

**14. JOINT VENTURES**

**A. Water Facilities Authority**

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**14. JOINT VENTURES, Continued**

**A. Water Facilities Authority, Continued**

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, 2023, the City's investment in the Authority, including its share of Authority's debt, was \$10,668,547.

Audited financial information of the Authority for the year ended June 30, 2023 is summarized as follows:

**Water Facilities Authority Net Position**

Total assets	\$ 35,469,297
Total deferred outflows	998,206
Total liabilities	4,855,637
Total deferred inflows	760,083
Total net position	<u>\$ 30,851,783</u>

**Water Facilities Authority Changes in Net Position**

Operating revenues	\$ 19,486,626
Operating expenses	<u>19,468,314</u>
Operating gain (loss) before depreciation and amortization	18,312
Depreciation and amortization	<u>(1,456,511)</u>
Operating revenue (loss)	(1,438,199)
Nonoperating revenues (expenses)	<u>3,680,021</u>
Changes in net position	2,241,822
Beginning net position	<u>28,609,961</u>
Ending net position	<u>\$ 30,851,783</u>

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**14. JOINT VENTURES, Continued**

**A. Water Facilities Authority, Continued**

The current participants and their financial contributions through June 30, 2023 were as follows:

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

Financial statements of the Authority can be obtained from the Water Facilities Authority's office located at 1775 North Benson Avenue, Upland, California, 91784.

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, 2023, the City's investment in the Authority was \$62,332,293.

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.



**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**14. JOINT VENTURES, Continued**

**A. Water Facilities Authority, Continued**

The financial information of the Authority for the fiscal year ended June 30, 2023, is summarized as follows:

<b>Chino Basin Desalter Authority Net Position</b>	
Total assets	\$ 306,018,270
Total deferred outflows	3,050,336
Total liabilities	<u>68,570,453</u>
Total net position	<u><u>\$ 240,498,153</u></u>
<b>Chino Basin Desalter Authority Changes in Net Position</b>	
Operating revenues	\$ 71,565,799
Operating expenses	<u>(68,180,152)</u>
Operating gain (loss) before depreciation and amortization	3,385,647
Depreciation and amortization	<u>(9,092,493)</u>
Operating revenue (loss)	(5,706,846)
Nonoperating revenues (expenses)	5,296,363
Capital contributions	<u>3,729,503</u>
Changes in net position	3,319,020
Beginning net position	<u>237,179,133</u>
Ending net position	<u><u>\$ 240,498,153</u></u>

**B. Chino Basin Desalter Authority**

The current participants and their financial contributions through June 30, 2023 were as follows:

	<u>Amount</u>	<u>Percent</u>
Jurupa Community Services District	\$ 13,621,866	34.40%
City of Chino Hills	5,196,543	13.12%
City of Chino	6,186,348	15.62%
City of Norco	1,237,170	3.12%
City of Ontario	8,396,303	21.20%
Santa Ana River Co.	1,484,535	3.75%
Western Municipal Water District	<u>3,477,533</u>	<u>8.78%</u>
Total	<u><u>\$ 39,600,298</u></u>	<u><u>100.00%</u></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.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**14. JOINT VENTURES, Continued**

**C. West End Communications Authority**

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

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

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

The following is a summary of the West End Communications Authority financial information for the fiscal year ended June 30, 2023:

<b>West End Communications Authority Net Position</b>	
Total assets	\$ 1,393,385
Total liabilities	<u>285</u>
Total net position	<u>\$ 1,393,670</u>
<b>West End Communications Authority Changes in Net Position</b>	
Operating revenues	\$ 25,927
Operating expenses	<u>10,700</u>
Operating gain (loss) before depreciation and amortization	<u>15,227</u>
Operating revenue (loss)	15,227
General revenue	<u>-</u>
Changes in net position	15,227
Beginning net position	<u>1,378,443</u>
Ending net position	<u>\$ 1,393,670</u>

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

**D. West End Fire and Emergency Response Commission**

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
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**14. JOINT VENTURES, Continued**

*D. West End Fire and Emergency Response Commission, Continued*

The following is a summary of the West End Fire and Emergency Response Commission financial information for the fiscal year ended June 30, 2023:

<b>West End Fire and Emergency Response Commission Net Position</b>	
Total assets	\$ 817,728
Total liabilities	<u>(16,494)</u>
Total net position	<u><u>\$ 801,234</u></u>
<b>West End Fire and Emergency Response Commission Changes in Net Position</b>	
Operating revenues	\$ 113,618
Operating expenses	<u>57,392</u>
Operating revenue (loss)	56,226
General revenue	<u>-</u>
Changes in net position	56,226
Beginning net position	<u>745,008</u>
Ending net position	<u><u>\$ 801,234</u></u>

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

**15. OTHER INVESTMENTS**

Other investments of \$63,730,042 at June 30, 2023 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, 2023:

Investment Type	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Water Rights	\$ -	\$ -	\$ 58,210,235	\$ 58,210,235
Investment in Stored Water	-	-	72,190,894	72,190,894
Air Quality Credits	-	-	525,590	525,590
Total other investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,926,719</u>	<u>130,926,719</u>

**City of Ontario**  
**Notes to Basic Financial Statements**  
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**16. CONTINGENCIES**

**Liabilities**

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

**Grant**

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

**Proposition 218**

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

**17. COMMITMENTS**

**Construction Commitments**

The following material construction commitments existed at June 30, 2023:

Project Name	Expenditures to date as of June 30, 2023					Remaining Commitments
	Contract Amount	Capital Projects	Impact Fees	Broadband Fiber	Water	
PD Women's Locker Room Expansion	\$ 1,318,820	\$ 369,554	\$ -	\$ -	\$ -	\$ 949,266
Civic Center Expansion Parking Structure	1,423,554	890,373	-	-	-	533,181
Broadband/Fiber Network Expansion	1,816,378	-	-	1,493,454	-	322,924
Ontario Ranch Grand Park	4,780,380	-	4,558,869	-	-	221,511
Water Pipeline Replacement	7,391,556	-	-	-	1,581,626	5,809,930
San Antonio Ave Phase 3	4,464,720	-	-	-	3,147,355	1,317,365
Groundwater Wellhead Treatment	10,828,358	-	-	-	7,210,904	3,617,454
Ontario Ranch Phase II	5,818,096	-	1,614,784	-	-	4,203,312
New Well No. 43	4,852,020	-	2,710,880	-	1,166,863	974,277
						\$ 17,949,220

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**18. TAX ABATEMENTS**

The City entered into various tax abatement agreements with local businesses. The abatements may be granted to any business located within or promising to relocate to the City. For the fiscal year ended June 30, 2023, the City abated taxes totaling \$11,045,494 under this program. The City has the following tax abatement agreements:

- A professional agreement with a consultant to provide sales tax audit and information services to the City. The audit services will detect and correct taxpayer reporting errors and generate new revenue without causing additional tax liability to businesses. The City agreed to pay quarterly 20% of new sales and use tax revenues received as a result of corrections identified by the consultant. In fiscal year 2022-2023, the amount paid was \$869,620.
- 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 2022-2023, the amount paid was \$20,029.
- 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 2022-2023, the abatement amounted to \$1,590,403.
- 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 2022-2023, the abatement amounted to \$415,127.
- An operating covenant agreement with a retailer of consumer products to establish its warehouse and distribution center in the City and remain in the City for no less than 41 years. The establishment of such retailer in the City will generate substantial revenue, create new jobs, revitalize the City, and result in community and public improvements. The City agreed to refund quarterly, 55% of sales tax revenues attributable to annual taxable sales up to \$500 million and 60% of sales tax revenues over \$500 million of annual taxable sales. In fiscal year 2022-2023, the abatement amounted to \$1,133,036.
- An operating covenant agreement with a retailer of consumer products to ensure that it maintains its existing warehouse and distribution center in the City and expands its operations within the City. This will generate substantial revenue for the City, possibly create job growth, continue to stimulate the economy and result in community and public improvements. For the period beginning January 1, 2020, provided the City receives not less than \$1.2 million of sales tax revenue from the retailer, the City agreed to rebate 50% of sales tax revenues attributable to taxable sales, not to exceed an annual amount of \$1.8 million. In fiscal year 2022-2023, the abatement amounted to \$1,333,447.

**City of Ontario**  
**Notes to Basic Financial Statements**  
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**18. TAX ABATEMENTS, Continued**

- An operating covenant agreement with an auto dealership to develop and operate a facility in the City for its Inland Empire sales territory. The City will receive additional local sales tax revenues, property taxes, employment benefits, and other tangible and intangible benefits arising from the operation of the Dealership within the City. The eligibility period of this agreement is from July 1, 2009 until June 30, 2034. The City agreed to make quarterly payments not to exceed \$200,000 for any computation year during the eligibility period for (1) computation period up to \$500,000 in aggregate, an amount equal to 50% of the local sales tax revenues received above the quarterly base amount of \$50,000; (2) computation period up to \$1,000,000 in aggregate, an amount equal to 50% of the local sales tax revenues received above the quarterly base amount of \$56,250; (3) computation period up to \$1,950,000 in aggregate, an amount equal to 50% of local sales tax revenues received above the quarterly base amount of \$62,500; and (4) computation period up to \$2,900,000 in aggregate, an amount equal to 50% of the local sales tax revenues received above the quarterly base amount of \$68,750. In fiscal year 2022-2023, the abatement amounted to \$54,004.
- An operating covenant agreement with a global retailer of healthcare services and products to retain and operate its two facilities in the City for transacting sales. The City will receive additional sales tax revenues, maintain and create jobs and stimulate the economic recovery of the Inland Empire. The eligibility period of this agreement commenced on April 1, 2018 and will continue until terminated by either party. The City agreed to make quarterly payments equal to 50% of sales tax revenues. In fiscal year 2022-2023, the abatement amounted to \$2,028,536.
- An operating covenant agreement with a sanitary supplies distributor to retain existing jobs, allow for the potential increase in job opportunities, foster a business and civic environment that may attract additional businesses and investments and create additional job opportunities in the City. The eligibility period of this agreement began on July 1, 2017. The City agreed to make quarterly payments equal to 25% of sales tax revenues in excess of \$201,000 quarterly up to \$500,000. In fiscal year 2022-2023, the abatement amounted to \$37,321.
- An operating covenant agreement with several concrete companies to establish a sale office and/or a business location that participate in the sale process within the City, expand operations within the City as appropriate and remains in the City for not less than 40 years. The establishment of such businesses is expected to generate substantial revenue for the City, create new jobs, revitalize an area of the City which has suffered a loss of jobs and result in community and public improvements. The eligibility period of this agreement began on October 1, 2018. The City agreed to make quarterly payments equal to 50% of the sales tax revenue attributable to annual taxable sales for the calendar year which is directly allocated to the City. In fiscal year 2022-2023, the abatement amounted to \$1,370,506.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**18. TAX ABATEMENTS, Continued**

- A retention agreement with an auto dealership to encourage the auto dealership to remain in the City and consider future sales expansions in consideration of the local sales tax revenues, property taxes, employment benefits, and other tangible and intangible benefits that are expected to be received by the City arising from the Dealership within the City. During the eligibility period the City agreed to pay on a quarterly basis for (1) operating years 1-5, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$75,000; (2) for operating years 6-10, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$100,000; and (3) for operating years 11-15, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$125,000. The cumulative total of any and all covenant payments paid by the City pursuant to this Agreement shall not exceed \$1,200,000. In fiscal year 2022-2023, the abatement amounted to \$105,967.
- An operating covenant agreement with a retailer of consumer products that will generate substantial sales tax revenue and create approximately 325 new permanent jobs. The incentives provided in this Agreement are intended to ensure the retailer commences operations and remains in the City for no less than 11.5 years. The eligibility period of this agreement began on October 1, 2020. The City agreed to make quarterly payments equal to 50% of sales tax revenues received. In fiscal year 2022-2023, the abatement amounted to \$907,959.
- An operating covenant agreement with an auto dealership who recently established a new state-of-the-art automobile sales and service center in the City. The covenanted operation of the Dealership serves to foster a business and civic environment that may attract additional businesses and investment in the community due to the availability of the increased public and private services and economic activity resulting therefrom. The eligibility period of this agreement began on January 1, 2021. During the eligibility period the City agreed to pay on an annual basis for (1) operating years 1-4, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$100,000 and (2) for operating years 5-8, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$125,000 for a period of up to eight (8) years or a maximum amount of \$800,000. In fiscal year 2022-2023, the abatement amounted to \$504,224.
- An operating covenant agreement with an industrial equipment company distributing more than 1.5 million metalworking and other industrial products. By establishing the Ontario sales offices, the company will consolidate other office locations across Southern California to the City. This will, in turn, result in an increase revenue to the City, and there may be other community and public improvements that might not otherwise be available to the community for many years. The eligibility period of this agreement began on January 1, 2022. The City agreed to make quarterly payments equal to 50% of sales tax revenue received. In fiscal year 2022-2023, the abatement amounted to \$675,315.

**19. SUCCESSOR TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

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

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**19. 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, 2023, cash and investments were reported in the accompanying financial statements as follows:

Cash and investments with fiscal agent	\$	9,700,157
Total cash and investments	\$	<u>9,700,157</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, 2023, was \$35,000.



**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**C. Advances to City**

During prior fiscal years, the Former RDA loaned \$1,600,000 to the Capital Project Fund for the purchase of property adjacent to Ontario Mills. At June 30, 2023, the balance of the advance was \$1,600,000.

**D. Long-Term Debt**

The following is a summary of changes in Successor Agency long-term debt for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Public offerings:					
1993 Tax Allocation Bonds	\$ 21,933,441	\$ -	\$ (5,842,021)	\$ 16,091,420	\$ 6,028,988
1995 Tax Allocation Bonds	1,939,459	-	(516,579)	1,422,880	533,112
Direct borrowings:					
Loans payable	6,739,364	-	(698,222)	6,041,142	735,228
Advance from City	3,500,000	-	-	3,500,000	-
<b>Total</b>	<b>\$ 34,112,264</b>	<b>\$ -</b>	<b>\$ (7,056,822)</b>	<b>\$ 27,055,442</b>	<b>\$ 7,297,328</b>

**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, 2023, amounted to \$16,091,420.

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

For the Years Ending June 30,	1993 Tax Allocation Bonds		
	Principal	Interest	Total
2024	\$ 6,028,988	\$ 1,569,231	\$ 7,598,219
2025	6,749,755	469,260	7,219,015
2026	3,312,677	532,007	3,844,684
<b>Total</b>	<b>\$ 16,091,420</b>	<b>\$ 2,570,498</b>	<b>\$ 18,661,918</b>

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.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*D. Long-Term Debt, Continued*

**1995 Tax Allocation Bond**

On August 15, 1995, the Ontario Redevelopment Agency issued \$4,041,700 in 1995 Tax Allocation Bonds. The bonds were sold to the Ontario Redevelopment Financing Authority at par plus premium. All proceeds of the 1995 Bonds will be used to finance redevelopment projects related to Project Area #1. The 1995 Bonds were issued on parity with the Agency's existing Project Area #1 1992 and 1993 Tax Allocation Bonds. The 1995 Bonds were issued with an interest rate of 12.00%, provided that the interest rate for the period from August 1, 1995 through July 1, 1996, shall be 10.55% per annum, the interest rate for the period from August 1, 1996 through July 31, 1997, shall be 11.70% per annum, and the interest for the period from August 1, 1997 through July 31, 1999, shall be 11.86% per annum. Interest is paid semi-annually each year and commenced February 1, 1996, until final maturity on August 1, 2025. The balance at June 30, 2023, amounted to \$1,422,880.

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

For the Years Ending June 30,	1995 Tax Allocation Bonds		
	Principal	Interest	Total
2024	\$ 533,112	\$ 485,004	\$ 1,018,116
2025	596,845	404,208	1,001,053
2026	292,923	323,298	616,221
Total	<u>\$ 1,422,880</u>	<u>\$ 1,212,510</u>	<u>\$ 2,635,390</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, 2023, amounted to \$0.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*D. Long-Term Debt, Continued*

**Loans Payable**

Pursuant to a loan agreement dated February 1, 2002, the Ontario Redevelopment Agency issued the Ontario Redevelopment Project #1 2002 Housing Set-Aside Loan in the amount of \$15,145,000 to finance low and moderate income activities of the Agency within or of the benefit to the Ontario Redevelopment Agency Project Area #1. The loan matures in 2029 and is payable from Housing Tax Revenues allocated to the Agency. Interest is paid semi-annually at a rate of 5.30% per annum. The balance at June 30, 2023, amounted to \$6,041,142.

At June 30, 2023, the annual requirements to repay the outstanding indebtedness were as follows:

For the Years Ending June 30,	2002 FNMA Housing Set-Aside Loan		
	Principal	Interest	Total
2024	\$ 735,228	\$ 300,697	\$ 1,036,905
2025	774,195	260,698	1,035,925
2026	815,227	218,578	1,034,893
2027	858,434	174,226	1,033,805
2028	903,931	75,739	979,670
2029-2030	1,954,127	156,688	2,110,815
<b>Total</b>	<b>\$ 6,041,142</b>	<b>\$ 1,186,626</b>	<b>\$ 7,232,013</b>

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.

**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 defies 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 \$28,529,321 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 \$8,401,924 and the debt service obligation on the bonds was \$10,162,001.

**City of Ontario**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**20. PRIOR PERIOD ADJUSTMENTS**

The City recorded the following prior period adjustments:

	Net Position/ Fund Balance as Previously	Prior Period Adjustments					Net Position/ Fund Balance Net Position
		SBITA	Capital Assets	Property Held for Resale	Inventory	Other Liabilities	
<i>Government-wide</i>							
Governmental activities	\$ 1,511,614,321	\$ 435,922	\$ (4,297,987)	\$ -	\$ 976,161	\$ -	\$ 1,508,728,417
Business-type activities	477,658,921		1,384,842	-	-	-	479,043,763
<i>Fund Financials</i>							
Governmental Funds							
General Fund	113,982,202	-	-	-	-	-	113,982,202
Ontario Housing Authority	20,436,931	-	-	-	-	-	20,436,931
Community Development	6,699,888	-	-	-	-	-	6,699,888
Capital Projects Fund	123,089,757	-	-	-	-	-	123,089,757
Impact Fees	167,830,650	-	-	-	-	-	167,830,650
Nonmajor Governmental Funds	206,257,224	-	-	-	976,161	-	207,233,385
Enterprise Funds							
Water Fund	406,237,437	-	1,173,748	-	-	-	407,411,185
Sewer Fund	75,074,937	-	(138,599)	-	-	-	74,936,338
Integrated Waste Fund	28,808,404	-	349,693	-	-	-	29,158,097
Internal Service Funds							
Equipment Services Fund	69,650,293	-	(15,042)	-	-	-	69,635,251
Information Technology Fund	17,020,897	427,718	(214,843)	-	-	-	17,233,772
Facility Maintenance	8,189,289	-	13,205,838	-	-	-	21,395,127
Fiduciary Funds							
Successor Agency	(13,872,567)	-	-	(175,802)	-	1,633,733	(12,414,636)

Prior period adjustments were to correct capital assets, inventory, property held for resale and other liabilities. A restatement was also recorded as a result of implementing GASB Statement 96 relating to information technology arrangements.

**21. SUBSEQUENT EVENTS**

On November 16, 2023, the Community Facilities District issued a new special tax bond (non-City obligation) for Community Facilities District No. 57 (District) in the total amount of \$19,490,000. The proceeds will be used for development within the District.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**City of Ontario**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2023**

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**1. BUDGET AND COMPARISON INFORMATION**

**General Budget Policies**

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. All amendments made during the year are included in the budgetary amounts reported herein. The “appropriated budget” covers all City expenditures, including capital improvement projects carried forward from the prior year, which is re-appropriated every year. Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter total expenditures of any fund must be approved by the City Council.
3. Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations that are encumbered lapse at year-end and then are added to the following year’s budgeted appropriations.
4. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. Budget comparisons are not presented for the Proprietary Funds, as the City is not legally required to adopt a budget for those type of funds.
5. Capital projects are budgeted through the Capital Projects Fund. Appropriations for capital projects authorized, but not constructed or completed during the year, are re-appropriated in the following year’s budget.
6. Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must be either refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following year. For the fiscal year ended June 30, 2023, based on calculations by City staff, proceeds of taxes did not exceed appropriations.
7. Further, Section 5 of Article XIII-B allows the City to designate a portion of fund balance for general contingencies to be used for any purpose. On August 10, 1996, the City Council passed Resolution 96-073 setting aside all unappropriated fund balances in the General Fund as a contingency fund.

