

Basic Financial Statements

CITY OF ONTARIO

STATEMENT OF NET ASSETS
JUNE 30, 2009

| | Primary Government | | |
|--|----------------------------|-----------------------------|-------------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Assets: | | | |
| Cash and investments | \$ 304,197,540 | \$ 85,956,836 | \$ 390,154,376 |
| Receivables: | | | |
| Accounts | 21,075,522 | 10,880,147 | 31,955,669 |
| Taxes | 1,558,827 | - | 1,558,827 |
| Notes and loans | 13,725,884 | - | 13,725,884 |
| Accrued interest | 2,203,808 | 485,737 | 2,689,545 |
| Internal balances | (12,368,842) | 12,368,842 | - |
| Prepaid costs | 119,050 | 9,893 | 128,943 |
| Deposits | 3,997,786 | - | 3,997,786 |
| Inventories | 604,206 | 3,875,696 | 4,479,902 |
| Deferred charges | 2,242,187 | 623,089 | 2,865,276 |
| Land held for resale | 95,553,956 | - | 95,553,956 |
| Other investments | - | 201,750 | 201,750 |
| Investment in joint venture | - | 38,909,588 | 38,909,588 |
| Restricted assets: | | | |
| Cash and investments | 2,091,297 | 1,097,503 | 3,188,800 |
| Cash with fiscal agent | 30,409,480 | 12,035,268 | 42,444,748 |
| Accrued interest | 59,323 | 379 | 59,702 |
| Capital assets not being depreciated | 504,540,587 | 51,259,433 | 555,800,020 |
| Capital assets, net of depreciation | 334,273,758 | 121,988,021 | 456,261,779 |
| Total Assets | 1,304,284,369 | 339,692,182 | 1,643,976,551 |
| Liabilities: | | | |
| Accounts payable | 17,371,547 | 9,438,887 | 26,810,434 |
| Accrued liabilities | 5,718,554 | 392,988 | 6,111,542 |
| Accrued interest | 4,305,521 | - | 4,305,521 |
| Unearned revenue | 2,884,873 | 63,861 | 2,948,734 |
| Deposits payable | 11,678,894 | 3,588,566 | 15,267,460 |
| Due to other governments | 3,957,361 | - | 3,957,361 |
| Noncurrent liabilities: | | | |
| Due within one year | 7,451,047 | 1,099,000 | 8,550,047 |
| Due in more than one year | 178,768,950 | 48,841,957 | 227,610,907 |
| Total Liabilities | 232,136,747 | 63,425,259 | 295,562,006 |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 697,130,716 | 132,549,162 | 829,679,878 |
| Restricted for: | | | |
| Public safety | 121,471,395 | - | 121,471,395 |
| Community development projects | 19,820,816 | - | 19,820,816 |
| Public works | 74,592,129 | - | 74,592,129 |
| Capital projects | 31,451,441 | 8,221,431 | 39,672,872 |
| Debt service | 22,750,607 | 3,813,837 | 26,564,444 |
| Unrestricted | 104,930,518 | 131,682,493 | 236,613,011 |
| Total Net Assets | \$ 1,072,147,622 | \$ 276,266,923 | \$ 1,348,414,545 |

CITY OF ONTARIO

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

| | | Program Revenues | | |
|---------------------------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| | | Charges for | Operating | Capital |
| | Expenses | Services | Contributions and Grants | Contributions and Grants |
| Functions/Programs | | | | |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General government | \$ 36,950,147 | \$ 1,542,584 | \$ 4,860,011 | \$ - |
| Public safety | 99,580,479 | 4,008,540 | 5,585,823 | - |
| Community development | 54,580,626 | 8,184,489 | 4,023,082 | 20,823,918 |
| Library | 4,219,081 | 259,285 | 46,900 | 512,536 |
| Public works | 8,688,268 | - | 113,860 | 4,881,661 |
| Interest on long-term debt | 14,146,879 | - | - | - |
| Total Governmental Activities | 218,165,480 | 13,994,898 | 14,629,676 | 26,218,115 |
| Business-Type Activities: | | | | |
| Water | 27,854,314 | 46,201,981 | - | - |
| ⌋ Sewer | 10,270,538 | 16,914,590 | - | - |
| ⌋ Solid Waste | 21,791,770 | 32,647,449 | 52,324 | - |
| Total Business-Type Activities | 59,916,622 | 95,764,020 | 52,324 | - |
| Total Primary Government | \$ 278,082,102 | \$ 109,758,918 | \$ 14,682,000 | \$ 26,218,115 |