# City of Ontario

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

### General Fund

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 225,830,000	\$ 264,482,000	\$ 267,089,179	\$ 2,607,179
Licenses and permits	6,192,000	9,295,000	12,608,106	3,313,106
Intergovernmental	18,620,387	19,504,642	16,401,508	(3,103,134)
Charges for services	44,695,654	49,977,554	51,923,310	1,945,756
Use of money and property	1,341,992	1,340,392	1,224,323	(116,069)
Fines and forfeitures	753,000	771,000	959,216	188,216
Miscellaneous	1,720,000	7,883,256	6,589,628	(1,293,628)
<b>Total revenues</b>	<b>299,153,033</b>	<b>353,253,844</b>	<b>356,795,270</b>	<b>3,541,426</b>
<b>EXPENDITURES:</b>				
General government				
Mayor and city council	506,546	508,803	508,033	770
City clerk	120,707	60,882	77,181	(16,299)
City treasurer	-	61,743	43,138	18,605
Records management	1,364,545	1,369,153	1,250,974	118,179
City attorney	1,493,971	1,493,971	1,885,895	(391,924)
Office of the city manager	2,547,468	2,559,204	2,452,853	106,351
Financial services administration	1,247,311	1,240,874	965,518	275,356
Financial services operations	16,568,459	16,746,722	12,321,729	4,424,993
Human resources administration	4,732,852	5,321,640	4,821,624	500,016
Airport HR and risk management services	151,047	151,831	192,915	(41,084)
Innovation, performance, and audit	1,227,989	1,257,007	1,002,970	254,037
Successor project management	905,969	1,755,969	2,133,011	(377,042)
Communications and community relations	2,146,608	2,473,342	2,022,477	450,865
Other general government	-	-	8,429	(8,429)
<b>Total general government</b>	<b>33,013,472</b>	<b>35,001,141</b>	<b>29,686,747</b>	<b>5,314,394</b>
Public safety				
Police administration services	11,047,128	11,931,676	10,918,882	1,012,794
Airport operations bureau	16,300,025	16,420,735	16,542,476	(121,741)
Office of the police chief	2,556,614	2,618,440	3,537,626	(919,186)
Field operations bureau	41,443,176	41,906,497	40,509,642	1,396,855
Investigations bureau	26,699,207	30,438,549	30,012,665	425,884
Special operations bureau	15,346,829	15,444,175	15,323,364	120,811
Office of the fire chief	2,466,181	2,500,176	2,485,870	14,306
Bureau of fire prevention	3,095,936	3,335,686	3,036,822	298,864
Bureau of EMS/special operations	9,067,516	9,090,284	8,980,372	109,912
Bureau of operations	54,254,740	56,740,101	58,153,441	(1,413,340)
Bureau of support services	3,071,273	3,929,037	3,356,172	572,865
Bureau of administrative services	3,913,952	4,001,508	3,745,147	256,361
<b>Total public safety</b>	<b>189,262,577</b>	<b>198,356,864</b>	<b>196,602,479</b>	<b>1,754,385</b>



# City of Ontario

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

### General Fund (Continued)

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Community development				
Community life and culture administration	1,765,696	1,995,682	1,854,507	141,175
Recreation and community services	10,398,520	11,739,382	10,852,832	886,550
Engineering	10,044,307	13,455,081	8,630,735	4,824,346
Community development administration	1,308,728	1,465,656	1,266,010	199,646
Planning	4,583,262	6,534,758	4,315,438	2,219,320
Building	5,615,232	5,896,116	5,464,939	431,177
Economic development	13,334,018	17,234,078	16,700,062	534,016
Museum	1,968,516	2,229,310	1,947,530	281,780
Library	6,024,892	6,262,789	5,622,445	640,344
Community improvement	6,654,263	6,818,225	6,767,031	51,194
Homeless continuum care	-	133,740	87,466	46,274
Housing	-	89,475	26,298	63,177
Total community development	61,697,434	73,854,292	63,535,293	10,318,999
Public works				
Parks and street maintenance	6,775,114	8,029,554	7,120,386	909,168
Public works administration	1,143,023	1,178,163	1,133,674	44,489
Facilities and fleet maintenance	547,990	658,813	654,619	4,194
Total public works	8,466,127	9,866,530	8,908,679	957,851
Debt service:				
Principal retirement	-	-	1,958,065	(1,958,065)
Interest and fiscal charges	-	-	1,995,597	(1,995,597)
Total debt service	-	-	3,953,662	(3,953,662)
<b>Total expenditures</b>	292,439,610	317,078,827	302,686,860	14,391,967
<b>REVENUES OVER (UNDER)     EXPENDITURES</b>	6,713,423	36,175,017	54,108,410	(10,850,541)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	2,000,000	2,000,000	-
Transfers out	(9,438,410)	(57,232,079)	(80,167,806)	(22,935,727)
Other financing sources - SBITA	-	-	17,476	17,476
<b>Total other financing sources (uses)</b>	(9,438,410)	(55,232,079)	(78,150,330)	(22,918,251)
<b>Net change in fund balances</b>	<u>\$ (2,724,987)</u>	<u>\$ (19,057,062)</u>	<u>(24,041,920)</u>	<u>\$ (33,768,792)</u>
<b>FUND BALANCES:</b>				
Beginning of year			113,982,202	
End of year			<u>\$ 89,940,282</u>	

# City of Ontario

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

### Ontario Housing Authority

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 6,965,560	\$ 6,965,560
Use of money and property	32,965	32,965	873,667	840,702
Miscellaneous	27,300	27,300	16,175,916	16,148,616
<b>Total revenues</b>	<b>60,265</b>	<b>60,265</b>	<b>24,015,143</b>	<b>23,954,878</b>
<b>EXPENDITURES:</b>				
Current:				
General government	40,784	40,784	76,094	(35,310)
Community development	1,277,701	1,277,701	14,012,787	(12,735,086)
Debt service:				
Principal retirement	-	-	12,000	(12,000)
<b>Total expenditures</b>	<b>1,318,485</b>	<b>1,318,485</b>	<b>14,100,881</b>	<b>(12,782,396)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,258,220)</b>	<b>(1,258,220)</b>	<b>9,914,262</b>	<b>11,172,482</b>
<b>Net change in fund balances</b>	<b>\$ (1,258,220)</b>	<b>\$ (1,258,220)</b>	<b>9,914,262</b>	<b>\$ 11,172,482</b>
<b>FUND BALANCES:</b>				
Beginning of year			20,436,931	
End of year			\$ 30,351,193	

# City of Ontario

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

### Community Development

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 7,293,630	\$ 7,293,630
Use of money and property	-	-	(3,080)	(3,080)
Miscellaneous	-	-	135,084	135,084
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>7,425,634</b>	<b>7,425,634</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	430,934	(430,934)
City attorney	65,035	65,035	6,246,752	(6,181,717)
Public works	-	-	686,857	(686,857)
<b>Total expenditures</b>	<b>65,035</b>	<b>65,035</b>	<b>7,364,543</b>	<b>(7,299,508)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(65,035)</b>	<b>(65,035)</b>	<b>61,091</b>	<b>126,126</b>
<b>Net change in fund balances</b>	<b>\$ (65,035)</b>	<b>\$ (65,035)</b>	<b>61,091</b>	<b>\$ 126,126</b>
<b>FUND BALANCES:</b>				
Beginning of year			6,699,888	
End of year			<u>\$ 6,760,979</u>	

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# City of Ontario

## Required Supplementary Information

### For the year ended June 30, 2023

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#### Modified Approach for City Infrastructure Capital Assets

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

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

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

In February 2023, the City completed a study to update the physical condition assessment of the streets. The prior assessment study was completed in February 2022. 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 study:

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

**City of Ontario**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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**Modified Approach for City Infrastructure Capital Assets (Continued)**

The City's policy is to maintain the existing weighted average rating of "very good". This rating allows for minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. As of February 2023, the City's average street and its related subsystem's Pavement Condition Index (PCI) rating was 80.7, with the detail condition as follows:

<u>Condition</u>	<u>% of Streets</u>
Excellent to Very Good	77.9%
Good to fair	19.0%
Poor to Failed	3.1%

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

<u>Report's Date</u>	<u>PCI Index</u>
February 2023	80.7
February 2022	80.8
March 2021	81.3
February 2020	82.8
January 2019	82.7
February 2018	82.0
April 2017	78.3
May 2016	76.3
March 2015	74.7
January 2013	70.6
May 14, 2012	71.1
March 18, 2010	69.0
February 18, 2008	65.0
January 11, 2007	67.0
February 21, 2006	68.0
April 11, 2005	65.0
February 28, 2002	71.0
July 15, 1999	69.0

As of February 2023, the City had some of its streets rated below a "fair" rating. The City will require several years to rehabilitate these segments of the streets.

**City of Ontario**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

**Modified Approach for City Infrastructure Capital Assets (Continued)**

The City’s streets are constantly deteriorating resulting from the following four factors: (1) traffic using the streets, (2) the sun’s ultra-violet rays drying out and breaking down the top layer of pavement, (3) utility company/private development interests trenching operations, and (4) water damage from natural precipitation and other urban runoff. The City is continuously taking actions to arrest the deterioration through short-term maintenance activities such as pothole patching, street sweeping, and street paving. The City expended \$7.26 million on street maintenance for the fiscal year ended June 30, 2023. 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 2028 is a minimum of \$8.7 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, 2023, the City had approximately 115,040,984 square feet (551.4 centerline miles) of streets with a carrying amount of \$572,260,114 and a replacement cost of approximately \$1,289,363,100.

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, 2023, the City expended \$7.66 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 \$9.32 million per year to maintain these other infrastructure assets at their present level as shown on the schedule presented below.

Maintenance Category		Fiscal Year ending June 30th,						
		2017	2018	2019	2020	2021	2022	2023
Streets	Estimated	\$ 13,008,613	\$ 12,441,858	\$ 12,273,799	\$ 12,694,852	\$ 11,151,458	\$ 11,865,000	\$ 9,176,050
	Actuals	8,219,379	8,696,188	11,067,305	9,155,000	7,112,536	8,356,883	7,259,571
Sidewalks	Estimated	1,669,078	1,700,699	1,790,476	1,698,940	1,586,450	1,913,622	2,633,516
	Actuals	1,578,819	1,488,652	1,602,108	1,649,357	1,557,834	1,623,608	1,857,533
Storm Drain	Estimated	1,894,890	1,735,524	1,824,635	2,587,972	2,255,702	2,276,383	2,375,158
	Actuals	1,714,063	1,452,261	1,407,071	1,925,921	1,856,150	1,765,742	1,828,953
Traffic Signal/ Street Lights	Estimated	4,383,271	4,687,717	4,744,781	5,004,117	4,707,980	4,873,341	4,315,247
	Actuals	4,024,946	4,330,956	4,108,176	4,279,727	4,509,065	4,628,351	3,976,676

**City of Ontario**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

Miscellaneous Plan

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

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

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

**Notes to the Schedule:**

**Changes in Assumptions:**

In fiscal year 2016-17, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent. In fiscal year 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In fiscal years 2018-19, 2019-20, and 2020-21 there were none. In fiscal year 2021-22 the discount rate was reduced from 7.15% to 6.90%.



2018	2019	2020	2021	2022
\$ 8,293,305	\$ 8,873,061	\$ 9,303,101	\$ 9,554,732	\$ 8,971,176
24,357,078	26,179,759	27,711,756	29,123,371	31,021,937
-	-	-	-	15,815,925
833,264	7,329,159	2,223,422	1,890,251	(6,228,614)
(3,104,763)	-	-	-	16,829,276
(14,285,430)	(15,269,344)	(16,860,141)	(21,715,949)	(23,343,080)
16,093,454	27,112,635	22,378,138	18,852,405	43,066,620
345,926,002	362,019,456	389,132,091	411,510,229	430,362,634
<u>\$ 362,019,456</u>	<u>\$ 389,132,091</u>	<u>\$ 411,510,229</u>	<u>\$ 430,362,634</u>	<u>\$ 473,429,254</u>
\$ 8,845,306	\$ 9,750,907	\$ 113,590,085	\$ 5,232,930	\$ 5,595,658
4,098,899	3,976,957	4,187,458	3,680,504	3,821,215
21,684,987	18,145,412	14,846,554	91,365,820	(36,382,163)
(14,285,430)	(15,269,344)	(16,860,141)	(21,715,949)	(23,343,080)
(1,183)	-	3,753	-	-
(402,453)	(197,990)	(414,257)	(408,770)	(303,595)
(764,265)	641	-	-	-
19,175,861	16,406,583	115,353,452	78,154,535	(50,611,965)
258,268,151	277,444,012	293,850,595	409,204,047	487,358,582
<u>\$ 277,444,012</u>	<u>\$ 293,850,595</u>	<u>\$ 409,204,047</u>	<u>\$ 487,358,582</u>	<u>\$ 436,746,617</u>
<u>\$ 84,575,444</u>	<u>\$ 95,281,496</u>	<u>\$ 2,306,182</u>	<u>\$ (56,995,948)</u>	<u>\$ 36,682,637</u>
76.64%	75.51%	99.44%	113.24%	92.25%
\$ 48,007,553	\$ 51,795,345	\$ 55,145,826	\$ 57,593,322	\$ 50,655,992
176.17%	183.96%	4.18%	-98.96%	72.42%

**City of Ontario**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

Safety Police Plan

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

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

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

**Notes to the Schedule:**

**Benefit Changes:** There were no changes in benefits.

**Changes in Assumptions:**

In fiscal year 2016-17, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent. In fiscal year 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In fiscal years 2018-19, 2019-20, and 2020-21 there were none. In fiscal year 2021-22 the discount rate was reduced from 7.15% to 6.90%.

2018	2019	2020	2021	2022
\$ 8,903,620	\$ 9,490,945	\$ 10,397,206	\$ 11,110,950	\$ 10,855,558
25,115,253	27,456,414	29,448,493	31,081,768	33,448,693
3,330,790	14,622,182	8,260,014	3,286,194	344,379
-	-	-	-	11,666,947
(1,542,087)	-	-	-	19,552,043
(15,142,297)	(17,240,114)	(18,358,394)	(22,933,112)	(24,216,445)
20,665,279	34,329,427	29,747,319	22,545,800	51,651,175
352,592,919	373,258,198	407,587,625	437,334,944	459,880,744
<u>\$ 373,258,198</u>	<u>\$ 407,587,625</u>	<u>\$ 437,334,944</u>	<u>\$ 459,880,744</u>	<u>\$ 511,531,919</u>
\$ 12,590,271	\$ 13,281,118	\$ 154,440,411	\$ 7,489,804	\$ 8,472,943
3,082,481	3,171,669	3,557,026	3,727,094	3,959,475
20,500,833	17,108,327	14,435,085	96,551,012	(38,663,601)
(15,142,297)	(17,240,114)	(18,358,394)	(22,933,112)	(24,216,445)
(60)	-	(3,755)	-	-
(375,070)	(185,998)	(390,183)	(429,999)	(320,726)
(712,265)	603	-	-	-
19,943,893	16,135,605	153,680,190	84,404,799	(50,768,354)
240,695,754	260,639,647	276,775,252	430,455,442	514,860,241
<u>\$ 260,639,647</u>	<u>\$ 276,775,252</u>	<u>\$ 430,455,442</u>	<u>\$ 514,860,241</u>	<u>\$ 464,091,887</u>
<u>\$ 112,618,551</u>	<u>\$ 130,812,373</u>	<u>\$ 6,879,502</u>	<u>\$ (54,979,497)</u>	<u>\$ 47,440,032</u>
69.83%	67.91%	98.43%	111.96%	90.73%
\$ 28,650,190	\$ 30,612,990	\$ 33,746,205	\$ 36,465,213	\$ 33,055,900
393.08%	427.31%	20.39%	-150.77%	143.51%

**City of Ontario**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

Safety Fire Plan

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

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

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

**Notes to the Schedule:**

**Benefit Changes:** There were no changes in benefits.

**Changes in Assumptions:**

In fiscal year 2016-17, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent. In fiscal year 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

In fiscal years 2018-19, 2019-20, and 2020-21 there were none.

In fiscal year 2021-22 the discount rate was reduced from 7.15% to 6.90%.

2018	2019	2020	2021	2022
\$ 5,450,102	\$ 5,774,916	\$ 6,188,402	\$ 6,831,688	\$ 6,700,238
18,731,153	20,209,053	21,509,141	22,591,435	24,303,588
5,431,927	9,490,435	6,351,419	3,455,873	5,111,381
-	-	-	-	8,447,824
(1,280,641)	-	-	-	11,704,148
(12,416,436)	(13,911,900)	(14,806,228)	(17,869,994)	(18,847,882)
15,916,105	21,562,504	19,242,734	15,009,002	37,419,297
261,306,052	277,222,157	298,784,661	318,027,395	333,036,397
\$ 277,222,157	\$ 298,784,661	\$ 318,027,395	\$ 333,036,397	\$ 370,455,694
\$ 7,480,185	\$ 7,800,187	\$ 103,651,019	\$ 4,913,650	\$ 5,741,862
1,996,292	2,057,562	2,467,276	2,428,156	2,691,344
15,891,350	13,135,037	10,819,335	69,748,734	(27,807,071)
(12,416,436)	(13,911,900)	(14,806,228)	(17,869,994)	(18,847,882)
(468)	-	-	-	-
(295,680)	(144,039)	(297,147)	(312,282)	(231,435)
(561,501)	468	-	-	-
12,093,742	8,937,315	101,834,255	58,908,264	(38,453,182)
189,748,027	201,841,769	210,779,084	312,613,339	371,521,603
\$ 201,841,769	\$ 210,779,084	\$ 312,613,339	\$ 371,521,603	\$ 333,068,421
\$ 75,380,388	\$ 88,005,577	\$ 5,414,056	\$ (38,485,206)	\$ 37,387,273
72.81%	70.55%	98.30%	111.56%	89.91%
\$ 19,029,023	\$ 20,523,547	\$ 22,228,457	\$ 25,162,755	\$ 23,096,306
396.13%	428.80%	24.36%	-152.95%	161.88%

**City of Ontario**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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

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

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

**Notes to the Schedule:**

Valuation date: June 30, 2021  
Actuarial cost method: Entry Age Normal

Amortization of unfunded actuarial  
accrued liability:

Driver	Source				
	(Gain) / Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
Amortization period	30 years	30 years	20 years	20 years	5 years
Escalation rate:					
Active plans	2.875% to 2.8%	2.875% to 2.8%	2.875% to 2.8%	2.875% to 2.8%	2.875% to 2.8%
Inactive plans	0%	0%	0%	0%	0%
Ramp up	-	-	-	-	-
Ramp down	-	-	-	-	-

Asset valuation method: Market Value of Assets  
Discount rate: 6.90%  
Overall pay growth: 2.75%  
Inflation: 2.50%  
Retirement age: 2017 CalPERS Experience Study  
Mortality: 2017 CalPERS Experience Study, with ongoing improvements using 90 percent of Scale MP-2016

2018	2019	2020	2021	2022	2023
\$ 8,845,306	\$ 9,750,907	\$ 11,520,393	\$ 5,233,815	\$ 5,595,658	\$ 6,289,226
(8,845,306)	(9,750,907)	(113,590,085)	(5,233,815)	(5,595,658)	(6,289,226)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (102,069,692)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 48,007,553	\$ 51,795,345	\$ 55,145,826	\$ 51,492,952	\$ 54,124,236	\$ 59,987,469
18.42%	18.83%	205.98%	10.16%	10.34%	10.48%
\$ 12,590,271	\$ 13,281,118	\$ 15,237,147	\$ 7,489,804	\$ 8,305,580	\$ 8,910,236
(12,590,271)	(13,281,118)	(154,440,411)	(7,489,804)	(8,305,580)	(8,910,236)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (139,203,264)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,650,190	\$ 30,612,990	\$ 33,746,205	\$ 33,334,679	\$ 34,988,941	\$ 28,834,043
43.94%	43.38%	457.65%	22.47%	23.74%	30.90%
\$ 7,480,185	\$ 7,800,187	\$ 9,470,927	\$ 4,913,650	\$ 5,912,718	\$ 6,170,533
(7,480,185)	(7,800,187)	(103,651,019)	(4,913,650)	(5,912,718)	(6,170,533)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (94,180,092)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,029,023	\$ 20,523,547	\$ 22,228,457	\$ 25,162,755	\$ 26,648,320	\$ 37,182,071
39.31%	38.01%	466.30%	19.53%	22.19%	16.60%

**City of Ontario**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service cost	\$ 12,423,938	\$ 10,440,905	\$ 9,940,301	\$ 4,576,154	\$ 4,643,850	\$ 3,606,416
Interest on the total OPEB liability	8,541,783	9,882,614	10,698,499	11,065,136	11,460,588	10,129,002
Actual and expected experience difference	-	-	(31,315,151)	-	(16,740,290)	-
Changes in assumptions	(37,838,070)	(13,680,004)	(90,154,275)	(2,893,024)	1,635,626	-
Benefit payments	(4,213,032)	(5,398,279)	(6,094,869)	(6,553,703)	(7,361,127)	(8,008,479)
Net change in the total OPEB liability	(21,085,381)	1,245,236	(106,925,495)	6,194,563	(6,361,353)	5,726,939
Total OPEB liability - beginning	289,394,278	268,308,897	269,554,133	162,628,638	168,823,201	162,461,848
Total OPEB liability - ending (a)	268,308,897	269,554,133	162,628,638	168,823,201	162,461,848	168,188,787
<b>Plan Fiduciary Net Position (1)</b>						
Contribution - employer	4,213,032	5,398,279	6,108,661	146,570,084	1,485,734	6,642,354
Net investment income	-	-	-	1,670,786	38,924,113	(24,105,673)
Benefit payments	(4,213,032)	(5,398,279)	(6,094,869)	(6,553,703)	(7,361,127)	(8,008,479)
Administrative expense	-	-	(13,792)	(49,752)	(71,934)	(65,240)
Net change in plan fiduciary net position	-	-	-	141,637,415	32,976,786	(25,537,038)
Plan fiduciary net position - beginning	-	-	-	-	141,637,415	174,614,201
Plan fiduciary net position - ending (b)	-	-	-	141,637,415	174,614,201	149,077,163
Net OPEB liability/asset - ending (a) - (b)	\$ 268,308,897	\$ 269,554,133	\$ 162,628,638	\$ 27,185,786	\$ (12,152,353)	\$ 19,111,624
Covered-employee payroll	\$ 111,311,408	\$ 127,657,357	\$ 135,622,457	\$ 137,353,524	\$ 115,761,497	\$ 115,761,497
Net OPEB liability as a percentage of covered-employee payroll	241.04%	211.15%	119.91%	122.91%	140.34%	145.29%

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

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

**Notes to Schedule:**

Changes in assumptions: The discount rate was changed from 6.75 percent to 6.25 percent for the measurement period ended June 30, 2022. Eligibility for Medicare assumption was changed based on recent plan experience. Mortality improvement scale was updated to Scale MP-2021.



**City of Ontario**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

*Schedule of OPEB Contributions - Last 10 Years\**

	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 26,527,000	\$ 28,414,000	\$ 30,643,000	\$ 7,470,000	\$ 7,806,000	\$ 5,010,000
Contribution in relation to the actuarially determined contribution	(5,398,279)	(6,108,661)	(146,570,084)	(1,485,734)	(6,642,354)	(13,100,303)
Contribution deficiency (excess)	21,128,721	22,305,339	(115,927,084)	5,984,266	1,163,646	(8,090,303)
Covered-employee payroll	\$ 127,657,357	\$ 135,622,457	\$ 142,599,181	\$ 137,353,524	\$ 115,761,497	\$ 126,302,993
Contributions as a percentage of covered-employee payroll	-4.23%	-4.50%	-102.78%	-1.08%	-5.74%	-10.37%

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

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

**Notes to Schedule:**

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

**Methods and assumptions used to determine contributions:**

Actuarial cost method	Entry Age Normal
Amortization valuation method/period	Level percent of payroll; 11- year fixed period
Inflation	2.50% per annum
Discount rate	6.25%
Medical trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2021

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# SUPPLEMENTARY INFORMATION

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**City of Ontario**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2023**

**Special Revenue Funds:**

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

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

*Park Impact / Quimby Fund* is used to account for revenues from developer-paid impact fees for the financial transactions associated with the acquisition and development of new parks and the initial purchase and/or installation of equipment in new and existing parks.

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

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

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

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

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

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

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

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

*Broadband/Fiber Fund* is used to account for the operation and maintenance of the City's broadband services and systems, as well as fund the construction of broadband infrastructure projects.

*Affordability in Lieu Fund* is used to account for non developer impact fees charged to the builders who elected to opt out of the construction of affordable housing.

**City of Ontario**  
**Nonmajor Governmental Funds, Continued**  
**Year Ended June 30, 2023**

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

*NMC CFD Fund* is used to account for financial transactions relating to the establishment and funding of services for Community Facilities Districts in the Ontario Ranch (formerly New Model Colony) development areas.

*OMC CFD Fund* is used to account for financial transactions relating to the establishment and funding of services for Community Facilities Districts in the Old Model Colony development areas.

*Opioid Settlement Fund* is used to account for financial transactions related to the National Opioid Settlement monies.

*Economic Development Activities Fund* is used to account for financial transactions related to economic development activities.

*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.

**City of Ontario**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

	Special Revenue Funds			
	Special Gas Tax	Quiet Home Program	Park Impact / Quimby	Asset Seizure
<b>ASSETS</b>				
Cash and investments	\$ 9,427,247	\$ 1,026,625	\$ 49,622,567	\$ 7,242,798
Receivables:				
Accounts	1,215,205	-	-	950
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	60,028	3,287	321,084	36,312
Prepaid costs	-	-	-	3,814
Deposits	-	-	-	-
Inventories	-	-	-	-
Land held for resale	-	57,832,232	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total assets</b>	<b>10,702,480</b>	<b>58,862,144</b>	<b>49,943,651</b>	<b>7,283,874</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	1,797,429	-	233,669	24,504
Accrued liabilities	108,793	-	-	77,649
Unearned revenues	-	863,420	-	558,519
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>1,906,222</b>	<b>863,420</b>	<b>233,669</b>	<b>660,672</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	3,814
Restricted for:				
Community development projects	8,796,258	57,998,724	-	-
Public safety	-	-	-	6,619,388
Park development	-	-	49,709,982	-
Affordable housing	-	-	-	-
AQMD activities	-	-	-	-
Fiber/broadband	-	-	-	-
Public services	-	-	-	-
Transportation	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>8,796,258</b>	<b>57,998,724</b>	<b>49,709,982</b>	<b>6,623,202</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,702,480</b>	<b>\$ 58,862,144</b>	<b>\$ 49,943,651</b>	<b>\$ 7,283,874</b>



Special Revenue Funds						
Air Quality Improvement	Special Assessment / Fee Districts	Grants	Cable Access	Storm Drain Maintenance	Historic Preservation	
\$ 1,010,123	\$ 6,282,636	\$ 1,521,192	\$ 2,307,136	\$ 885,271	\$ 2,176,396	
59,871	6,633	4,394,861	53,525	217,634	12,000	
-	-	-	-	-	-	
-	-	15,385,162	-	-	-	
8,490	29,200	4,504	15,379	5,402	11,430	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,078,484	6,318,469	21,305,719	2,376,040	1,108,307	2,199,826	
54,433	100,570	171,570	-	231,942	-	
290	33,737	45,808	-	47,101	-	
-	-	5,245,382	-	-	-	
-	67,818	-	-	-	-	
-	-	-	-	-	-	
54,723	202,125	5,462,760	-	279,043	-	
-	-	962,106	-	-	-	
-	-	962,106	-	-	-	
-	-	-	-	-	-	
-	6,116,344	14,880,853	-	829,264	2,199,826	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,023,761	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	2,376,040	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,023,761	6,116,344	14,880,853	2,376,040	829,264	2,199,826	
\$ 1,078,484	\$ 6,318,469	\$ 21,305,719	\$ 2,376,040	\$ 1,108,307	\$ 2,199,826	

**City of Ontario**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

	Special Revenue Funds			
	NMC Public Services	Broadband /Fiber	Affordability in Lieu	Fire Mutual Aid
<b>ASSETS</b>				
Cash and investments	\$ 6,771,767	\$ 9,968,214	\$ 19,122,030	\$ 607,713
Receivables:				
Accounts	-	207,431	-	528,915
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	39,151	25,388	200,802	5,909
Prepaid costs	-	44,213	-	1,415
Deposits	-	-	-	-
Inventories	-	3,674,792	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total assets</b>	<b>6,810,918</b>	<b>13,920,038</b>	<b>19,322,832</b>	<b>1,143,952</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	-	784,066	-	-
Accrued liabilities	-	602,719	-	66
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1,386,785</b>	<b>-</b>	<b>66</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	44,213	-	1,415
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Park development	-	-	-	-
Affordable housing	-	-	19,322,832	-
AQMD activities	-	-	-	-
Fiber/broadband	-	12,489,040	-	-
Public services	6,810,918	-	-	1,142,471
Transportation	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>6,810,918</b>	<b>12,533,253</b>	<b>19,322,832</b>	<b>1,143,886</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,810,918</b>	<b>\$ 13,920,038</b>	<b>\$ 19,322,832</b>	<b>\$ 1,143,952</b>

Special Revenue Funds						Total Nonmajor Governmental Funds
NMC CFD	OMC CFD	Opioid Settlement	Economic Development Activities	Measure I		
\$ 204,471	\$ 188,901	\$ 303,199	\$ -	\$ 20,475,066	\$ 139,143,352	
-	-	-	28,549	1,237,113	7,962,687	
34,556	552	-	-	-	35,108	
-	-	-	-	-	15,385,162	
430	604	971	-	90,270	858,641	
-	-	-	-	-	49,442	
-	-	-	2,589,599	190,764	2,780,363	
-	-	-	-	-	3,674,792	
-	-	-	82,317,817	-	140,150,049	
22,245	-	-	-	-	22,245	
261,702	190,057	304,170	84,935,965	21,993,213	310,061,841	
-	-	10,042	-	163,820	3,572,045	
-	-	-	-	-	916,163	
-	-	-	-	-	6,667,321	
(75,000)	-	298,515	10,000	-	301,333	
-	-	-	2,318,726	-	2,318,726	
(75,000)	-	308,557	2,328,726	163,820	13,775,588	
-	-	-	-	-	962,106	
-	-	-	-	-	962,106	
-	-	-	-	-	49,442	
-	-	-	-	-	90,821,269	
-	-	-	-	-	6,619,388	
-	-	-	-	-	49,709,982	
-	-	-	-	-	19,322,832	
-	-	-	-	-	1,023,761	
-	-	-	-	-	12,489,040	
336,702	190,057	-	82,607,239	-	93,463,427	
-	-	-	-	21,829,393	21,829,393	
-	-	(4,387)	-	-	(4,387)	
336,702	190,057	(4,387)	82,607,239	21,829,393	295,324,147	
\$ 261,702	\$ 190,057	\$ 304,170	\$ 84,935,965	\$ 21,993,213	\$ 310,061,841	

# City of Ontario

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended June 30, 2023

	Special Revenue Funds			
	Special Gas Tax	Quiet Home Program	Park Impact / Quimby	Asset Seizure
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessment taxes	-	-	-	-
Intergovernmental	8,643,792	-	-	3,876,970
Charges for services	-	-	18,336,118	-
Use of money and property	127,316	(7,868)	638,028	9,579
Miscellaneous	2,915	-	-	-
<b>Total revenues</b>	<b>8,774,023</b>	<b>(7,868)</b>	<b>18,974,146</b>	<b>3,886,549</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	112,021
Community development	4,896,781	-	758,668	-
Public works	2,989,457	-	5,183,858	-
Debt service:				
Principal retirement	-	-	4,754,833	-
Interest and fiscal charges	-	-	245,167	-
<b>Total expenditures</b>	<b>7,886,238</b>	<b>-</b>	<b>10,942,526</b>	<b>112,021</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>887,785</b>	<b>(7,868)</b>	<b>8,031,620</b>	<b>3,774,528</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	9,059	-	-	-
Transfers out	(167,306)	-	-	-
Other financing sources - SBITA	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(158,247)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>729,538</b>	<b>(7,868)</b>	<b>8,031,620</b>	<b>3,774,528</b>
<b>FUND BALANCES:</b>				
Beginning of year	8,066,720	58,006,592	41,678,362	\$ 2,848,674
Restatement	-	-	-	-
Beginning of year, as restated	8,066,720	58,006,592	41,678,362	2,848,674
End of year	\$ 8,796,258	\$ 57,998,724	\$ 49,709,982	\$ 6,623,202

Special Revenue Funds

Air Quality Improvement	Special Assessment / Fee Districts	Grants	Cable Access	Storm Drain Maintenance	Historic Preservation
\$ -	\$ -	\$ -	\$ 236,324	\$ -	\$ -
-	1,043,990	-	-	-	-
236,971	90,987	3,897,954	-	-	-
-	1,921,074	-	-	1,685,030	1,049,158
28,373	4,554	3,050	35,060	7,292	4,299
-	36,763	2,111	-	-	-
265,344	3,097,368	3,903,115	271,384	1,692,322	1,053,457
12,085	1,391,092	-	-	-	-
-	-	1,284,509	-	-	-
-	565,035	2,545,170	-	876,027	-
492,575	907,820	152,911	-	530,629	-
-	-	-	-	-	-
-	-	-	-	-	-
504,660	2,863,947	3,982,590	-	1,406,656	-
(239,316)	233,421	(79,475)	271,384	285,666	1,053,457
-	378,462	-	-	73,638	-
(403)	(121,109)	-	-	(58,960)	-
-	-	-	-	-	-
(403)	257,353	-	-	14,678	-
(239,719)	490,774	(79,475)	271,384	300,344	1,053,457
\$ 1,263,480	\$ 5,625,570	\$ 14,960,328	\$ 2,104,656	\$ 528,920	\$ 1,146,369
-	-	-	-	-	-
1,263,480	5,625,570	14,960,328	2,104,656	528,920	1,146,369
\$ 1,023,761	\$ 6,116,344	\$ 14,880,853	\$ 2,376,040	\$ 829,264	\$ 2,199,826

# City of Ontario

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended June 30, 2023

	Special Revenue Funds			
	NMC Public Services	Broadband /Fiber	Affordability in Lieu	Fire Mutual Aid
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessment taxes	-	-	-	-
Intergovernmental	-	-	-	2,013,582
Charges for services	3,938,119	1,249,370	6,760,461	-
Use of money and property	39,133	(61,131)	810,471	20,498
Miscellaneous	-	179,925	-	-
<b>Total revenues</b>	<b>3,977,252</b>	<b>1,368,164</b>	<b>7,570,932</b>	<b>2,034,080</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	6,531,735	-	-
Public safety	-	-	-	1,909,268
Community development	-	-	16,007,984	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	18,300	-	-
Interest and fiscal charges	-	576,625	-	-
<b>Total expenditures</b>	<b>-</b>	<b>7,126,660</b>	<b>16,007,984</b>	<b>1,909,268</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,977,252</b>	<b>(5,758,496)</b>	<b>(8,437,052)</b>	<b>124,812</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	(2,000,000)	(80,629)	-	-
Other financing sources - SBITA	-	74,530	-	-
<b>Total other financing sources (uses)</b>	<b>(2,000,000)</b>	<b>(6,099)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,977,252</b>	<b>(5,764,595)</b>	<b>(8,437,052)</b>	<b>124,812</b>
<b>FUND BALANCES:</b>				
Beginning of year	\$ 4,833,666	\$ 17,321,687	\$ 27,759,884	\$ 1,019,074
Restatement	-	976,161	-	-
Beginning of year, as restated	4,833,666	18,297,848	27,759,884	1,019,074
End of year	\$ 6,810,918	\$ 12,533,253	\$ 19,322,832	\$ 1,143,886

Special Revenue Funds						Total Nonmajor Governmental Funds
NMC CFD	OMC CFD	Opioid Settlement	Economic Development Activities	Measure I		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,324
11,782,242	112,031	-	-	-	-	12,938,263
-	-	-	-	7,168,104	-	25,928,360
-	-	-	-	-	-	34,939,330
(12,772)	(2,308)	(4,387)	54,479	(22,469)	-	1,671,197
(106,280)	-	36,382	796,102	-	-	947,918
11,663,190	109,723	31,995	850,581	7,145,635	-	76,661,392
11,766,186	18,398	-	-	-	-	19,719,496
-	-	27,005	-	-	-	3,332,803
-	-	9,377	261,905	3,871,054	-	29,792,001
-	-	-	-	-	-	10,257,250
-	-	-	-	-	-	4,773,133
-	-	-	-	-	-	821,792
11,766,186	18,398	36,382	261,905	3,871,054	-	68,696,475
(102,996)	91,325	(4,387)	588,676	3,274,581	-	7,964,917
-	-	-	88,039,050	-	-	88,500,209
-	-	-	(6,020,487)	-	-	(8,448,894)
-	-	-	-	-	-	74,530
-	-	-	82,018,563	-	-	80,125,845
(102,996)	91,325	(4,387)	82,607,239	3,274,581	-	88,090,762
\$ 439,698	\$ 98,732	\$ -	\$ -	\$ 18,554,812	\$ -	\$ 206,257,224
-	-	-	-	-	-	976,161.00
439,698	98,732	-	-	18,554,812	-	207,233,385
\$ 336,702	\$ 190,057	\$ (4,387)	\$ 82,607,239	\$ 21,829,393	\$ -	\$ 295,324,147

# City of Ontario

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

### Special Gas Tax

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 9,442,427	\$ 9,442,427	\$ 8,643,792	\$ (798,635)
Use of money and property	39,121	39,121	127,316	88,195
Miscellaneous	-	-	2,915	2,915
<b>Total revenues</b>	<b>9,481,548</b>	<b>9,481,548</b>	<b>8,774,023</b>	<b>(707,525)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	1,682,373	1,682,373	4,896,781	(3,214,408)
Public works	3,687,778	3,687,778	2,989,457	698,321
<b>Total expenditures</b>	<b>5,370,151</b>	<b>5,370,151</b>	<b>7,886,238</b>	<b>(2,516,087)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,111,397</b>	<b>4,111,397</b>	<b>887,785</b>	<b>(3,223,612)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	9,059	9,059
Transfers out	(167,306)	(167,306)	(167,306)	-
<b>Total other financing sources (uses)</b>	<b>(167,306)</b>	<b>(167,306)</b>	<b>(158,247)</b>	<b>9,059</b>
<b>Net change in fund balances</b>	<b>\$ 3,944,091</b>	<b>\$ 3,944,091</b>	<b>729,538</b>	<b>\$ (3,214,553)</b>
<b>FUND BALANCES:</b>				
Beginning of year			8,066,720	
End of year			\$ 8,796,258	



**City of Ontario**

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

**Quiet Home Program**

**For the year ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ (7,868)	\$ (7,868)
<b>Total revenues</b>	-	-	(7,868)	(7,868)
<b>Net change in fund balances</b>	\$ -	\$ -	(7,868)	\$ (7,868)
<b>FUND BALANCES:</b>				
Beginning of year			58,006,592	
End of year			\$ 57,998,724	