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Other taxes

Intergovernmental, unrestricted

Motor vehicle in lieu

Use of money and property

Other

Transfers**Total General Revenues and Transfers**

Change in Net Assets

Net Assets at Beginning of Year

Restatement of Net Assets

Net Assets at End of Year

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

| Governmental Activities | Business-Type Activities | Total |
|------------------------------------|-------------------------------------|-------------------------|
| \$ (30,547,552) | \$ - | \$ (30,547,552) |
| (89,986,116) | - | (89,986,116) |
| (21,549,137) | - | (21,549,137) |
| (3,400,360) | - | (3,400,360) |
| (3,692,747) | - | (3,692,747) |
| (14,146,879) | - | (14,146,879) |
| (163,322,791) | - | (163,322,791) |
| - | 18,347,667 | 18,347,667 |
| - | 6,644,052 | 6,644,052 |
| - | 10,908,003 | 10,908,003 |
| - | 35,899,722 | 35,899,722 |
| (163,322,791) | 35,899,722 | (127,423,069) |
| 91,075,881 | - | 91,075,881 |
| 9,367,537 | - | 9,367,537 |
| 48,921,819 | - | 48,921,819 |
| 3,162,639 | - | 3,162,639 |
| 5,550,779 | - | 5,550,779 |
| 4,794,681 | - | 4,794,681 |
| 590,224 | - | 590,224 |
| 16,869,840 | 4,682,669 | 21,552,509 |
| 10,012,883 | - | 10,012,883 |
| (4,651,984) | 4,651,984 | - |
| 185,694,299 | 9,334,653 | 195,028,952 |
| 22,371,508 | 45,234,375 | 67,605,883 |
| 1,057,407,924 | 231,032,548 | 1,288,440,472 |
| (7,631,810) | - | (7,631,810) |
| \$ 1,072,147,622 | \$ 276,266,923 | \$ 1,348,414,545 |

CITY OF ONTARIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

| | | Special Revenue Funds | Capital Projects Funds | |
|---|-----------------------|-----------------------------|------------------------|----------------------|
| | General | Quiet Home Program | Capital Projects | Impact Fees |
| Assets: | | | | |
| Cash and investments | \$ 76,354,087 | \$ 3,113,536 | \$ 1,219,223 | \$ 47,893,714 |
| Receivables: | | | | |
| Accounts | 14,578,617 | 867,257 | 1,311,843 | - |
| Accrued interest | 1,021,567 | - | 6,029 | 280,166 |
| Taxes | 825,170 | - | - | - |
| Contracts and notes | 14,000 | - | - | - |
| Prepaid costs | 56,042 | - | - | - |
| Deposits with others | - | 3,000 | 2,199 | 2,108,222 |
| Due from other funds | 4,704,733 | - | - | - |
| Advances to other funds | 12,301,377 | - | 15,592,148 | - |
| Inventories | 153,406 | - | - | - |
| Land held for resale | - | 50,582,353 | 138,681 | - |
| Restricted assets: | | | | |
| Cash and investments | 6,123 | - | 947,763 | 34,161 |
| Cash and investments with fiscal agents | 284,012 | - | 25,472,204 | - |
| Accrued interest | 48 | - | 58,492 | - |
| Total Assets | \$ 110,299,182 | \$ 54,566,146 | \$ 44,748,582 | \$ 50,316,263 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 4,114,975 | \$ 1,116,498 | \$ 2,878,252 | \$ 415,334 |
| Accrued liabilities | 4,121,620 | 14,286 | 46,629 | 64 |
| Deferred revenues | 4,031,755 | - | 5,943,322 | - |
| Unearned revenues | 382,782 | 2,502,091 | - | - |
| Deposits payable | 11,152,478 | - | - | - |
| Due to other governments | - | - | - | - |
| Due to other funds | - | - | 2,630,537 | - |
| Advances from other funds | - | - | 1,798,401 | 2,770,000 |
| Total Liabilities | 23,803,610 | 3,632,875 | 13,297,141 | 3,185,398 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | 2,135,634 | - | 3,038,604 | 723,450 |
| Reserved for prepaid costs | 56,042 | - | - | - |
| Reserved for deposits with others | - | 3,000 | 2,199 | 2,108,222 |
| Reserved for land held for resale | - | 50,582,353 | 138,681 | - |
| Reserved for contracts and notes receivables | 14,000 | - | - | - |
| Reserved for advances to other funds | 12,301,377 | - | 9,648,826 | - |
| Reserved for inventory | 153,406 | - | - | - |
| Reserved for contractual obligations | 179,302 | - | - | - |
| Reserved for trust and endowment | 736,692 | - | - | - |
| Unreserved: | | | | |
| Unreserved, reported in nonmajor: | | | | |
| Special revenue funds | - | - | - | - |
| Capital projects funds | - | - | - | - |
| Debt service funds | - | - | - | - |
| Designated for capital improvement projects | - | - | 18,623,131 | 44,299,193 |
| Designated for debt service | - | - | - | - |
| Designated for FAA/LAWA land acquisition | - | 329,397 | - | - |
| Designated for assessment district maintenance | 1,520,280 | - | - | - |
| Designated for compensated absences | 12,010,168 | - | - | - |
| Designated for City facilities | 5,092,158 | - | - | - |
| Designated for equipment replacement | 434,374 | - | - | - |
| Designated for communication computers | 1,475,897 | - | - | - |
| Designated for public safety equipment | 1,522,985 | - | - | - |
| Designated for development related expenditures | 5,905,000 | - | - | - |
| Designated for economic uncertainties | 18,703,979 | - | - | - |
| Undesignated | 24,254,278 | 18,521 | - | - |
| Total Fund Balances | 86,495,572 | 50,933,271 | 31,451,441 | 47,130,865 |
| Total Liabilities and Fund Balances | \$ 110,299,182 | \$ 54,566,146 | \$ 44,748,582 | \$ 50,316,263 |