# City of Ontario

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

### Park Impact/Quimby

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 16,787,000	\$ 16,787,000	\$ 18,336,118	\$ 1,549,118
Use of money and property	201,669	201,669	638,028	436,359
<b>Total revenues</b>	<b>16,988,669</b>	<b>16,988,669</b>	<b>18,974,146</b>	<b>1,985,477</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	812,602	812,602	758,668	53,934
Public works	-	-	5,183,858	(5,183,858)
Debt service:				
Principal retirement	-	-	4,754,833	(4,754,833)
Interest and fiscal charges	-	-	245,167	(245,167)
<b>Total expenditures</b>	<b>812,602</b>	<b>812,602</b>	<b>10,942,526</b>	<b>10,129,924</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>16,176,067</b>	<b>16,176,067</b>	<b>8,031,620</b>	<b>(8,144,447)</b>
<b>Net change in fund balances</b>	<b>\$ 16,176,067</b>	<b>\$ 16,176,067</b>	<b>8,031,620</b>	<b>\$ (8,144,447)</b>
<b>FUND BALANCES:</b>				
Beginning of year			41,678,362	
End of year			\$ 49,709,982	

# City of Ontario

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

### Asset Seizure

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 3,876,970	\$ 3,876,970
Use of money and property	16,066	16,066	9,579	(6,487)
<b>Total revenues</b>	<b>16,066</b>	<b>16,066</b>	<b>3,886,549</b>	<b>3,870,483</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	1,688,704	1,688,704	112,021	1,576,683
<b>Total expenditures</b>	<b>1,688,704</b>	<b>1,688,704</b>	<b>112,021</b>	<b>1,576,683</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,672,638)</b>	<b>(1,672,638)</b>	<b>3,774,528</b>	<b>5,447,166</b>
<b>Net change in fund balances</b>	<b>\$ (1,672,638)</b>	<b>\$ (1,672,638)</b>	<b>3,774,528</b>	<b>\$ 5,447,166</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,848,674	
End of year			\$ 6,623,202	

# City of Ontario

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

### Air Quality Improvement Fund

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 215,000	\$ 215,000	\$ 236,971	\$ 21,971
Use of money and property	8,791	8,791	28,373	19,582
<b>Total revenues</b>	<b>223,791</b>	<b>223,791</b>	<b>265,344</b>	<b>41,553</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	25,650	25,650	-	25,650
Public works	-	-	492,575	(492,575)
<b>Total expenditures</b>	<b>38,462</b>	<b>38,462</b>	<b>504,660</b>	<b>(466,198)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>185,329</b>	<b>185,329</b>	<b>(239,316)</b>	<b>(424,645)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(403)	(403)	(403)	-
<b>Total other financing sources (uses)</b>	<b>(403)</b>	<b>(403)</b>	<b>(403)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 184,926</b>	<b>\$ 184,926</b>	<b>(239,719)</b>	<b>\$ (424,645)</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,263,480	
End of year			<u>\$ 1,023,761</u>	

# City of Ontario

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

### Special Assessment / Fee Districts

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Special assessment taxes	\$ 1,045,000	\$ 1,045,000	\$ 1,043,990	\$ (1,010)
Intergovernmental	-	-	90,987	90,987
Charges for services	95,500	95,500	1,921,074	1,825,574
Use of money and property	33,601	33,601	4,554	(29,047)
Miscellaneous	974,000	974,000	36,763	(937,237)
<b>Total revenues</b>	<b>2,148,101</b>	<b>2,148,101</b>	<b>3,097,368</b>	<b>949,267</b>
<b>EXPENDITURES:</b>				
Current:				
General government	1,542,100	1,542,100	1,391,092	151,008
Community development	579,195	579,195	565,035	14,160
Public works	1,740,889	1,740,889	907,820	833,069
<b>Total expenditures</b>	<b>3,862,184</b>	<b>3,862,184</b>	<b>2,863,947</b>	<b>998,237</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,714,083)</b>	<b>(1,714,083)</b>	<b>233,421</b>	<b>1,947,504</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	382,000	382,000	378,462	(3,538)
Transfers out	(47,471)	(47,471)	(121,109)	(73,638)
<b>Total other financing sources (uses)</b>	<b>334,529</b>	<b>334,529</b>	<b>257,353</b>	<b>(77,176)</b>
<b>Net change in fund balances</b>	<b>\$ (1,379,554)</b>	<b>\$ (1,379,554)</b>	<b>490,774</b>	<b>\$ 1,870,328</b>
<b>FUND BALANCES:</b>				
Beginning of year			5,625,570	
End of year			<u>\$ 6,116,344</u>	

# City of Ontario

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

### Grants

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 3,897,954	\$ 3,897,954
Use of money and property	-	-	3,050	3,050
Miscellaneous	-	-	2,111	2,111
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>3,903,115</b>	<b>3,903,115</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	1,284,509	(1,284,509)
Community development	-	-	2,545,170	(2,545,170)
Public works	-	-	152,911	(152,911)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>3,982,590</b>	<b>(3,982,590)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(79,475)</b>	<b>(79,475)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(79,475)</b>	<b>\$ (79,475)</b>
<b>FUND BALANCES:</b>				
Beginning of year			14,960,328	
End of year			\$ 14,880,853	

# City of Ontario

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

### Cable Access

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 236,324	\$ 236,324
Use of money and property	9,542	9,542	35,060	25,518
<b>Total revenues</b>	<b>9,542</b>	<b>9,542</b>	<b>271,384</b>	<b>261,842</b>
<b>EXPENDITURES:</b>				
Current:				
General government	52,000	52,000	-	52,000
<b>Total expenditures</b>	<b>52,000</b>	<b>52,000</b>	<b>-</b>	<b>52,000</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(42,458)</b>	<b>(42,458)</b>	<b>271,384</b>	<b>313,842</b>
<b>Net change in fund balances</b>	<b>\$ (42,458)</b>	<b>\$ (42,458)</b>	<b>271,384</b>	<b>\$ 313,842</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,104,656	
End of year			\$ 2,376,040	

# City of Ontario

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

### Storm Drain Maintenance

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,380,000	\$ 1,380,000	\$ 1,685,030	\$ 305,030
Use of money and property	3,256	3,256	7,292	4,036
<b>Total revenues</b>	<b>1,383,256</b>	<b>1,383,256</b>	<b>1,692,322</b>	<b>309,066</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	1,078,418	1,078,418	876,027	202,391
Public works	625,427	625,427	530,629	94,798
<b>Total expenditures</b>	<b>1,703,845</b>	<b>1,703,845</b>	<b>1,406,656</b>	<b>297,189</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(320,589)</b>	<b>(320,589)</b>	<b>285,666</b>	<b>606,255</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	73,638	73,638
Transfers out	(58,960)	(58,960)	(58,960)	-
<b>Total other financing sources (uses)</b>	<b>(58,960)</b>	<b>(58,960)</b>	<b>14,678</b>	<b>73,638</b>
<b>Net change in fund balances</b>	<b>\$ (379,549)</b>	<b>\$ (379,549)</b>	<b>300,344</b>	<b>\$ 679,893</b>
<b>FUND BALANCES:</b>				
Beginning of year			528,920	
End of year			\$ 829,264	



# City of Ontario

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

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 1,049,158	\$ 1,049,158
Use of money and property	5,688	5,688	4,299	(1,389)
<b>Total revenues</b>	<b>5,688</b>	<b>5,688</b>	<b>1,053,457</b>	<b>1,047,769</b>
<b>Net change in fund balances</b>	<b>\$ 5,688</b>	<b>\$ 5,688</b>	<b>1,053,457</b>	<b>\$ 1,047,769</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,146,369	
End of year			\$ 2,199,826	

# City of Ontario

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

### NMC Public Services

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 2,915,000	\$ 2,915,000	\$ 3,938,119	\$ 1,023,119
Use of money and property	39,935	39,935	39,133	(802)
<b>Total revenues</b>	<b>2,954,935</b>	<b>2,954,935</b>	<b>3,977,252</b>	<b>1,022,317</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	-
<b>Total other financing sources (uses)</b>	<b>(2,000,000)</b>	<b>(2,000,000)</b>	<b>(2,000,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 954,935</b>	<b>\$ 954,935</b>	<b>1,977,252</b>	<b>\$ 1,022,317</b>
<b>FUND BALANCES:</b>				
Beginning of year			4,833,666	
End of year			\$ 6,810,918	

# City of Ontario

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

### Broadband/Fiber

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,740,000	\$ 1,740,000	\$ 1,249,370	\$ (490,630)
Use of money and property	-	-	(61,131)	(61,131)
Miscellaneous	-	-	179,925	179,925
<b>Total revenues</b>	<u>1,740,000</u>	<u>1,740,000</u>	<u>1,368,164</u>	<u>(371,836)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	3,338,665	3,338,665	6,531,735	(3,193,070)
Debt service:				
Principal retirement	-	-	18,300	(18,300)
Interest and fiscal charges	250,164	250,164	576,625	(326,461)
<b>Total expenditures</b>	<u>3,588,829</u>	<u>3,588,829</u>	<u>7,126,660</u>	<u>(3,537,831)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,848,829)</u>	<u>(1,848,829)</u>	<u>(5,758,496)</u>	<u>(3,909,667)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(80,629)	(80,629)	(80,629)	-
Other financing sources - SBITA	-	-	74,530	74,530
<b>Total other financing sources (uses)</b>	<u>(80,629)</u>	<u>(80,629)</u>	<u>(6,099)</u>	<u>74,530</u>
<b>Net change in fund balances</b>	<u>\$ (1,929,458)</u>	<u>\$ (1,929,458)</u>	<u>(5,764,595)</u>	<u>\$ (3,835,137)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>18,297,848</u>	
End of year			<u>\$ 12,533,253</u>	

# City of Ontario

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

### Affordability in Lieu

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 5,781,000	\$ 5,781,000	\$ 6,760,461	\$ 979,461
Use of money and property	126,363	126,363	810,471	684,108
<b>Total revenues</b>	<b>5,907,363</b>	<b>5,907,363</b>	<b>7,570,932</b>	<b>1,663,569</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	16,007,984	(16,007,984)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>16,007,984</b>	<b>(16,007,984)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,907,363</b>	<b>5,907,363</b>	<b>(8,437,052)</b>	<b>(14,344,415)</b>
<b>Net change in fund balances</b>	<b>\$ 5,907,363</b>	<b>\$ 5,907,363</b>	<b>(8,437,052)</b>	<b>\$ (14,344,415)</b>
<b>FUND BALANCES:</b>				
Beginning of year			27,759,884	
End of year			\$ 19,322,832	

# City of Ontario

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

### Fire Mutual Aid

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 710,000	\$ 710,000	\$ 2,013,582	\$ 1,303,582
Charges for services	710,000	710,000	-	(710,000)
Use of money and property	6,314	6,314	20,498	14,184
<b>Total revenues</b>	<b>1,426,314</b>	<b>1,426,314</b>	<b>2,034,080</b>	<b>607,766</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	2,047,520	2,047,520	1,909,268	138,252
<b>Total expenditures</b>	<b>2,047,520</b>	<b>2,047,520</b>	<b>1,909,268</b>	<b>138,252</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(621,206)</b>	<b>(621,206)</b>	<b>124,812</b>	<b>746,018</b>
<b>Net change in fund balances</b>	<b>\$ (621,206)</b>	<b>\$ (621,206)</b>	<b>124,812</b>	<b>\$ 746,018</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,019,074	
End of year			\$ 1,143,886	

# City of Ontario

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

NMC CFD

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Special assessment taxes	\$ 11,784,438	\$ 11,784,438	\$ 11,782,242	\$ (2,196)
Use of money and property	28,114	28,114	(12,772)	(40,886)
Miscellaneous	-	-	(106,280)	(106,280)
<b>Total revenues</b>	<b>11,812,552</b>	<b>11,812,552</b>	<b>11,663,190</b>	<b>(149,362)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	11,792,615	11,792,615	11,766,186	26,429
<b>Total expenditures</b>	<b>11,792,615</b>	<b>11,792,615</b>	<b>11,766,186</b>	<b>26,429</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>19,937</b>	<b>19,937</b>	<b>(102,996)</b>	<b>(122,933)</b>
<b>Net change in fund balances</b>	<b>\$ 19,937</b>	<b>\$ 19,937</b>	<b>(102,996)</b>	<b>\$ (122,933)</b>
<b>FUND BALANCES:</b>				
Beginning of year			439,698	
End of year			\$ 336,702	

# City of Ontario

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

OMC CFD

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Special assessment taxes	\$ 112,129	\$ 112,129	\$ 112,031	\$ (98)
Use of money and property	343	343	(2,308)	(2,651)
<b>Total revenues</b>	<b>112,472</b>	<b>112,472</b>	<b>109,723</b>	<b>(2,749)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	82,930	82,930	18,398	64,532
<b>Total expenditures</b>	<b>82,930</b>	<b>82,930</b>	<b>18,398</b>	<b>64,532</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>29,542</b>	<b>29,542</b>	<b>91,325</b>	<b>61,783</b>
<b>Net change in fund balances</b>	<b>\$ 29,542</b>	<b>\$ 29,542</b>	<b>91,325</b>	<b>\$ 61,783</b>
<b>FUND BALANCES:</b>				
Beginning of year			98,732	
End of year			\$ 190,057	

# City of Ontario

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

### Opioid Settlement

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ (4,387)	\$ (4,387)
Miscellaneous	89,525	89,525	36,382	(53,143)
<b>Total revenues</b>	<b>89,525</b>	<b>89,525</b>	<b>31,995</b>	<b>(57,530)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	80,000	80,000	27,005	52,995
Community development	9,525	9,525	9,377	148
<b>Total expenditures</b>	<b>89,525</b>	<b>89,525</b>	<b>36,382</b>	<b>53,143</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(4,387)</b>	<b>(4,387)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(4,387)</b>	<b>\$ (4,387)</b>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ (4,387)	



# City of Ontario

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

### Economic Development Activities

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 54,479	\$ 54,479
Miscellaneous	-	-	796,102	796,102
<b>Total revenues</b>	-	-	850,581	850,581
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	261,905	(261,905)
<b>Total expenditures</b>	-	-	261,905	(261,905)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	588,676	588,676
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	23,000,000	23,000,000	88,039,050	65,039,050
Transfers out	-	-	(6,020,487)	(6,020,487)
<b>Total other financing sources (uses)</b>	23,000,000	23,000,000	82,018,563	59,018,563
<b>Net change in fund balances</b>	<u>\$ 23,000,000</u>	<u>\$ 23,000,000</u>	82,607,239	<u>\$ 59,607,239</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ 82,607,239</u>	

# City of Ontario

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

### Measure I

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,724,908	\$ 3,724,908	\$ 7,168,104	\$ 3,443,196
Use of money and property	84,406	84,406	(22,469)	(106,875)
<b>Total revenues</b>	<b>3,809,314</b>	<b>3,809,314</b>	<b>7,145,635</b>	<b>3,336,321</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	660,000	660,000	3,871,054	(3,211,054)
<b>Total expenditures</b>	<b>660,000</b>	<b>660,000</b>	<b>3,871,054</b>	<b>(3,211,054)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,149,314</b>	<b>3,149,314</b>	<b>3,274,581</b>	<b>125,267</b>
<b>Net change in fund balances</b>	<b>\$ 3,149,314</b>	<b>\$ 3,149,314</b>	<b>3,274,581</b>	<b>\$ 125,267</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated			18,554,812	
End of year			\$ 21,829,393	

# City of Ontario

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

### Capital Projects

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 44,711	\$ 44,711	\$ 1,518,296	\$ 1,473,585
Miscellaneous	-	-	497	497
<b>Total revenues</b>	<b>44,711</b>	<b>44,711</b>	<b>1,518,793</b>	<b>1,474,082</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	840	(840)
Public safety	-	-	518,356	(518,356)
Community development	-	-	153,362,228	(153,362,228)
Public works	-	-	6,800,064	(6,800,064)
Debt service:				
Principal retirement	-	-	2,083,899	(2,083,899)
Interest and fiscal charges	555,000	555,000	1,950,518	(1,395,518)
<b>Total expenditures</b>	<b>555,000</b>	<b>555,000</b>	<b>164,715,905</b>	<b>(164,160,905)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(510,289)</b>	<b>(510,289)</b>	<b>(163,197,112)</b>	<b>(162,686,823)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	14,140,000	14,140,000	14,140,000	-
Notes and loans issued	100,000,000	100,000,000	200,269,446	100,269,446
<b>Total other financing sources (uses)</b>	<b>114,140,000</b>	<b>114,140,000</b>	<b>214,409,446</b>	<b>100,269,446</b>
<b>Net change in fund balances</b>	<b>\$ 113,629,711</b>	<b>\$ 113,629,711</b>	<b>51,212,334</b>	<b>\$ (62,417,377)</b>
<b>FUND BALANCES:</b>				
Beginning of year			123,089,757	
End of year			<u>\$ 174,302,091</u>	

# City of Ontario

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

### Impact Fees

For the year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 12,588,248	\$ 12,588,248
Charges for services	68,285,500	68,285,500	55,101,513	(13,183,987)
Use of money and property	902,541	902,541	2,464,616	1,562,075
Miscellaneous	-	-	9,111	9,111
<b>Total revenues</b>	<b>69,188,041</b>	<b>69,188,041</b>	<b>70,163,488</b>	<b>975,447</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	6,353,144	(6,353,144)
Public safety	2,643,024	2,643,024	1,072,631	1,570,393
Community development	15,917,290	15,917,290	22,303,183	(6,385,893)
Public works	1,276,224	1,276,224	313,899	962,325
<b>Total expenditures</b>	<b>19,836,538</b>	<b>19,836,538</b>	<b>30,042,857</b>	<b>(10,206,319)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>49,351,503</b>	<b>49,351,503</b>	<b>40,120,631</b>	<b>(9,230,872)</b>
<b>Net change in fund balances</b>	<b>\$ 49,351,503</b>	<b>\$ 49,351,503</b>	<b>40,120,631</b>	<b>\$ (9,230,872)</b>
<b>FUND BALANCES:</b>				
Beginning of year			167,830,650	
End of year			\$ 207,951,281	

**City of Ontario**  
**Internal Service Funds**  
**Year Ended June 30, 2023**

*Equipment Services Fund* is used to account for the financial transactions for the repair, replacement, and maintenance of all city-owned equipment. Excluded from this fund are police helicopters and city-wide computers.

*Self Insurance Fund* is used to account for costs of operating self insurance programs for general liability, workers' compensation, disability and unemployment.

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

*Facilities and Park Maintenance Fund* is used to account for the maintenance and improvement of all city facilities including parks and city buildings.

*Other Post Employment Benefits Fund* is used to account for liability for all post employment benefits other than pensions.

*Pension Benefit Fund* is used to account for resources and liability and annual CalPERS contribution for employee retirement benefit.

*Leave Liability Fund* is used to account for the resources allocated and the liability for employees compensated leave liabilities.

**City of Ontario**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2023**

	Equipment Services	Self Insurance	Information Technology
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 34,224,450	\$ 36,752,348	\$ 7,241,737
Receivables:			
Accounts	559,574	91,987	245,777
Accrued interest	276,765	135,825	(88,437)
Prepaid costs	2,178	-	864,012
Deposits	-	528,026	-
Inventories	1,251,265	-	-
Restricted:			
Cash with fiscal agent	-	-	-
Total current assets	<u>36,314,232</u>	<u>37,508,186</u>	<u>8,263,089</u>
Noncurrent:			
Advances to other funds	10,583,797	8,883,312	-
Capital assets:			
Nondepreciable	846,675	-	8,631,203
Depreciable	83,990,191	-	21,496,073
Less accumulated depreciation	<u>(55,804,887)</u>	<u>-</u>	<u>(11,499,902)</u>
Net capital assets	<u>29,031,979</u>	<u>-</u>	<u>18,627,374</u>
Total noncurrent assets	<u>39,615,776</u>	<u>8,883,312</u>	<u>18,627,374</u>
<b>Total assets</b>	<u>75,930,008</u>	<u>46,391,498</u>	<u>26,890,463</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension related items	1,354,431	373,920	2,347,389
Deferred OPEB related items	<u>852,856</u>	<u>235,452</u>	<u>1,478,110</u>
<b>Total deferred outflows of resources</b>	<u>2,207,287</u>	<u>609,372</u>	<u>3,825,499</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	978,538	8,729,655	572,890
Accrued liabilities	223,729	135,374	385,239
Accrued interest	-	-	-
Deposits payable	-	1,002,452	-
SBITA liabilities - current	-	-	2,068,872
Compensated absences - current	-	-	-
Claims and judgements - current	-	9,273,278	-
Long-term debt - current portion	-	-	-
Total current liabilities	<u>1,202,267</u>	<u>19,140,759</u>	<u>3,027,001</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
SBITA liabilities	-	-	2,481,406
Compensated absences	244,997	31,526	738,882
Claims and judgements	-	27,519,722	-
Net pension liability	1,195,854	330,144	2,072,569
OPEB liability	623,038	172,006	1,079,808
Long-term debt	-	-	-
Total noncurrent liabilities	<u>2,063,889</u>	<u>28,053,398</u>	<u>6,372,665</u>
<b>Total liabilities</b>	<u>3,266,156</u>	<u>47,194,157</u>	<u>9,399,666</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension related items	143,332	39,571	248,411
Deferred OPEB related items	<u>2,912,342</u>	<u>804,022</u>	<u>5,047,462</u>
<b>Total deferred inflows of resources</b>	<u>3,055,674</u>	<u>843,593</u>	<u>5,295,873</u>
<b>NET POSITION</b>			
Net investment in capital assets	29,031,979	-	18,627,374
Unrestricted	<u>42,783,486</u>	<u>(1,036,880)</u>	<u>(2,606,951)</u>
<b>Total net position</b>	<u>\$ 71,815,465</u>	<u>\$ (1,036,880)</u>	<u>\$ 16,020,423</u>

Facility Maintenance	Other Post Employment Benefits	Pension Benefits Fund	Leave Liability Fund	Totals
\$ 6,876,068	\$ 6,738,578	\$ 68,271,664	\$ 17,045,014	\$ 177,149,859
-	-	-	-	897,338
58,519	22,127	225,278	54,568	684,645
-	384,425	-	-	1,250,615
-	-	-	-	528,026
-	-	-	-	1,251,265
1,884,483	-	16	-	1,884,499
8,819,070	7,145,130	68,496,958	17,099,582	183,646,247
-	-	-	-	19,467,109
27,502,954	-	-	-	36,980,832
22,073,290	-	-	-	127,559,554
(8,251,295)	-	-	-	(75,556,084)
41,324,949	-	-	-	88,984,302
41,324,949	-	-	-	108,451,411
50,144,019	7,145,130	68,496,958	17,099,582	292,097,658
1,990,041	-	-	-	6,065,781
1,253,125	14,705,236	-	-	18,524,779
3,243,166	14,705,236	-	-	24,590,560
1,256,348	562	1,100	-	11,539,093
263,978	16,356	-	-	1,024,676
117,756	-	665,903	-	783,659
-	-	-	-	1,002,452
-	-	-	-	2,068,872
-	-	-	2,257,196	2,257,196
-	-	-	-	9,273,278
1,610,979	-	5,850,000	-	7,460,979
3,249,061	16,918	6,517,003	2,257,196	35,410,205
-	-	91,119,043	-	91,119,043
-	-	-	-	2,481,406
222,468	-	-	15,773,739	17,011,612
-	-	-	-	27,519,722
1,757,098	-	-	-	5,355,665
915,447	10,742,642	-	-	13,532,941
29,057,287	-	217,815,000	-	246,872,287
31,952,300	10,742,642	308,934,043	15,773,739	403,892,676
35,201,361	10,759,560	315,451,046	18,030,935	439,302,881
210,600	-	-	-	641,914
4,279,176	50,215,543	-	-	63,258,545
4,489,776	50,215,543	-	-	63,900,459
12,541,166	-	-	-	60,200,519
1,154,882	(39,124,737)	(246,954,088)	(931,353)	(246,715,641)
\$ 13,696,048	\$ (39,124,737)	\$ (246,954,088)	\$ (931,353)	\$ (186,515,122)

# City of Ontario

## Combining Statement of Revenues, Expenditures and Changes in Net Position

### Internal Service Funds

For the year ended June 30, 2023

	Equipment Services	Self Insurance	Information Technology
<b>OPERATING REVENUES:</b>			
Interdepartmental charges	\$ 14,716,863	\$ 17,928,513	\$ 16,660,989
Miscellaneous	456,127	929,831	79,029
<b>Total operating revenues</b>	<b>15,172,990</b>	<b>18,858,344</b>	<b>16,740,018</b>
<b>OPERATING EXPENSES:</b>			
Administration and general	1,913,522	24,685,114	15,741,329
Source and supply	9,613,681	-	-
Claims expense	-	581,253	-
Depreciation expense	6,340,340	-	3,776,400
<b>Total operating expenses</b>	<b>17,867,543</b>	<b>25,266,367</b>	<b>19,517,729</b>
<b>Operating income (loss)</b>	<b>(2,694,553)</b>	<b>(6,408,023)</b>	<b>(2,777,711)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Grant revenue	-	-	-
Interest revenue	882,938	(137,976)	112,857
Interest expense	-	-	(169,033)
Gain on joint venture	-	-	-
Gain on sale of other investments	-	-	-
Contributions from governmental activities	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>882,938</b>	<b>(137,976)</b>	<b>(56,176)</b>
<b>Income before contributions and transfers</b>	<b>(1,811,615)</b>	<b>(6,545,999)</b>	<b>(2,833,887)</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>			
Transfers in	4,270,000	-	2,000,000
Transfers out	(278,171)	(63,294)	(379,462)
<b>Total contributions and transfers</b>	<b>3,991,829</b>	<b>(63,294)</b>	<b>1,620,538</b>
<b>Change in net position</b>	<b>2,180,214</b>	<b>(6,609,293)</b>	<b>(1,213,349)</b>
<b>NET POSITION:</b>			
Beginning of year	\$ 69,650,293	\$ 5,572,413	\$ 17,020,897
Restatements	(15,042)	-	212,875
Beginning of year, as restated	69,635,251	5,572,413	17,233,772
End of year	<b>\$ 71,815,465</b>	<b>\$ (1,036,880)</b>	<b>\$ 16,020,423</b>



Facility Maintenance	Other Post Employment Benefits	Pension Benefits Fund	Leave Liability Fund	Totals
\$ 12,519,394	\$ 76,094	\$ 33,767,952	\$ 9,830,365	\$ 105,500,170
3,768	-	-	-	1,468,755
<u>12,523,162</u>	<u>76,094</u>	<u>33,767,952</u>	<u>9,830,365</u>	<u>106,968,925</u>
23,031,216	(9,469,378)	2,172,095	10,309,593	68,383,491
-	-	-	-	9,613,681
-	-	-	-	581,253
1,339,341	-	-	-	11,456,081
<u>24,370,557</u>	<u>(9,469,378)</u>	<u>2,172,095</u>	<u>10,309,593</u>	<u>90,034,506</u>
<u>(11,847,395)</u>	<u>9,545,472</u>	<u>31,595,857</u>	<u>(479,228)</u>	<u>16,934,419</u>
78,760	-	-	-	78,760
218,839	(90,068)	(541,967)	(130,624)	313,999
(653,916)	-	(8,361,324)	-	(9,184,273)
-	-	-	-	-
-	-	(43)	-	(43)
-	-	-	(17,551,707)	(17,551,707)
<u>(356,317)</u>	<u>(90,068)</u>	<u>(8,903,334)</u>	<u>(17,682,331)</u>	<u>(26,343,264)</u>
<u>(12,203,712)</u>	<u>9,455,404</u>	<u>22,692,523</u>	<u>(18,161,559)</u>	<u>(9,408,845)</u>
5,000,000	12,552,479	6,020,487	17,230,206	47,073,172
(495,367)	-	(59,339,050)	-	(60,555,344)
<u>4,504,633</u>	<u>12,552,479</u>	<u>(53,318,563)</u>	<u>17,230,206</u>	<u>(13,482,172)</u>
<u>(7,699,079)</u>	<u>22,007,883</u>	<u>(30,626,040)</u>	<u>(931,353)</u>	<u>(22,891,017)</u>
\$ 8,189,289	\$ (61,132,620)	\$ (216,328,048)	\$ -	\$ (177,027,776)
13,205,838	-	-	-	13,403,671
<u>21,395,127</u>	<u>(61,132,620)</u>	<u>(216,328,048)</u>	<u>-</u>	<u>(163,624,105)</u>
<u>\$ 13,696,048</u>	<u>\$ (39,124,737)</u>	<u>\$ (246,954,088)</u>	<u>\$ (931,353)</u>	<u>\$ (186,515,122)</u>

**City of Ontario**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2023**

	Equipment Services	Self Insurance	Information Technology
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from/(paid to) interfund services	\$ 14,970,423	\$ 18,766,357	\$ 16,649,776
Cash paid to suppliers for goods and services	(9,059,684)	8,008,704	1,667,664
Cash paid to employees for services	(3,576,475)	(24,621,420)	(17,011,105)
<b>Net cash provided by (used in) operating activities</b>	<b>2,334,264</b>	<b>2,153,641</b>	<b>1,306,335</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash transfers in	4,270,000	-	2,000,000
Cash transfers out	(278,171)	(63,294)	(379,462)
Advance from other funds	(6,791,359)	(1,536,276)	1,895,719
Interest paid on pension obligation bonds	-	-	-
Principal paid on pension obligation bonds	-	-	-
Grant subsidy	-	-	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(2,799,530)</b>	<b>(1,599,570)</b>	<b>3,516,257</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	(3,324,410)	-	(7,349,526)
Acquisition of other investments	-	-	-
Interest paid on capital debt	-	-	(169,033)
Principal paid on debt	-	-	-
Proceed from issuance of SBITAs	-	-	5,378,172
Principal paid on SBITAs	-	-	(2,210,929)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(3,324,410)</b>	<b>-</b>	<b>(4,351,316)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	751,773	(260,069)	226,863
<b>Net cash provided by (used in) investing activities</b>	<b>751,773</b>	<b>(260,069)</b>	<b>226,863</b>
<b>Net cash flows</b>	<b>(3,037,903)</b>	<b>294,002</b>	<b>698,139</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>37,262,353</b>	<b>36,458,346</b>	<b>6,543,598</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 34,224,450</b>	<b>\$ 36,752,348</b>	<b>\$ 7,241,737</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (2,694,553)	\$ (6,408,023)	\$ (2,777,711)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	6,340,340	-	3,776,400
(Increase) decrease in accounts receivable	(202,567)	(91,987)	(90,242)
(Increase) decrease in prepaid expense	262	539,470	1,608,342
(Increase) decrease in deposits	-	(528,026)	-
(Increase) decrease in inventories	(318,639)	-	-
Increase (decrease) in accounts payable	741,844	7,782,023	(162,082)
Increase (decrease) in accrued liabilities	130,530	102,490	221,404
Increase (decrease) in claims and judgements	-	694,000	-
Increase (decrease) in compensated absences	(16,039)	(336)	121,195
Increase (decrease) in net pension liability	3,829,067	740,515	5,743,108
Increase (decrease) in deferred pension related items	(2,851,566)	(590,005)	(4,385,687)
Increase (decrease) in OPEB liability	1,184,478	259,502	1,862,419
Increase (decrease) in deferred OPEB related items	(3,808,893)	(345,982)	(4,610,811)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,334,264</b>	<b>\$ 2,153,641</b>	<b>\$ 1,306,335</b>
<b>NONCASH TRANSACTIONS:</b>			
Contributions from governmental activities - compensated absences liability	\$ -	\$ -	\$ -

Facility Maintenance	Other Post Employment Benefits	Pension Benefits Fund	Leave Liability Fund	Totals
\$ 12,523,162	\$ 6,538,677	\$ 36,429,951	\$ 9,830,365	\$ 115,708,711
1,331,960	(378,254)	1,100	-	1,571,490
(18,978,214)	(12,004,330)	(2,172,095)	(9,830,365)	(88,194,004)
(5,123,092)	(5,843,907)	34,258,956	-	29,086,197
5,000,000	12,552,479	6,020,487	17,230,206	47,073,172
(495,367)	-	(59,339,050)	-	(60,555,344)
-	-	(3,686,597)	-	(10,118,513)
-	-	(9,053,922)	-	(9,053,922)
-	-	(5,190,000)	-	(5,190,000)
78,760	-	-	-	78,760
4,583,393	12,552,479	(71,249,082)	17,230,206	(37,765,847)
(890,394)	-	-	-	(11,564,330)
-	-	56,632,051	-	56,632,051
(787,661)	-	-	-	(956,694)
(1,543,985)	-	-	-	(1,543,985)
-	-	-	-	5,378,172
-	-	-	-	(2,210,929)
(3,222,040)	-	56,632,051	-	45,734,285
192,110	(111,642)	(767,288)	(185,192)	(153,445)
192,110	(111,642)	(767,288)	(185,192)	(153,445)
(3,569,629)	6,596,930	18,874,637	17,045,014	36,901,190
12,330,180	141,648	49,397,043	-	142,133,168
\$ 8,760,551	\$ 6,738,578	\$ 68,271,680	\$ 17,045,014	\$ 179,034,358
\$ (11,847,395)	\$ 9,545,472	\$ 31,595,857	\$ (479,228)	\$ 16,934,419
1,339,341	-	-	-	11,456,081
-	6,462,583	2,661,999	-	8,739,786
-	(381,642)	-	-	1,766,432
-	-	-	-	(528,026)
-	-	-	-	(318,639)
1,130,614	(12,968)	1,100	-	9,480,531
201,346	16,356	-	-	672,126
-	-	-	-	694,000
133,847	-	-	479,228	717,895
1,757,098	-	-	-	12,069,788
(1,779,441)	-	-	-	(9,606,699)
915,447	17,907,670	-	-	22,129,516
3,026,051	(39,381,378)	-	-	(45,121,013)
\$ (5,123,092)	\$ (5,843,907)	\$ 34,258,956	\$ -	\$ 29,086,197
\$ -	\$ -	\$ -	\$ (17,551,707)	\$ (17,551,707)

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**City of Ontario  
Custodial Funds  
Year Ended June 30, 2023**

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

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

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

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

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

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

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

**City of Ontario**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	West End Communications Authority	Assessment District Bond Redemption	Assessment District 106 Bond Redemption	Sanitary Collection Treatment
<b>ASSETS</b>				
Cash and investments	\$ 1,383,590	\$ 514,764	\$ -	\$ 40,398,881
Receivables:				
Taxes	-	-	-	-
Accrued interest	9,794	2,189	-	129,335
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total assets</b>	<u>1,393,384</u>	<u>516,953</u>	<u>-</u>	<u>40,528,216</u>
<b>LIABILITIES</b>				
Accounts payable	(286)	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	24,374,474
<b>Total liabilities</b>	<u>(286)</u>	<u>-</u>	<u>-</u>	<u>24,374,474</u>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	1,393,670	516,953	-	16,153,742
<b>Total Net Position</b>	<u>\$ 1,393,670</u>	<u>\$ 516,953</u>	<u>\$ -</u>	<u>\$ 16,153,742</u>

Assessment District 108 Bond Redemption	West End Fire and Emergency Response Commission	NMC CFD #28	NMC CFD #30	NMC CFD #34	NMC CFD #24
\$ -	\$ 812,168	\$ 10,620	\$ (68,020)	\$ (18,324)	\$ 266
-	-	-	-	-	-
-	5,560	6,182	7,791	4,578	11,212
-	-	1,468,341	2,008,751	1,156,155	2,097,301
-	817,728	1,485,143	1,948,522	1,142,409	2,108,779
-	16,494	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	16,494	-	-	-	-
-	801,234	1,485,143	1,948,522	1,142,409	2,108,779
\$ -	\$ 801,234	\$ 1,485,143	\$ 1,948,522	\$ 1,142,409	\$ 2,108,779

**City of Ontario**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	NMC CFD #25	NMC CFD #26	NMC CFD #31	NMC CFD #39
<b>ASSETS</b>				
Cash and investments	\$ (50,732)	\$ (51,223)	\$ 101,634	\$ (7,797)
Receivables:				
Taxes	-	-	-	-
Accrued interest	5,290	5,077	6,091	4,594
Restricted assets:				
Cash and investments with fiscal agents	1,360,881	1,306,700	957,668	974,610
<b>Total assets</b>	<b>1,315,439</b>	<b>1,260,554</b>	<b>1,065,393</b>	<b>971,407</b>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	-
Deposits payable	-	500	-	16,385
Due to other governments	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>16,385</b>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	1,315,439	1,260,054	1,065,393	955,022
<b>Total Net Position</b>	<b>\$ 1,315,439</b>	<b>\$ 1,260,054</b>	<b>\$ 1,065,393</b>	<b>\$ 955,022</b>



<u>OMC CFD #13</u>	<u>NMC CFD #38</u>	<u>NMC CFD #40</u>	<u>NMC CFD #43</u>	<u>NMC CFD #45</u>	<u>NMC CFD #33</u>
\$ 259,814	\$ (25,025)	\$ 1,207	\$ (57,662)	\$ 18,817	\$ 1,975
-	-	-	-	10,778	-
4,905	7,794	8,179	11,203	11,306	4,464
808,242	1,682,891	2,056,134	2,890,074	6,384,058	999,537
<u>1,072,961</u>	<u>1,665,660</u>	<u>2,065,520</u>	<u>2,843,615</u>	<u>6,424,959</u>	<u>1,005,976</u>
-	-	106,280	-	-	1
49,226	19,557	2,777	1,027	21,874	6,319
-	-	-	-	-	-
<u>49,226</u>	<u>19,557</u>	<u>109,057</u>	<u>1,027</u>	<u>21,874</u>	<u>6,320</u>
1,023,735	1,646,103	1,956,463	2,842,588	6,403,085	999,656
<u>\$ 1,023,735</u>	<u>\$ 1,646,103</u>	<u>\$ 1,956,463</u>	<u>\$ 2,842,588</u>	<u>\$ 6,403,085</u>	<u>\$ 999,656</u>

**City of Ontario**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	NMC CFD #46	NMC CFD #41	NMC CFD #42	NMC CFD #53
<b>ASSETS</b>				
Cash and investments	\$ (43,839)	\$ (64,276)	\$ (19,174)	\$ (97,841)
Receivables:				
Taxes	-	-	-	-
Accrued interest	10,559	45,320	29,902	10,035
Restricted assets:				
Cash and investments with fiscal agents	(1,188,330)	7,745,147	7,672,125	2,521,371
<b>Total assets</b>	<u>(1,221,610)</u>	<u>7,726,191</u>	<u>7,682,853</u>	<u>2,433,565</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	-
Deposits payable	-	-	15,149	-
Due to other governments	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>15,149</u>	<u>-</u>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	(1,221,610)	7,726,191	7,667,704	2,433,565
<b>Total Net Position</b>	<u>\$ (1,221,610)</u>	<u>\$ 7,726,191</u>	<u>\$ 7,667,704</u>	<u>\$ 2,433,565</u>

<u>NMC CFD #54</u>	<u>NMC CFD #55</u>	<u>NMC CFD #57</u>	<u>NMC CFD #35</u>	<u>NMC CFD #56</u>	<u>NMC CFD #61</u>
\$ (14,863)	\$ (83,991)	\$ (24,079)	\$ 22,953	\$ 597,607	\$ 36,859
-	11,238	16,591	-	5,803	-
23,933	38,739	53,067	-	-	-
2,014,080	9,941,606	13,620,753	-	-	-
<u>2,023,150</u>	<u>9,907,592</u>	<u>13,666,332</u>	<u>22,953</u>	<u>603,410</u>	<u>36,859</u>
-	-	-	-	-	93
177	5,153	29,667	23,617	-	36,766
-	-	-	-	-	-
<u>177</u>	<u>5,153</u>	<u>29,667</u>	<u>23,617</u>	<u>-</u>	<u>36,859</u>
2,022,973	9,902,439	13,636,665	(664)	603,410	-
<u>\$ 2,022,973</u>	<u>\$ 9,902,439</u>	<u>\$ 13,636,665</u>	<u>\$ (664)</u>	<u>\$ 603,410</u>	<u>\$ -</u>