CITY OF ONTARIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

| | Debt Service Funds Redevelopment Area #1 | Other Governmental Funds | Total Governmental Funds |
|---|---|--------------------------------|--------------------------------|
| Assets: | | | |
| Cash and investments | \$ 38,402,617 | \$ 76,218,541 | \$ 243,201,718 |
| Receivables: | | | |
| Accounts | - | 3,277,870 | 20,035,587 |
| Accrued interest | 224,510 | 435,088 | 1,967,360 |
| Taxes | 382,530 | 351,127 | 1,558,827 |
| Contracts and notes | - | 13,711,884 | 13,725,884 |
| Prepaid costs | - | 52,688 | 108,730 |
| Deposits with others | - | 1,884,365 | 3,997,786 |
| Due from other funds | - | - | 4,704,733 |
| Advances to other funds | - | 9,191,885 | 37,085,410 |
| Inventories | - | - | 153,406 |
| Land held for resale | - | 44,832,922 | 95,553,956 |
| Restricted assets: | | | |
| Cash and investments | - | 1,103,250 | 2,091,297 |
| Cash and investments with fiscal agents | 1,503,058 | 3,150,206 | 30,409,480 |
| Accrued interest | 253 | 530 | 59,323 |
| Total Assets | \$ 40,512,968 | \$ 154,210,356 | \$ 454,653,497 |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable | \$ 3,716,204 | \$ 4,103,644 | \$ 16,344,907 |
| Accrued liabilities | - | 1,391,751 | 5,574,350 |
| Deferred revenues | - | 3,095,932 | 13,071,009 |
| Unearned revenues | - | - | 2,884,873 |
| Deposits payable | - | 526,416 | 11,678,894 |
| Due to other governments | - | 3,957,361 | 3,957,361 |
| Due to other funds | - | 2,074,196 | 4,704,733 |
| Advances from other funds | 19,495,766 | 15,791,243 | 39,855,410 |
| Total Liabilities | 23,211,970 | 30,940,543 | 98,071,537 |
| Fund Balances: | | | |
| Reserved: | | | |
| Reserved for encumbrances | - | 6,086,422 | 11,984,110 |
| Reserved for prepaid costs | - | 52,688 | 108,730 |
| Reserved for deposits with others | - | 1,884,365 | 3,997,786 |
| Reserved for land held for resale | - | 44,832,922 | 95,553,956 |
| Reserved for contracts and notes receivables | - | 6,658,591 | 6,672,591 |
| Reserved for advances to other funds | - | 9,191,885 | 31,142,088 |
| Reserved for inventory | - | - | 153,406 |
| Reserved for contractual obligations | - | - | 179,302 |
| Reserved for trust and endowment | - | - | 736,692 |
| Unreserved: | | | |
| Unreserved, reported in nonmajor: | | | |
| Special revenue funds | - | 24,721,646 | 24,721,646 |
| Capital projects funds | - | 24,391,685 | 24,391,685 |
| Debt service funds | - | 5,449,609 | 5,449,609 |
| Designated for capital improvement projects | - | - | 62,922,324 |
| Designated for debt service | 17,300,998 | - | 17,300,998 |
| Designated for FAA/LAWA land acquisition | - | - | 329,397 |
| Designated for assessment district maintenance | - | - | 1,520,280 |
| Designated for compensated absences | - | - | 12,010,168 |
| Designated for City facilities | - | - | 5,092,158 |
| Designated for equipment replacement | - | - | 434,374 |
| Designated for communication computers | - | - | 1,475,897 |
| Designated for public safety equipment | - | - | 1,522,985 |
| Designated for development related expenditures | - | - | 5,905,000 |
| Designated for economic uncertainties | - | - | 18,703,979 |
| Undesignated | - | - | 24,272,799 |
| Total Fund Balances | 17,300,998 | 123,269,813 | 356,581,960 |
| Total Liabilities and Fund Balances | \$ 40,512,968 | \$ 154,210,356 | \$ 454,653,497 |