**City of Ontario**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	NMC CFD #65	NMC CFD #66	NMC CFD #64	NMC CFD #67
<b>ASSETS</b>				
Cash and investments	\$ 64,495	\$ 16,675	\$ 1,865	\$ 75,000
Receivables:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total assets</b>	<b>64,495</b>	<b>16,675</b>	<b>1,865</b>	<b>75,000</b>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	-
Deposits payable	64,495	16,675	8,479	75,000
Due to other governments	-	-	-	-
<b>Total liabilities</b>	<b>64,495</b>	<b>16,675</b>	<b>8,479</b>	<b>75,000</b>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	-	-	(6,614)	-
<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,614)</b>	<b>\$ -</b>

<u>NMC CFD #52</u>	<u>NMC CFD #68</u>	<u>NMC CFD #69</u>	<u>NMC CFD #70</u>	<u>NMC CFD #71</u>	<u>NMC CFD #60</u>
\$ 75,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 75,000	\$ 8,696
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>75,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>75,000</u>	<u>8,696</u>
-	-	-	-	-	-
75,000	50,000	50,000	50,000	75,000	8,696
-	-	-	-	-	-
<u>75,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>75,000</u>	<u>8,696</u>
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Ontario**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	NMC CFD #59	NMC CFD #62	NMC CFD #27	NMC CFD #32
<b>ASSETS</b>				
Cash and investments	\$ 9,491	\$ 9,505	\$ 10,420	\$ 2,463
Receivables:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total assets</b>	<b>9,491</b>	<b>9,505</b>	<b>10,420</b>	<b>2,463</b>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	-
Deposits payable	9,491	9,505	10,420	2,463
Due to other governments	-	-	-	-
<b>Total liabilities</b>	<b>9,491</b>	<b>9,505</b>	<b>10,420</b>	<b>2,463</b>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	-	-	-	-
<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<u>NMC CFD #47</u>	<u>NMC CFD #48</u>	<u>NMC CFD #50</u>	<u>NMC CFD #51</u>	<u>Total Custodial Funds</u>
\$ 6,937	\$ 540	\$ 18,791	\$ 4,013	\$ 44,063,200
-	-	-	-	44,410
-	-	-	-	457,099
-	-	-	-	68,478,095
<u>6,937</u>	<u>540</u>	<u>18,791</u>	<u>4,013</u>	<u>113,042,804</u>
-	-	-	-	122,582
6,937	540	18,791	4,013	763,699
-	-	-	-	24,374,474
<u>6,937</u>	<u>540</u>	<u>18,791</u>	<u>4,013</u>	<u>25,260,755</u>
-	-	-	-	87,782,049
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,782,049</u>

**City of Ontario**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	West End Communications Authority	Assessment District Bond Redemption	Assessment District 106 Bond Redemption	Sanitary Collection Treatment
<b>ADDITIONS:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest and change in fair value of investments	25,927	209,897	-	(449,323)
Fee collections for other governments	-	-	-	-
Bond proceeds and premiums	-	-	-	-
<b>Total additions</b>	<b>25,927</b>	<b>209,897</b>	<b>-</b>	<b>(449,323)</b>
<b>DEDUCTIONS:</b>				
Administrative expenses	10,700	-	-	-
Payments on conduit bonds - principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Contributions to other governments	-	-	-	-
<b>Total deductions</b>	<b>10,700</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>15,227</b>	<b>209,897</b>	<b>-</b>	<b>(449,323)</b>
<b>NET POSITION:</b>				
Beginning of year	1,378,443	-	165,840	16,603,065
End of year	<b>\$ 1,393,670</b>	<b>\$ 516,953</b>	<b>\$ -</b>	<b>\$ 16,153,742</b>



Assessment District 108 Bond Redemption	West End Fire and Emergency Response Commission	NMC CFD #28	NMC CFD #30	NMC CFD #34	NMC CFD #24
\$ -	\$ -	\$ 686,765	\$ 963,930	\$ 540,115	\$ 1,086,838
-	13,618	44,536	58,747	33,163	99,604
-	100,000	2,199	2,573	1,468	-
-	-	-	-	-	-
-	113,618	733,500	1,025,250	574,746	1,186,442
-	57,392	54,608	70,370	45,802	74,635
-	-	185,000	290,000	165,000	350,000
-	-	370,994	500,219	286,881	638,469
-	-	2,199	2,573	1,468	-
-	57,392	612,801	863,162	499,151	1,063,104
-	56,226	120,699	162,088	75,595	123,338
141,216	745,008	1,364,444	1,786,434	1,066,814	1,985,441
\$ -	\$ 801,234	\$ 1,485,143	\$ 1,948,522	\$ 1,142,409	\$ 2,108,779

**City of Ontario**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	NMC CFD #25	NMC CFD #26	NMC CFD #31	NMC CFD #39
<b>ADDITIONS:</b>				
Taxes	\$ 657,036	\$ 673,771	\$ 372,802	\$ 409,326
Interest and change in fair value of investments	39,878	38,018	29,765	22,461
Fee collections for other governments	1,694	1,745	1,217	954
Bond proceeds and premiums	-	-	-	-
<b>Total additions</b>	<b>698,608</b>	<b>713,534</b>	<b>403,784</b>	<b>432,741</b>
<b>DEDUCTIONS:</b>				
Administrative expenses	53,082	536,678	182,296	38,218
Payments on conduit bonds - principal	150,000	155,000	110,000	105,000
Interest and fiscal charges	370,675	379,200	198,543	189,150
Contributions to other governments	1,694	1,745	1,217	954
<b>Total deductions</b>	<b>575,451</b>	<b>1,072,623</b>	<b>492,056</b>	<b>333,322</b>
<b>Change in net position</b>	<b>123,157</b>	<b>(359,089)</b>	<b>(88,272)</b>	<b>99,419</b>
<b>NET POSITION:</b>				
Beginning of year	1,192,282	1,619,143	1,153,665	855,603
End of year	<u>\$ 1,315,439</u>	<u>\$ 1,260,054</u>	<u>\$ 1,065,393</u>	<u>\$ 955,022</u>

OMC CFD #13	NMC CFD #38	NMC CFD #40	NMC CFD #43	NMC CFD #45	NMC CFD #33
\$ 308,437	\$ 794,785	\$ 494,374	\$ 1,104,143	\$ 649,500	\$ 500,106
27,803	54,206	62,796	85,760	94,822	28,291
-	2,091	1,192	2,944	-	1,211
-	-	-	-	-	-
336,240	851,082	558,362	1,192,847	744,322	529,608
33,556	729,659	43,332	80,142	3,142,450	891,504
135,000	190,000	120,000	300,000	165,000	105,000
125,500	454,819	244,250	606,500	331,625	266,150
-	2,091	1,192	2,944	-	1,211
294,056	1,376,569	408,774	989,586	3,639,075	1,263,865
42,184	(525,487)	149,588	203,261	(2,894,753)	(734,257)
981,551	2,171,590	1,806,875	2,639,327	9,297,838	1,733,913
\$ 1,023,735	\$ 1,646,103	\$ 1,956,463	\$ 2,842,588	\$ 6,403,085	\$ 999,656

**City of Ontario**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	NMC CFD #46	NMC CFD #41	NMC CFD #42	NMC CFD #53
<b>ADDITIONS:</b>				
Taxes	\$ 553,464	\$ 905,231	\$ 582,405	\$ 1,486,443
Interest and change in fair value of investments	128,131	435,376	248,981	274,244
Fee collections for other governments	-	5,269	-	-
Bond proceeds and premiums	-	-	-	-
<b>Total additions</b>	<b>681,595</b>	<b>1,345,876</b>	<b>831,386</b>	<b>1,760,687</b>
<b>DEDUCTIONS:</b>				
Administrative expenses	6,049,125	8,611,254	57,036	19,197,557
Payments on conduit bonds - principal	130,000	170,000	-	-
Interest and fiscal charges	280,600	581,756	231,000	858,200
Contributions to other governments	-	5,269	-	-
<b>Total deductions</b>	<b>6,459,725</b>	<b>9,368,279</b>	<b>288,036</b>	<b>20,055,757</b>
<b>Change in net position</b>	<b>(5,778,130)</b>	<b>(8,022,403)</b>	<b>543,350</b>	<b>(18,295,070)</b>
<b>NET POSITION:</b>				
Beginning of year	4,556,520	15,748,594	7,124,354	20,728,635
End of year	<b>\$ (1,221,610)</b>	<b>\$ 7,726,191</b>	<b>\$ 7,667,704</b>	<b>\$ 2,433,565</b>

<u>NMC CFD #54</u>	<u>NMC CFD #55</u>	<u>NMC CFD #57</u>	<u>NMC CFD #35</u>	<u>NMC CFD #56</u>	<u>NMC CFD #61</u>
\$ 478,076	\$ 567,563	\$ 860,787	\$ -	\$ 651,481	\$ -
213,576	228,015	401,660	-	-	-
-	-	-	-	-	-
-	9,400,027	12,825,684	-	-	-
691,652	10,195,605	14,088,131	-	651,481	-
4,894,094	300,072	311,836	664	48,071	-
-	-	-	-	-	-
224,236	100,474	280,286	-	-	-
-	-	-	-	-	-
5,118,330	400,546	592,122	664	48,071	-
(4,426,678)	9,795,059	13,496,009	(664)	603,410	-
6,449,651	107,380	140,656	-	-	-
<u>\$ 2,022,973</u>	<u>\$ 9,902,439</u>	<u>\$ 13,636,665</u>	<u>\$ (664)</u>	<u>\$ 603,410</u>	<u>\$ -</u>

**City of Ontario**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	NMC CFD #65	NMC CFD #66	NMC CFD #64	NMC CFD #67
<b>ADDITIONS:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest and change in fair value of investments	-	-	-	-
Fee collections for other governments	-	-	-	-
Bond proceeds and premiums	-	-	-	-
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEDUCTIONS:</b>				
Administrative expenses	-	-	6,614	-
Payments on conduit bonds - principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Contributions to other governments	-	-	-	-
<b>Total deductions</b>	<b>-</b>	<b>-</b>	<b>6,614</b>	<b>-</b>
<b>Change in net position</b>	<b>-</b>	<b>-</b>	<b>(6,614)</b>	<b>-</b>
<b>NET POSITION:</b>				
Beginning of year	-	-	-	-
End of year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,614)</b>	<b>\$ -</b>

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<u>NMC CFD #52</u>	<u>NMC CFD #68</u>	<u>NMC CFD #69</u>	<u>NMC CFD #70</u>	<u>NMC CFD #71</u>	<u>NMC CFD #60</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Ontario**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	NMC CFD #59	NMC CFD #62	NMC CFD #27	NMC CFD #32
<b>ADDITIONS:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest and change in fair value of investments	-	-	-	-
Fee collections for other governments	-	-	-	-
Bond proceeds and premiums	-	-	-	-
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEDUCTIONS:</b>				
Administrative expenses	-	-	-	-
Payments on conduit bonds - principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Contributions to other governments	-	-	-	-
<b>Total deductions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION:</b>				
Beginning of year	-	-	-	-
End of year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



NMC CFD #47	NMC CFD #48	NMC CFD #50	NMC CFD #51	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ 15,327,378
-	-	-	-	2,449,952
-	-	-	-	124,557
-	-	-	-	22,225,711
-	-	-	-	40,127,598
-	-	-	-	45,520,747
-	-	-	-	2,825,000
-	-	-	-	7,519,527
-	-	-	-	24,557
-	-	-	-	55,889,831
-	-	-	-	(15,762,233)
-	-	-	-	103,544,282
\$ -	\$ -	\$ -	\$ -	\$ 87,782,049

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**STATISTICAL  
SECTION (UNAUDITED)**

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## STATISTICAL SECTION

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

### *Financial Trends*

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

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

### *Revenue Capacity*

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

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

### *Debt Capacity*

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

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

### *Demographic and Economic Information*

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

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

*Operating Information*

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

Schedule 19 - Full-Time City Government Employees by Function

Schedule 20 - Operating Indicators by Function/Program

Schedule 21 - Capital Asset Statistics by Function/Program

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 812,874,736	\$ 838,484,374	\$ 908,309,555	\$ 940,354,455	\$ 950,420,687	\$ 961,901,972	\$ 997,856,845	\$ 1,076,360,215	\$ 1,106,500,917	\$ 1,067,848,444
Restricted	254,103,989	240,480,450	156,425,046	168,765,518	173,159,152	204,484,800	215,606,868	258,821,167	234,997,596	294,230,789
Unrestricted	137,590,247	(66,639,420)	(1,666,599)	179,846,318	16,250,642	95,440,937	59,045,553	10,883,859	170,115,808	245,050,230
<b>Total governmental activities net position</b>	<b>\$ 1,204,568,972</b>	<b>\$ 1,012,325,404</b>	<b>\$ 1,063,068,002</b>	<b>\$ 1,288,966,291</b>	<b>\$ 1,139,830,481</b>	<b>\$ 1,261,827,709</b>	<b>\$ 1,272,509,266</b>	<b>\$ 1,346,065,241</b>	<b>\$ 1,511,614,321</b>	<b>\$ 1,607,129,463</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 143,574,879	\$ 140,873,539	\$ 136,336,952	\$ 143,660,797	\$ 161,791,743	\$ 184,562,565	\$ 182,086,718	\$ 163,989,647	\$ 143,491,186	\$ 163,972,854
Restricted	10,578,881	5,289,769	1,528,395	369	373	378	3,140,719	3,171,019	371,996	3,804,526
Unrestricted	273,069,164	271,397,325	299,336,371	329,045,082	345,926,734	298,224,116	301,316,946	312,160,529	333,795,739	354,639,967
<b>Total business-type activities net position</b>	<b>\$ 427,222,924</b>	<b>\$ 417,560,633</b>	<b>\$ 437,201,718</b>	<b>\$ 472,706,248</b>	<b>\$ 507,718,850</b>	<b>\$ 482,787,059</b>	<b>\$ 486,544,383</b>	<b>\$ 479,321,195</b>	<b>\$ 477,658,921</b>	<b>\$ 522,417,347</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 956,449,615	\$ 979,357,913	\$ 1,044,646,507	\$ 1,084,015,252	\$ 1,112,212,430	\$ 1,146,464,537	\$ 1,179,943,563	\$ 1,240,349,862	\$ 1,249,992,103	\$ 1,231,821,298
Restricted	264,682,870	245,770,219	157,953,441	168,765,887	173,159,525	204,485,178	218,747,587	261,992,186	235,369,592	298,035,315
Unrestricted	410,659,411	204,757,905	297,669,772	508,891,400	362,177,376	393,665,053	360,362,499	323,044,388	503,911,547	599,690,197
<b>Total primary government net position</b>	<b>\$ 1,631,791,896</b>	<b>\$ 1,429,886,037</b>	<b>\$ 1,500,269,720</b>	<b>\$ 1,761,672,539</b>	<b>\$ 1,647,549,331</b>	<b>\$ 1,744,614,768</b>	<b>\$ 1,759,053,649</b>	<b>\$ 1,825,386,436</b>	<b>\$ 1,989,273,242</b>	<b>\$ 2,129,546,810</b>

*Source: Statement of net position primary government*

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 28,982,239	\$ 81,855,829	\$ 40,011,028	\$ 36,656,658	\$ 27,554,284	\$ 34,587,604	\$ 31,859,857	\$ 20,241,805	\$ 53,007,368	\$ 67,731,301
Public safety	110,981,159	121,981,375	125,884,228	136,032,820	178,835,586	178,045,825	177,840,309	200,452,838	171,919,144	228,863,410
Community development	41,524,328	62,623,670	19,114,534	38,552,339	42,623,892	76,420,858	92,310,831	111,927,829	97,855,487	111,954,023
Library	4,602,190	4,542,196	4,850,620	5,026,299	5,938,560	-	-	-	-	-
Public works	25,092,721	23,852,377	38,104,811	50,703,275	42,308,931	40,398,759	28,825,751	7,449,126	5,178,760	26,209,165
Interest on long-term debt	3,017,116	1,786,957	1,712,433	1,630,517	3,921,536	2,661,754	3,493,124	12,416,810	12,602,410	15,226,418
Total governmental activities expenses	<u>214,199,753</u>	<u>296,642,404</u>	<u>229,677,654</u>	<u>268,601,908</u>	<u>301,182,789</u>	<u>332,114,800</u>	<u>334,329,872</u>	<u>352,488,408</u>	<u>340,563,169</u>	<u>449,984,317</u>
Business-type activities:										
Water	30,814,880	54,841,770	42,639,260	41,413,255	41,340,763	52,901,637	57,700,824	68,700,692	32,072,665	54,989,884
Sewer	16,136,421	17,047,306	15,971,504	17,211,364	20,270,716	24,733,369	23,255,045	26,008,652	26,519,496	28,183,295
Integrated Waste	23,164,916	23,877,028	24,970,912	26,663,301	31,337,795	39,475,286	34,380,261	42,010,179	36,928,273	41,931,502
I.T. Fiber	-	-	-	993,456	1,770,591	2,027,814	3,943,666	-	-	-
Total business-type activities expenses	<u>70,116,217</u>	<u>95,766,104</u>	<u>83,581,676</u>	<u>86,281,376</u>	<u>94,719,865</u>	<u>119,138,106</u>	<u>119,279,796</u>	<u>136,719,523</u>	<u>95,520,434</u>	<u>125,104,681</u>
Total primary government expenses	<u>\$ 284,315,970</u>	<u>\$ 392,408,508</u>	<u>\$ 313,259,330</u>	<u>\$ 354,883,284</u>	<u>\$ 395,902,654</u>	<u>\$ 451,252,906</u>	<u>\$ 453,609,668</u>	<u>\$ 489,207,931</u>	<u>\$ 436,083,603</u>	<u>\$ 575,088,998</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 445,079	\$ 1,641,300	\$ 2,622,684	\$ 4,141,068	\$ 6,149,697	\$ 5,507,407	\$ 6,965,874	\$ 7,634,307	\$ 7,124,318	\$ 3,654,493
Public safety	3,824,528	3,757,586	3,883,304	7,311,246	20,271,669	27,682,493	26,688,490	19,435,556	24,510,827	36,198,869
Community development	25,244,830	35,769,080	36,046,159	42,262,153	50,699,117	80,911,897	78,671,622	61,020,723	109,380,406	113,058,410
Library	121,043	155,962	131,407	137,689	122,329	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	2,605,129
Operating contributions and grants	12,081,691	15,015,783	8,710,100	10,220,710	12,542,758	8,465,032	6,542,904	30,001,295	50,334,363	16,514,398
Capital contributions and grants	33,842,540	37,210,682	35,628,037	78,825,884	56,737,883	58,825,481	46,201,742	59,321,543	44,168,230	61,613,256
Total governmental activities program revenues	<u>75,559,711</u>	<u>93,550,393</u>	<u>87,021,691</u>	<u>142,898,750</u>	<u>146,523,453</u>	<u>181,392,310</u>	<u>165,070,632</u>	<u>177,413,424</u>	<u>235,518,144</u>	<u>233,644,555</u>
Business-type activities:										
Charges for services:										
Water	63,193,036	67,342,593	65,653,131	64,533,049	68,933,067	55,447,675	57,676,762	69,185,768	73,241,767	73,109,977
Sewer	21,484,811	21,986,463	23,136,811	25,780,456	27,952,825	28,080,727	27,685,371	30,011,850	28,308,242	30,970,684
Integrated Waste	30,332,538	31,742,051	33,024,400	34,937,033	36,995,472	38,361,984	38,341,478	41,913,089	46,404,294	54,684,214
I.T. Fiber	-	-	4,126	38,954	276,033	466,522	747,095	-	-	-
Operating grants and contributions	145,881	539,519	174,073	133,279	126,452	119,686	137,783	112,134	2,245,127	227,236
Capital grants and contributions	6,642,816	1,329,404	3,505,475	11,223,634	11,256,557	4,460,250	4,548,485	2,576,714	538,336	3,606,394
Total business-type activities program revenues	<u>121,799,082</u>	<u>122,940,030</u>	<u>125,498,016</u>	<u>136,646,405</u>	<u>145,540,406</u>	<u>126,936,844</u>	<u>129,136,974</u>	<u>143,799,555</u>	<u>150,737,766</u>	<u>162,598,505</u>
Total primary government program revenues	<u>\$ 197,358,793</u>	<u>\$ 216,490,423</u>	<u>\$ 212,519,707</u>	<u>\$ 279,545,155</u>	<u>\$ 292,063,859</u>	<u>\$ 308,329,154</u>	<u>\$ 294,207,606</u>	<u>\$ 321,212,979</u>	<u>\$ 386,255,910</u>	<u>\$ 396,243,060</u>