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CITY OF ONTARIO

**GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009**

| | |
|---|--------------------------------|
| Fund balances of governmental funds. | \$ 356,581,960 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets net of depreciation have not been included as financial resources in governmental fund activity. | 819,276,083 |
| Long-term debt and compensated absences that have not been included in the governmental fund activity: | |
| Long-term liabilities | (165,613,106) |
| Compensated Absences | (8,672,339) |
| Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the statement of net assets. | 2,242,187 |
| Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds. | (4,305,521) |
| Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity. | 13,071,009 |
| Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets. | 59,567,349 |
| Net assets of governmental activities | <u>\$ 1,072,147,622</u> |

CITY OF ONTARIO

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

| | | Special Revenue Funds | Capital Projects Funds | |
|--|----------------------|-----------------------------|------------------------|----------------------|
| | General | Quiet Home Program | Capital Projects | Impact Fees |
| Revenues: | | | | |
| Taxes | \$ 114,943,845 | \$ - | \$ - | \$ - |
| Licenses and permits | 1,344,689 | - | - | - |
| Intergovernmental | 5,093,261 | 5,773,980 | 5,171,175 | - |
| Charges for services | 6,332,707 | - | 20,508 | 2,823,226 |
| Use of money and property | 4,497,562 | 19,565 | 444,404 | 2,456,120 |
| Fines and forfeitures | 1,675,666 | - | - | - |
| Contribution from property owners | - | - | - | - |
| Miscellaneous | 9,128,164 | 1,955 | - | - |
| Total Revenues | 143,015,894 | 5,795,500 | 5,636,087 | 5,279,346 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 10,183,786 | - | - | - |
| Public safety | 101,021,285 | - | - | 35,683 |
| Community development | 18,933,103 | 2,957,752 | 63,264,960 | 2,055,595 |
| Library | 4,063,682 | - | - | - |
| Public works | 16,399,937 | - | - | 757,190 |
| Debt service: | | | | |
| Principal retirement | 1,400,257 | - | - | - |
| Interest and fiscal charges | 3,284,632 | - | - | - |
| Pass-through agreement payments | - | - | - | - |
| Total Expenditures | 155,286,682 | 2,957,752 | 63,264,960 | 2,848,468 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (12,270,788) | 2,837,748 | (57,628,873) | 2,430,878 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 17,046,362 | - | 7,447,565 | - |
| Transfers out | (9,961,446) | - | - | - |
| Total Other Financing Sources (Uses) | 7,084,916 | - | 7,447,565 | - |
| Net Change in Fund Balances | \$ (5,185,872) | \$ 2,837,748 | \$ (50,181,308) | \$ 2,430,878 |
| Fund Balances: | | | | |
| Beginning of year, as originally reported | \$ 91,681,444 | \$ 48,095,523 | \$ 81,632,749 | \$ 44,699,987 |
| Restatements | - | - | - | - |
| Beginning of year, as restated | 91,681,444 | 48,095,523 | 81,632,749 | 44,699,987 |
| Net change in fund balances | (5,185,872) | 2,837,748 | (50,181,308) | 2,430,878 |
| Fund Balances, End of Year | \$ 86,495,572 | \$ 50,933,271 | \$ 31,451,441 | \$ 47,130,865 |