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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (138,640,042)	\$ (203,092,011)	\$ (142,655,963)	\$ (125,703,158)	\$ (154,659,336)	\$ (150,722,490)	\$ (169,259,240)	\$ (175,074,984)	\$ (105,045,025)	\$ (216,413,422)
Business-type activities	51,682,865	27,173,926	41,916,340	50,365,029	50,820,541	7,798,738	9,857,178	7,080,032	55,217,332	37,493,824
Total primary government net expense	<u>\$ (86,957,177)</u>	<u>\$ (175,918,085)</u>	<u>\$ (100,739,623)</u>	<u>\$ (75,338,129)</u>	<u>\$ (103,838,795)</u>	<u>\$ (142,923,752)</u>	<u>\$ (159,402,062)</u>	<u>\$ (167,994,952)</u>	<u>\$ (49,827,693)</u>	<u>\$ (178,919,598)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes - general purpose	\$ 45,144,867	\$ 48,695,469	\$ 60,338,698	\$ 53,414,598	\$ 56,199,666	\$ 63,156,933	\$ 67,236,079	\$ 72,483,313	\$ 79,329,716	\$ 89,800,425
Transient occupancy taxes	10,614,156	12,057,576	13,090,992	13,886,637	14,586,233	14,945,483	12,160,235	10,614,109	16,400,754	16,964,564
Sales taxes	67,509,611	84,294,827	78,533,022	86,168,797	87,910,014	94,486,731	90,290,690	105,424,829	129,332,341	140,501,064
Franchise taxes	3,251,592	3,476,151	3,413,854	3,020,829	3,352,120	3,420,656	3,426,464	3,512,001	3,824,973	4,573,517
Business licenses taxes	6,405,595	6,825,185	6,954,932	7,167,613	7,478,153	7,786,821	7,793,962	8,559,248	8,856,928	9,729,862
Other taxes	3,700,067	4,073,788	4,107,065	4,047,435	4,642,529	4,506,129	4,044,908	3,507,185	5,997,517	18,510,327
Intergovernmental, unrestricted:										
Motor vehicle in lieu	-	71,526	68,099	76,099	91,740	85,244	141,091	134,124	210,261	184,008
Use of money and property	5,174,360	3,755,010	5,422,398	2,617,545	10,834,185	32,107,405	18,599,331	2,779,387	(6,213,473)	8,063,020
Other	4,414,323	2,656,703	2,000,930	3,414,919	2,394,865	1,647,848	4,198,849	12,116,507	9,067,222	23,872,727
Gain on sale of capital asset	-	87,267	-	1,953,200	-	-	605,267	862	11,881,432	(43)
Special Item	-	-	-	-	-	-	(42,373,148)	-	-	-
Extraordinary gain on dissolution of RDA	-	-	-	-	-	-	-	-	-	-
Transfers	21,925,867	22,762,488	24,793,699	15,961,453	18,448,756	4,647,613	14,472,260	24,150,952	(458,557)	2,541,337
Total governmental activities	<u>168,140,438</u>	<u>188,755,990</u>	<u>198,723,689</u>	<u>191,729,125</u>	<u>205,938,261</u>	<u>226,790,863</u>	<u>180,595,988</u>	<u>243,282,517</u>	<u>258,229,114</u>	<u>314,740,808</u>
Business-type activities:										
Use of money and property	1,604,534	1,435,511	2,509,989	1,087,037	2,187,574	7,873,778	8,345,624	5,503,540	(1,229,512)	8,421,097
Other	23,416	105,193	8,455	13,917	24,988	245,676	474,940	-	-	-
Transfers	(21,925,867)	(22,762,488)	(24,793,699)	(15,961,453)	(18,448,756)	(4,647,613)	(14,472,260)	(24,150,952)	458,557	(2,541,337)
Total business-type activities	<u>(20,297,917)</u>	<u>(21,221,784)</u>	<u>(22,275,255)</u>	<u>(14,860,499)</u>	<u>(16,236,194)</u>	<u>3,471,841</u>	<u>(5,651,696)</u>	<u>(18,647,412)</u>	<u>(770,955)</u>	<u>5,879,760</u>
Total primary government	<u>\$ 147,842,521</u>	<u>\$ 167,534,206</u>	<u>\$ 176,448,434</u>	<u>\$ 176,868,626</u>	<u>\$ 189,702,067</u>	<u>\$ 230,262,704</u>	<u>\$ 174,944,292</u>	<u>\$ 224,635,105</u>	<u>\$ 257,458,159</u>	<u>\$ 320,620,568</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 29,500,396	\$ (14,336,021)	\$ 56,067,726	\$ 66,025,967	\$ 51,278,925	\$ 76,068,373	\$ 11,336,748	\$ 68,207,533	\$ 153,184,089	\$ 98,401,046
Business-type activities	31,384,948	5,952,142	19,641,085	35,504,530	34,584,347	11,270,579	4,205,482	(11,567,380)	54,446,377	43,373,584
Total primary government	<u>\$ 60,885,344</u>	<u>\$ (8,383,879)</u>	<u>\$ 75,708,811</u>	<u>\$ 101,530,497</u>	<u>\$ 85,863,272</u>	<u>\$ 87,338,952</u>	<u>\$ 15,542,230</u>	<u>\$ 56,640,153</u>	<u>\$ 207,630,466</u>	<u>\$ 141,774,630</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 132,908,792	\$ 156,988,002	\$ 176,088,421	\$ 167,601,178	\$ 173,605,420	\$ 186,594,649	\$ 184,275,840	\$ 203,537,145	\$ 243,176,826	\$ 267,325,503
Special assessment taxes	1,514,889	1,634,568	2,180,091	3,301,654	3,143,892	5,303,668	8,581,407	11,926,636	11,775,704	12,938,263
Licenses and permits	2,199,674	3,283,593	3,845,404	4,384,727	4,887,991	5,067,374	5,488,023	8,423,831	10,772,502	12,608,106
Intergovernmental	39,695,371	44,390,225	37,492,730	35,412,862	24,359,686	21,912,280	17,814,256	38,990,081	55,860,245	69,177,306
Charges for services	25,895,011	40,368,010	39,628,058	54,446,655	80,404,296	109,518,406	114,818,886	80,961,161	130,243,516	141,964,153
Use of money and property	3,906,235	3,507,845	5,339,722	2,576,499	4,004,514	14,899,017	18,759,439	2,911,661	(5,491,350)	7,749,019
Fines and forfeitures	1,134,395	1,267,994	1,125,237	1,189,956	1,042,090	1,185,128	786,630	656,407	1,060,576	959,216
Contributions from property owners	-	-	-	24,682,518	25,349,912	34,658,232	15,503,662	38,408,435	-	-
Miscellaneous	7,062,253	4,556,170	4,534,158	6,017,657	12,389,218	8,275,990	8,286,111	14,645,386	14,193,697	23,858,154
Contributions	-	-	-	-	-	928,875	-	-	-	-
<b>Total Revenues</b>	<b>\$ 214,316,620</b>	<b>255,996,407</b>	<b>270,233,821</b>	<b>299,613,706</b>	<b>329,187,019</b>	<b>388,343,619</b>	<b>374,314,254</b>	<b>400,460,743</b>	<b>461,591,716</b>	<b>536,579,720</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	\$ 16,565,106	66,943,163	28,292,531	24,500,521	23,830,837	33,100,934	33,754,652	33,016,792	48,223,193	56,267,255
Public safety	114,109,242	120,286,742	127,942,682	136,721,141	160,838,334	160,884,992	180,119,824	180,834,045	199,451,930	201,526,269
Community development	58,988,089	98,405,497	104,688,312	95,398,612	67,805,408	102,279,086	130,014,298	130,585,988	106,265,455	289,252,244
Library	4,196,204	4,368,241	4,568,202	4,654,465	4,768,627	-	-	-	-	-
Public works	17,231,048	18,784,827	21,003,964	23,834,203	21,279,011	24,047,574	22,694,083	17,347,477	18,005,014	26,966,749
<b>Debt service:</b>										
Principal retirement	1,350,000	1,410,000	1,480,000	1,565,000	12,000	175,000	1,050,000	5,718,104	39,764,720	8,827,097
Interest and fiscal charges	1,876,513	1,815,778	1,745,753	1,667,190	3,930,914	2,824,049	2,802,938	3,169,583	1,445,519	4,767,907
Bond issuance costs	965,190	-	-	-	526,390	-	-	-	-	-
Pass-through agreement payments	-	-	-	-	4,770,057	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 215,281,392</b>	<b>312,014,248</b>	<b>289,721,444</b>	<b>288,341,132</b>	<b>287,761,578</b>	<b>323,311,635</b>	<b>370,435,795</b>	<b>370,671,989</b>	<b>413,155,831</b>	<b>587,607,521</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (964,772)	(56,017,841)	(19,487,623)	11,272,574	41,425,441	65,031,984	3,878,459	29,788,754	48,435,885	(51,027,801)

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Other Financing Sources (Uses)</b>										
Transfers in	\$ 34,628,235	34,856,839	34,615,190	36,101,144	58,065,111	43,871,997	52,691,271	49,197,305	17,634,274	104,640,209
Transfers out	(17,288,068)	(9,564,945)	(8,310,991)	(29,588,174)	(49,353,662)	(45,445,779)	(29,030,349)	(57,656,404)	(65,638,186)	(88,616,700)
Long-term debt issued	33,390,000	-	-	-	26,810,000	-	23,780,842	-	154,557,765	200,269,446
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	-	-	-	-	-	-	-	-	-	92,006
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 50,353,870</b>	<b>25,379,161</b>	<b>26,304,199</b>	<b>6,512,970</b>	<b>10,227,439</b>	<b>(1,573,782)</b>	<b>47,441,764</b>	<b>(8,459,099)</b>	<b>106,553,853</b>	<b>216,384,961</b>
Special Item	-	-	-	-	-	-	(42,373,148)	-	-	-
<b>Net change in fund balances</b>	<b>\$ 49,389,098</b>	<b>\$ (30,638,680)</b>	<b>\$ 6,816,576</b>	<b>\$ 17,785,544</b>	<b>\$ 51,652,880</b>	<b>\$ 63,458,202</b>	<b>\$ 8,947,075</b>	<b>\$ 21,329,655</b>	<b>\$ 154,989,738</b>	<b>\$ 165,357,160</b>
<b>Total Current Expenditures</b>	<b>\$ 215,281,392</b>	<b>\$ 312,014,248</b>	<b>\$ 289,721,444</b>	<b>\$ 288,341,132</b>	<b>\$ 287,761,578</b>	<b>\$ 323,311,635</b>	<b>\$ 370,435,795</b>	<b>\$ 370,671,989</b>	<b>\$ 413,155,831</b>	<b>\$ 587,607,521</b>
Less: Capital outlay	(29,585,954)	(41,745,591)	(79,957,813)	(45,292,825)	(24,876,172)	(26,388,451)	(70,262,127)	(53,552,016)	(44,644,973)	(188,437,535)
<b>Total Non-Capital Expenditures</b>	<b>\$ 185,695,438</b>	<b>270,268,657</b>	<b>209,763,631</b>	<b>243,048,307</b>	<b>262,885,406</b>	<b>296,923,184</b>	<b>300,173,668</b>	<b>317,119,973</b>	<b>368,510,858</b>	<b>399,169,986</b>
<b>Total Debt Service Expenditures</b>	<b>\$ 3,226,513</b>	<b>3,225,778</b>	<b>3,225,753</b>	<b>3,232,190</b>	<b>3,942,914</b>	<b>2,999,049</b>	<b>3,852,938</b>	<b>8,887,687</b>	<b>41,210,239</b>	<b>13,595,004</b>
Debt service as a percentage of non-capital expenditures	1.7%	1.2%	1.5%	1.3%	1.5%	1.0%	1.3%	2.8%	11.2%	3.4%

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nonspendable	\$ 4,911,968	\$ 3,785,154	\$ 20,002,802	\$ 33,893,841	\$ 46,318,442	\$ 46,472,802	\$ 4,052,097	\$ 4,001,189	\$ 57,981,078	\$ 3,893,306
Restricted	412,411	415,723	419,644	424,497	430,484	438,872	417,464	361,579	361,579	373,447
Committed	43,817,117	42,436,574	23,195,527	28,877,191	21,066,012	415,884	595,469	-	-	-
Assigned	77,628,587	56,798,002	80,398,228	52,081,697	47,410,303	84,063,218	99,862,976	122,338,441	55,639,545	85,673,529
Unassigned	-	-	-	-	-	-	2,622,364	-	-	-
<b>Total General Fund</b>	<u>\$ 126,770,083</u>	<u>\$ 103,435,453</u>	<u>\$ 124,016,201</u>	<u>\$ 115,277,226</u>	<u>\$ 115,225,241</u>	<u>\$ 131,390,776</u>	<u>\$ 107,550,370</u>	<u>\$ 126,701,209</u>	<u>\$ 113,982,202</u>	<u>\$ 89,940,282</u>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 108,638,002	\$ 108,436,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,759	\$ -	\$ 49,442
Restricted	46,603,397	30,597,699	156,005,402	168,341,021	172,728,668	204,045,928	215,189,404	227,287,269	233,394,043	332,391,264
Committed	82,201,933	102,233,386	75,173,595	91,585,019	113,795,063	121,913,367	134,372,092	162,862,379	290,920,407	382,253,372
Assigned	14,169,115	5,653,602	22,785,386	14,197,954	6,098,646	13,872,159	22,962,330	-	-	-
Unassigned	(12,975)	(2,626,236)	(23,149,529)	(16,784,621)	(402,755)	(521,927)	(464,083)	(243,566)	-	(4,387)
<b>Total All Other Governmental Funds</b>	<u>\$ 251,599,472</u>	<u>\$ 244,295,422</u>	<u>\$ 230,814,854</u>	<u>\$ 257,339,373</u>	<u>\$ 292,219,622</u>	<u>\$ 339,309,527</u>	<u>\$ 372,059,743</u>	<u>\$ 389,938,841</u>	<u>\$ 524,314,450</u>	<u>\$ 714,689,691</u>
<b>Grand Total Governmental Funds</b>	<u>\$ 378,369,555</u>	<u>\$ 347,730,875</u>	<u>\$ 354,831,055</u>	<u>\$ 372,616,599</u>	<u>\$ 407,444,863</u>	<u>\$ 470,700,303</u>	<u>\$ 479,610,113</u>	<u>\$ 516,640,050</u>	<u>\$ 638,296,652</u>	<u>\$ 804,629,973</u>

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

Fiscal Year Ended June 30	City			Taxable Assessed Value	Successor for Redevelopment			Total Direct Tax Rate (a)
	Secured	Unsecured	Less: Exemptions		Secured	Unsecured	Taxable Assessed Value	
2014	\$ 12,465,751	\$ 1,758,596	\$ (110,182)	\$ 14,114,165	\$ 4,137,730	\$ 774,208	\$ 4,911,938	1.0035
2015	12,413,859	2,552,384	(108,252)	14,857,991	4,295,948	786,273	5,082,221	1.0035
2016	13,124,582	2,611,079	(105,864)	15,629,797	4,494,605	786,273	5,280,877	1.0035
2017	13,781,901	2,543,614	(109,080)	16,216,435	4,697,741	781,204	5,478,946	1.0035
2018	14,844,332	2,624,317	(108,915)	17,359,734	5,060,484	781,204	5,841,689	1.0035
2019	16,575,762	2,814,842	(108,701)	19,281,903	5,458,072	781,204	6,239,276	1.0035
2020	18,181,749	2,910,729	(110,654)	20,981,823	5,754,326	781,204	6,535,530	1.0035
2021	19,529,581	3,147,303	(111,223)	22,565,661	6,217,924	781,204	6,999,129	1.0035
2022	21,666,906	3,257,643	(112,096)	24,812,452	6,723,763	781,204	7,504,967	1.0035
2023	25,470,365	2,423,770	(109,103)	27,785,032	7,347,228	982,294	8,329,522	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.

<sup>(a)</sup> 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Basic Levy	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Chaffey Community College Bond	0.0157	0.0109	0.0113	0.0116	0.0088	0.0153	0.0241	0.0111	0.0177	0.0137
Chaffey High School Bond	0.0371	0.0294	0.0409	0.0319	0.0279	0.0402	0.0375	0.0352	0.0371	0.0294
Chino Unified School Bond	0.0358	0.0331	0.0331	0.0383	0.0934	0.0849	0.079	0.0897	0.0862	0.0900
Metropolitan Water Agency	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Mt. View Elementary	0.0351	0.0336	0.0314	0.0255	0.0263	0.0206	0.018	0.0183	0.0615	0.0134
Ontario-Montclair Elementary Bond	0.0294	0.026	0.0268	0.0264	0.0557	0.0555	0.0428	0.0458	0.0455	0.0422
Total Direct & Overlapping Tax Rates	1.1566	1.1365	1.147	1.1372	1.2156	1.22	1.2049	1.2036	1.2515	1.1922
City's Share of 1% Levy Per Prop 13	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.1681
Total Direct Rate	0.17052	0.17057	0.17058	0.17057	0.17064	0.17075	0.17087	0.1703	0.17079	0.1704

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

**City of Ontario**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2023		2014	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Prologis Inc	\$ 1,006,416,608	2.76%	\$ 171,858,483	0.90%
United Parcel Service Company	750,883,576	2.06%	405,653,016	2.13%
Ontario Mills LP	429,692,777	1.18%	313,095,987	1.64%
Costco Wholesale Corporation	391,629,045	1.07%	-	-
Watson Land Company	372,678,646	1.02%	-	-
Federal Express Corporation	353,225,679	0.97%	-	-
Vineyard Industrial LLC	302,251,290	0.83%	-	-
Ontario Land Ventures LLC	293,374,514	0.80%	-	-
Palmer Ontario Properties LP	249,280,420	0.68%	-	-
Colony Commerce Ontario East LP	243,608,601	0.67%	-	-
Catellus Finance 1 LLC	-	-	227,810,437	1.19%
Comref So California Industrial	-	-	132,876,889	0.70%
Majestic-CCC IV Partners	-	-	126,530,054	0.66%
Niagara Bottling LLC	-	-	112,864,414	0.59%
Camden Landmark LLC	-	-	90,500,000	0.47%
Vogel Properties INC	-	-	89,794,960	0.47%
Southwest Airlines Company INC	-	-	84,258,897	0.44%
	-	-	-	-
<b>Total Top 10 Taxpayers</b>	<b>4,393,041,156</b>	<b>12.04%</b>	<b>1,755,243,137</b>	<b>9.20%</b>
<b>Total Taxable Value</b>	<b>36,492,068,503</b>	<b>100.00%</b>	<b>19,082,173,993</b>	<b>100.00%</b>

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
2014	\$ 24,858,740	\$ 24,518,130	98.63%	\$ 812,490	\$ 25,330,619	101.90%
2015	25,868,724	25,584,269	98.90%	768,052	26,352,321	101.87%
2016	27,397,660	27,022,201	98.63%	755,577	27,777,778	101.39%
2017	28,598,396	28,237,630	98.74%	628,491	28,866,121	100.94%
2018	30,476,605	30,258,907	99.29%	662,586	30,921,494	101.46%
2019	33,855,137	33,811,751	99.87%	275,397	34,087,147	100.69%
2020	36,873,998	36,420,730	98.77%	332,350	36,753,080	99.67%
2021	39,726,164	39,415,629	99.22%	341,296	39,756,925	100.08%
2022	43,670,142	43,614,885	99.87%	496,967	44,111,852	101.01%
2023	49,348,272	49,693,817	100.70%	948,837	50,642,654	102.62%

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

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

<sup>a</sup> *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**  
**Sales Tax Revenue by Category**  
(Dollars in thousands)

	2013 <sup>1</sup>	2014 <sup>1</sup>	2015 <sup>1</sup>	2016 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>	2019 <sup>1</sup>	2020 <sup>1</sup>	2021 <sup>1</sup>	2022 *
Apparel Stores	\$ 428,407	\$ 456,211	\$ 481,356	\$ 536,258	\$ 581,784	\$ 600,342	\$ 613,045	\$ 307,571	\$ 510,442	\$ 515,400
General Merchandise	191,762	208,902	214,164	221,328	220,609	235,171	226,734	215,567	254,942	329,233
Food Stores	58,711	57,522	59,020	59,541	60,949	62,386	63,281	70,661	75,323	78,006
Eating and Drinking Places	303,549	329,579	354,573	376,288	403,227	435,331	459,500	369,238	488,163	540,350
Building Materials	373,041	432,034	441,382	434,958	476,005	503,349	511,953	519,787	552,669	601,620
Auto Dealers and Supplies	1,229,994	1,350,681	1,496,011	1,657,071	1,656,145	1,689,724	1,751,417	1,761,620	2,304,954	2,366,419
Service Stations	612,140	630,767	512,482	479,563	534,118	646,582	639,830	473,817	659,880	873,924
Other Retail Stores	525,193	548,804	573,947	609,336	571,728	517,674	531,529	470,799	589,341	610,031
All Other Outlets	2,468,472	2,635,946	3,058,030	3,629,170	3,252,258	3,277,124	3,436,504	3,649,563	6,082,130	6,872,063
<b>Total</b>	<b>\$ 6,191,269</b>	<b>\$ 6,650,446</b>	<b>\$ 7,190,965</b>	<b>\$ 8,003,513</b>	<b>\$ 7,756,823</b>	<b>\$ 7,967,683</b>	<b>\$ 8,233,793</b>	<b>\$ 7,838,623</b>	<b>\$ 11,517,844</b>	<b>\$ 12,787,046</b>

1. Historical numbers 2013-2021 have been restated to show updated parameters provided by HDL. Prior numbers were provided by MuniServices.

\* Information for 2023 was not yet available. As such, the above schedule presents information for the past 10 years.

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

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

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

Ended June 30	City Direct Rate	County Transportation Authority Rate	San Bernardino County Rate	State Rate
2014	-	0.50%	1.00%	6.50%
2015	-	0.50%	1.00%	6.50%
2016	-	0.50%	1.25%	6.25%
2017	-	0.50%	1.25%	6.00%
2018	-	0.50%	1.25%	6.00%
2019	-	0.50%	1.25%	6.00%
2020	-	0.50%	1.25%	6.00%
2021	-	0.50%	1.25%	6.00%
2022	-	0.50%	1.25%	6.00%
2023	1.00%	0.50%	1.25%	6.00%

*Source: California Department of Tax and Fee Administration.*

Notes: 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.

Notes: Effective April 1, 2023 the City of Ontario adopted a 1% City Direct Tax Rate as a result of the Measure Q ballot measure passed on November 8, 2022.

**City of Ontario**  
**Sales Tax Revenue Payers by Industry**  
**(Dollars In Thousands)**

Economic Category	Fiscal Year 2023				Economic Category	Fiscal Year 2014			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total		Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Autos & Transportation	582	7.34%	\$ 23,766,992	14.39%	General retail	2,103	42%	\$ 11,054	17.54%
Building & Construction	325	4.10%	8,816,573	5.34%	Food products	663	13.18%	4,719	7.49%
Business & Industry	2,821	35.60%	42,147,196	25.52%	Transportation	546	10.85%	18,708	29.68%
Food & Drugs	149	1.88%	1,278,966	0.77%	Construction	238	4.73%	4,968	7.88%
Fuel & Service Stations	106	1.34%	9,674,318	5.86%	Business to business	1,125	22.36%	21,888	34.72%
General Consumer Goods	3,314	41.82%	13,024,907	7.89%	Miscellaneous	357	7.09%	1,700	2.70%
Restaurants & Hotels	628	7.92%	66,452,241	40.23%					
	<u>7,925</u>	<u>100.00%</u>	<u>165,161,193</u>	<u>100.00%</u>		<u>5,032</u>	<u>100.00%</u>	<u>\$ 63,037</u>	<u>100.00%</u>

Source: The HdL Companies 2023, City of Ontario 2014 ACFR

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**  
**Ratios of Outstanding Debt by Type**  
**(Dollars In Thousands, Except Per Capita)**

Fiscal Year Ended June 30	Governmental Activities					Business-type Activities				Total Primary Government	Percentage of Personal Income <sup>b</sup>	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Revenue Bonds	Loans	Capital Leases	Total Governmental Activities	Term Loan	Certificates of Participation	Total Business-type Activities			
2014	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	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	298,558 <sup>c</sup>	-	-	23,907 <sup>b</sup>	-	322,466	-	67,596	67,596	390,062	10.19%	2,108
2021	293,943	-	-	52,754 <sup>d</sup>	-	346,697	-	66,012	66,012	412,708	10.03%	2,231
2022	393,158 <sup>g</sup>	-	-	64,841 <sup>e</sup>	-	457,999	-	67,550 <sup>f</sup>	67,550	525,549	11.51%	2,953
2023	483,282 <sup>h</sup>	-	-	156,715	-	639,997	-	65,190	65,190	705,187	16.05%	3,938

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

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

*b The city 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.*

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

*d The Ontario Housing Authority negotiated the purchase of a property and assumed a promissory note and deed from Housing Opportunities Group Inc (HOGI) with a \$158,566; the city entered into a loan agreement with BAPCC, and affiliate of Bank of America, providing funding for the installation of energy efficiency upgrades to various city facilities, it is a 20 year loan in the amount of \$30,546,000, in conjunction with the Climatec loan the city also entered into a loan agreement with the California Energy Commission to provide funding for the installation of LED lights, it is a 10 year loan in the amount of \$2,898,000.*

*e The city entered into a loan agreement with CBB to provide funding of financing fiber optic broadband network in the amount of \$18,250,000*

*f The City issued revenue bonds in the amount of \$67.550 million to refund all of the outstanding Ontario Public Financing Authority 2013 Water Revenue Bonds.*

*g The Ontario Public Financing Authority issued lease revenue bonds in the amount of \$35.045 million to provide funds to fully refund the 2013 Lease Revenue Bonds and issued lease revenue bonds in the amount of \$90.830 million to finance the acquisition and construction of capital projects.*

*h The Ontario Public Financing Authority issued lease revenue bonds in the amount of \$100 million to finance the acquisition and construction of capital projects.*

**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 <sup>a</sup> of Property <sup>c</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Pension Obligation Bonds	Redevelopment Bonds		Total		
			Tax Allocation Bonds	Revenue Bonds			
2014	\$ 72,067	\$ -	\$ -	\$ -	\$ 72,067	0.41%	\$ 431
2015	70,647	-	-	-	70,647	0.40%	418
2016	69,158	-	-	-	69,158	0.38%	407
2017	67,593	-	-	-	67,593	0.31%	388
2018	63,153	-	-	-	63,153	0.27%	359
2019	62,881	-	-	-	62,881	0.25%	347
2020	239,573 <sup>d</sup>	-	-	-	239,573	0.87%	1,295
2021	293,943	-	-	-	293,943	0.99%	1,589
2022	393,158 <sup>e</sup>	-	-	-	393,158	1.22%	2,209
2023	483,282 <sup>f</sup>	-	-	-	483,282	1.50%	2,699

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.
- e The Ontario Public Financing Authority issued lease revenue bonds in the amount of \$90.830 million to finance the acquisition and construction of capital projects.
- f The Ontario Public Financing Authority issued lease revenue bonds in the amount of \$100 million to finance the acquisition and construction of capital projects.

**Schedule 14 - Direct and Overlapping Governmental Activities Debt**

City Assessed Valuation	\$ 36,223,657,090	
Redevelopment Agency Incremental Valuation	8,329,521,690	
Total Assessed Valuation	<u>\$44,553,178,780</u> *	*Does not include deduction of the homeowner's exception of \$111,223

	Outstanding Debt 6/30/2023	Percentage Applicable <sup>a</sup>	Est. Share of Overlapping Debt 6/30/2023	
Overlapping Debt Repaid with Property Taxes:				
Metropolitan Water District	\$ 19,215,000	0.996%	\$ 191,381	
Chaffey Community College District	290,030,000	24.430%	70,854,329	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	675,369,867	7.281%	49,173,680	
Chaffey Union High School District	600,532,563	42.974%	258,072,864	
Ontario-Montclair School District	132,180,015	70.444%	93,112,890	
Mountain View School District School Facilities Improvement District No. 1	7,174,676	99.501%	7,138,874	
Mountain View School District School Facilities Improvement District No. 2	18,490,000	98.910%	18,288,459	
Mountain View School District CFD No. 1997-1	371,000	100.000%	371,000	
Ontario Community Facilities District No. 13	3,070,000	100.000%	3,070,000	
Ontario Community Facilities District No. 24	14,250,000	100.000%	14,250,000	
Ontario Community Facilities District No. 25	8,070,000	100.000%	8,070,000	
Ontario Community Facilities District No. 26	8,365,000	100.000%	8,365,000	
Ontario Community Facilities District No. 28	8,135,000	100.000%	8,135,000	
Ontario Community Facilities District No. 30	12,895,000	100.000%	12,895,000	
Ontario Community Facilities District No. 31	4,570,000	100.000%	4,570,000	
Ontario Community Facilities District No. 33	5,785,000	100.000%	5,785,000	
Ontario Community Facilities District No. 34	7,290,000	100.000%	7,290,000	
Ontario Community Facilities District No. 38	9,900,000	100.000%	9,900,000	
Ontario Community Facilities District No. 39	4,810,000	100.000%	4,810,000	
Ontario Community Facilities District No. 40	6,125,000	100.000%	6,125,000	
Ontario Community Facilities District No. 41	13,675,000	100.000%	13,675,000	
Ontario Community Facilities District No. 42	7,085,000	100.000%	7,085,000	
Ontario Community Facilities District No. 43	15,295,000	100.000%	15,295,000	
Ontario Community Facilities District No. 45	8,695,000	100.000%	8,695,000	
Ontario Community Facilities District No. 46	7,000,000	100.000%	7,000,000	
Ontario Community Facilities District No. 53	21,455,000	100.000%	21,455,000	
Ontario Community Facilities District No. 54	6,135,000	100.000%	6,135,000	
Ontario Community Facilities District No. 55	9,395,000	100.000%	9,395,000	
Ontario Community Facilities District No. 57	12,915,000	100.000%	12,915,000	
Total overlapping debt repaid with property taxes	<u>1,938,278,121</u>		<u>692,118,477</u>	
Overlapping General Fund Debt:				
San Bernardino County General Fund Obligations	160,860,000	12.469%	20,057,633	<sup>(a)</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.
San Bernardino County Pension Obligation Bonds	62,960,000	12.469%	7,850,482	
San Bernardino County Flood Control District GF Obligation	41,065,000	12.469%	5,120,395	
Chaffey Community College District Certificates of Participation	25,815,000	24.430%	6,306,605	
Cucamonga School District Certificate of Participation	2,616,000	51.125%	1,337,430	
<b>City of Ontario General Fund Obligations</b>	<b>248,965,000</b>	<b>100.000%</b>	<b>248,965,000</b>	
<b>City of Ontario Pension Obligation Bonds</b>	<b>223,665,000</b>	<b>100.000%</b>	<b>223,665,000</b>	
City of Ontario General Fund Obligations-Unamortized				
<b>Bond Premium and Discount</b>	<b>12,928,691</b>		<b>12,928,691</b>	
<b>Loans Payable</b>	<b>156,715,472</b>		<b>156,715,472</b>	
West Valley Vector Control District Certificate of Participation	1,682,042	33.964%	571,289	
Total overlapping general fund debt	<u>937,272,205</u>		<u>683,517,997</u>	
Overlapping Tax Increment Debt (Successor Agency):	\$ 17,514,300	100.00%	17,514,300	
Total overlapping debt			<u>750,876,611</u>	
City direct debt			642,274,163	
Total direct and overlapping debt			<u>\$ 1,393,150,774</u>	

Source: California Municipal Statistics, Inc.  
City direct debt can be obtained from Schedule 12  
City bond premium and discount can be obtained from Note 8 in notes to Basic Financial Statements.  
City Loans Payable can be obtained from Note 8 in notes to financial statements.

**City of Ontario**  
**Legal Debt Margin Information**  
(Dollars In Thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed valuation <sup>a</sup>	\$14,114,165	\$14,857,991	\$15,629,797	\$16,216,435	\$17,359,734	\$19,281,903	\$20,981,823	\$22,565,661	\$24,812,452	\$27,785,032
Conversion percentage <sup>b</sup>	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 3,528,541	\$ 3,714,498	\$ 3,907,449	\$ 4,054,109	\$ 4,339,934	\$ 4,820,476	\$ 5,245,456	\$ 5,641,415	\$ 6,203,113	\$ 6,946,258
Debt limit percentage <sup>c</sup>	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Legal Debt limit	\$ 529,281	\$ 557,175	\$ 586,117	\$ 608,116	\$ 650,990	\$ 723,071	\$ 786,818	\$ 846,212	\$ 930,467	\$ 1,041,939
Total net debt applicable to limit:										
General obligation bonds	72,035	70,625	69,145	67,590	60,200	60,035	295,570	291,080	379,750	472,630
Remaining Legal Debt limit	<u>\$ 457,246</u>	<u>\$ 486,550</u>	<u>\$ 516,972</u>	<u>\$ 540,526</u>	<u>\$ 590,790</u>	<u>\$ 663,036</u>	<u>\$ 491,248</u>	<u>\$ 555,132</u>	<u>\$ 550,717</u>	<u>\$ 569,309</u>
Total debt applicable to the limit as a percentage of legal debt limit	13.61%	12.68%	11.80%	11.11%	9.25%	8.30%	37.57%	34.40%	40.81%	45.36%

Source: City of Ontario, Financial Services Agency

*a Assessed valuation includes the City portion only.*

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

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

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

Fiscal Year Ended June 30	Pledged-Revenue Coverage Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 60,108	\$ 33,427	\$ 26,681	\$ 2,025	\$ 3,576	3.98
2015	60,176	39,894	20,282	1,220	3,576	3.98
2016	55,649	39,639	16,010	1,270	3,527	3.34
2017	59,459	36,604	22,855	1,320	3,476	4.77
2018	61,126	42,748	18,377	1,375	3,423	3.83
2019	59,888	40,578	19,310	1,430	3,368	4.02
2020	55,828	50,003	5,824	1,485	3,311	1.21
2021	63,669	52,588	11,081	1,485	3,282	2.32
2022	72,949	46,774	26,176	1,545	3,213	5.50
2023	71,078	53,874	17,204	2,565	1,511	4.22

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



**City of Ontario**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income	Unemployment Rate (3)
2014	167,382	3,100,249	18,774	8.2%
2015	169,089	3,224,189	19,068	5.8%
2016	169,869	3,159,733	18,601	6.5%
2017	174,283	3,444,006	19,761	5.5%
2018	175,841	3,474,794	19,761	3.4%
2019	181,107	3,826,610	21,129	3.0%
2020	185,010	4,114,067	22,237	8.3%
2021	185,010	4,566,417	24,682	5.6%
2022	177,963	4,392,483	24,682	6.8%
2023	179,061	4,778,601	26,687	4.6%

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

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

Employer	2023		2014	
	Number of Employees	Percentage of Total City Employment <sup>(a)</sup>	Number of Employees	Percentage of Total City Employment
Ontario International Airport	5,000 - 9,999			
United Parcel Service	5,000 - 9,999			
Workforce Personnel, Inc	5,000 - 9,999			
Chaffey Union High School	1,000 - 4,999			
City of Ontario	1,000 - 4,999	(a) Left	(a) Left	(a) Left
Ontario-Montclair School District	1,000 - 4,999	intentionally	intentionally	intentionally
Primary Care Assoc Med Group	1,000 - 4,999	blank	blank	blank
FedEx	500 - 999			
The Home Depot	500 - 999			
QVC, Inc	500 - 999			
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Source: EDD

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	148	137	147	122	126	144	149	138	141	148
Public Safety	495	499	506	596	600	624	640	640	603	659
Community Development	145	157	156	183	131	133	195	127	110	119
Public Works	285	289	289	296	355	376	329	417	406	451
<b>Total</b>	<b>1,073</b>	<b>1,082</b>	<b>1,098</b>	<b>1,197</b>	<b>1,212</b>	<b>1,277</b>	<b>1,313</b>	<b>1,322</b>	<b>1,260</b>	<b>1,377</b>

*Source: City of Ontario, FY 2023-24 Adopted Budget, p.72, Current Budget 2022-23 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Building permits issued	3,724	3,987	4,353	4,231	5,130	4,652	4,568	5,827	7,499	7,584
Police										
Physical arrests	8,546	8,280	8,916	10,433	10,024	7,955	6,415	5,142	4,258	4,751
Citations	9,377	8,469	7,957	6,733	7,058	9,415	5,340	4,078	4,989	5,128
Fire										
Emergency response	16,736	16,794	18,326	19,418	20,223	20,258	20,623	22,211	22,634	23,621
Fire inspections	4,168	4,650	6,986	3,269	2,843	2,938	3,200	7,146	-	6,068
Public works										
Street resurfacing (miles)	18.50	15.20	11.26	8.97	11.00	13.50	8.00	5.4	3.6	7.6
Recreation and Community Services										
Number of recreation classes	1,299	1,265	1,233	1,202	1,106	1,125	806	202	2,636	2,207
Number of facility rentals	6,118	6,259	5,761	6,754	6,468	5,472	3,181	3,771	199	263
Library										
Total volumes of books borrowed	393,308	390,740	466,189	433,527	407,395	419,646	312,583	147,781	278,069	312,303
Total volumes of audio/visual items borrowed	133,041	121,908	127,989	120,066	100,901	100,333	65,548	21,577	16,630	40,314
Water										
Number of recycled water connections	220	244	290	333	339	417	426	442	497	534
Number of potable connections	33,134	33,504	34,000	34,468	35,308	36,831	30,912	37,631	41,567	41,839
Average daily potable consumption (MGD)	34	29	30	26	30	27	26	28	26.94	24.71
Integrated Waste										
Refuse collected (tons per day)	564	592	598	655	683	678	739	799	793	785
Recyclables collected (tons per day)	49	48	50	54	55	61	75	98	97	103
Recyclables recovered (tons per day)	38	38	39	37	40	41	49	59	58	70
Organic-Food Waste Collection Avg Tons/Day									2	2.75
Green Waste Collection Avg Tons/Day									93	93

Source: City of Ontario, various departments

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Police Stations	2	2	2	2	2	2	2	2	2	2
Fire										
Fire Stations	8	8	8	8	9	9	9	10	10	10
Public Works										
Streets (miles) <sup>a</sup>	552	543	503	503	486	508	499	510	530	550
Traffic Signals	191	191	191	207	207	209	217	228	237	237

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

Source: City of Ontario, various departments



**MAYOR**

PAUL S. LEON

**MAYOR PRO TEM**

DEBRA PORADA

**COUNCIL MEMBERS**

ALAN D. WAPNER

JIM W. BOWMAN

RUBEN VALENCIA

**CITY TREASURER**

JAMES R. MILHISER

**CITY CLERK**

SHEILA MAUTZ

**CITY MANAGER**

SCOTT OCHOA

**EXECUTIVE DIRECTOR OF FINANCE**

ARMEN HARKALYAN