CITY OF ONTARIO

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

| | Debt Service Funds Redevelopment Area #1 | Other Governmental Funds | Total Governmental Funds |
|--|---|---|---|
| Revenues: | | | |
| Taxes | \$ 32,633,498 | \$ 19,574,862 | \$ 167,152,205 |
| Licenses and permits | - | - | 1,344,689 |
| Intergovernmental | - | 17,436,919 | 33,475,335 |
| Charges for services | - | 1,674,218 | 10,850,659 |
| Use of money and property | 1,279,436 | 3,709,071 | 12,406,158 |
| Fines and forfeitures | - | 3,464 | 1,679,130 |
| Contribution from property owners | - | 3,887,060 | 3,887,060 |
| Miscellaneous | - | 2,369,082 | 11,499,201 |
| Total Revenues | 33,912,934 | 48,654,676 | 242,294,437 |
| Expenditures: | | | |
| Current: | | | |
| General government | 3,949,116 | 11,807,637 | 25,940,539 |
| Public safety | - | 505,381 | 101,562,349 |
| Community development | - | 26,629,303 | 113,840,713 |
| Library | - | - | 4,063,682 |
| Public works | - | 2,069,876 | 19,227,003 |
| Debt service: | | | |
| Principal retirement | 3,512,200 | 978,841 | 5,891,298 |
| Interest and fiscal charges | 8,121,149 | 1,236,324 | 12,642,105 |
| Pass-through agreement payments | 3,358,941 | 2,174,287 | 5,533,228 |
| Total Expenditures | 18,941,406 | 45,401,649 | 288,700,917 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 14,971,528 | 3,253,027 | (46,406,480) |
| Other Financing Sources (Uses): | | | |
| Transfers in | 325,551 | 17,942,494 | 42,761,972 |
| Transfers out | (7,585,850) | (12,501,819) | (30,049,115) |
| Total Other Financing Sources (Uses) | (7,260,299) | 5,440,675 | 12,712,857 |
| Net Change in Fund Balances | \$ 7,711,229 | \$ 8,693,702 | \$ (33,693,623) |
| Fund Balances: | | | |
| Beginning of year, as originally reported | \$ 9,589,769 | \$ 116,321,790 | \$ 392,021,262 |
| Restatements | - | (1,745,679) | (1,745,679) |
| Beginning of year, as restated | 9,589,769 | 114,576,111 | 390,275,583 |
| Net change in fund balances | 7,711,229 | 8,693,702 | (33,693,623) |
| Fund Balances, End of Year | \$ 17,300,998 | \$ 123,269,813 | \$ 356,581,960 |

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CITY OF ONTARIO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009**

Net change in fund balances - total governmental funds \$ (33,693,623)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 48,280,291

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. (1,561,795)

Debt issuance costs are expenditures in governmental funds, but these costs are capitalized on the statement of net assets and amortized over the life of the debt. (116,436)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 112,170

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (649,575)

Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity. 871,675

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 9,128,801

Change in net assets of governmental activities \$ 22,371,508

CITY OF ONTARIO

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|--------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 91,681,444 | \$ 91,681,444 | \$ 91,681,444 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 117,240,000 | 118,550,000 | 114,943,845 | (3,606,155) |
| Licenses and permits | 2,049,660 | 1,128,660 | 1,344,689 | 216,029 |
| Intergovernmental | 4,766,199 | 8,812,259 | 5,093,261 | (3,718,998) |
| Charges for services | 6,920,175 | 6,058,651 | 6,332,707 | 274,056 |
| Use of money and property | 3,537,984 | 3,547,829 | 4,497,562 | 949,733 |
| Fines and forfeitures | 1,130,700 | 1,130,700 | 1,675,666 | 544,966 |
| Miscellaneous | 7,569,234 | 8,464,967 | 9,128,164 | 663,197 |
| Transfers in | 19,989,590 | 20,810,004 | 17,046,362 | (3,763,642) |
| Amounts Available for Appropriation | 254,884,986 | 260,184,514 | 251,743,700 | (8,440,814) |
| Charges to Appropriation (Outflow): | | | | |
| General government | | | | |
| City council | 353,797 | 353,797 | 319,204 | 34,593 |
| Planning commissioners | 35,505 | 35,505 | 18,604 | 16,901 |
| City treasurer/city clerk | 83,525 | 83,525 | 76,968 | 6,557 |
| Records management | 759,431 | 884,431 | 802,399 | 82,032 |
| City attorney | 389,900 | 389,900 | 163,350 | 226,550 |
| City manager | 550,240 | 545,990 | 549,999 | (4,009) |
| General government | 400,052 | 479,061 | 385,768 | 93,293 |
| AS administration | 673,616 | 761,733 | 559,154 | 202,579 |
| Fiscal services | 1,370,184 | 1,312,871 | 1,259,545 | 53,326 |
| General services | 1,210,090 | 1,222,282 | 1,104,630 | 117,652 |
| Billing and collection | 2,525,977 | 2,624,430 | 2,502,339 | 122,091 |
| Business license | 376,234 | 307,328 | 321,854 | (14,526) |
| Central services | 408,579 | 314,579 | 314,195 | 384 |
| Employee select. and compliance | 1,509,662 | 1,392,396 | 1,277,959 | 114,437 |
| Benefits administration | 260,084 | 280,084 | 261,261 | 18,823 |
| City administration | 293,435 | 272,830 | 265,230 | 7,600 |
| RDA administration | 43,775 | 43,775 | 1,327 | 42,448 |
| Public safety | | | | |
| Police administration | 830,864 | 832,091 | 864,411 | (32,320) |
| Command management | 528,265 | 528,265 | 514,038 | 14,227 |
| Traffic support services | 3,028,580 | 3,028,580 | 3,102,536 | (73,956) |
| COPS/Multi enforcement team | 3,766,851 | 3,767,568 | 3,883,491 | (115,923) |
| Storefront - Ontario Mills | 2,646,598 | 2,646,598 | 2,220,918 | 425,680 |
| Patrol | 23,086,488 | 23,108,581 | 24,447,624 | (1,339,043) |
| Extra duty - other | 367,710 | 473,370 | 413,280 | 60,090 |
| Special Operations Bureau Management | 242,862 | 250,562 | 277,541 | (26,979) |
| Canine | 938,516 | 938,516 | 817,318 | 121,198 |
| Air support | 2,507,806 | 2,548,238 | 2,177,465 | 370,773 |
| Crime analysis | 290,297 | 290,585 | 277,362 | 13,223 |
| Personnel recruitment | 577,673 | 577,673 | 390,551 | 187,122 |
| Record processing | 1,832,317 | 1,824,617 | 1,531,856 | 292,761 |
| Communications | 5,332,310 | 5,380,693 | 4,764,048 | 616,645 |
| Crime prevention | 432,679 | 433,079 | 393,456 | 39,623 |
| Personnel training | 1,211,799 | 1,215,899 | 948,935 | 266,964 |
| Police investigation management | 284,499 | 284,499 | 365,217 | (80,718) |
| Detective division | 6,893,894 | 6,893,894 | 6,889,262 | 4,632 |
| Narcotics | 3,896,922 | 3,896,922 | 3,784,160 | 112,762 |
| ID/evidence | 1,523,285 | 1,486,406 | 1,516,193 | (29,787) |

CITY OF ONTARIO

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2009**

(Continued)

| | Budget Amounts | | Actual | Variance with |
|---|-----------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Public safety (continued) | | | | |
| Fire administration | 687,865 | 696,499 | 641,982 | 54,517 |
| Fire prevention bureau | 2,029,269 | 2,070,904 | 2,128,383 | (57,479) |
| Emergency services | 28,844,751 | 29,244,751 | 29,910,971 | (666,220) |
| Personnel training and development | 739,785 | 750,785 | 723,925 | 26,860 |
| E.M.S technical services | 782,743 | 788,815 | 752,580 | 36,235 |
| Disaster management | 442,662 | 436,662 | 301,195 | 135,467 |
| Operations support services | 1,958,804 | 2,191,386 | 2,071,382 | 120,004 |
| Code enforcement | 1,912,412 | 1,936,929 | 1,987,252 | (50,323) |
| SWAT | 282,625 | 287,884 | 300,970 | (13,086) |
| Office of the police chief | 1,658,198 | 1,658,630 | 1,401,025 | 257,605 |
| Police projects | 641,738 | 1,149,594 | 665,533 | 484,061 |
| Fire projects | 156,110 | 1,547,935 | 556,425 | 991,510 |
| Community development | | | | |
| Community and public services admin. | 366,852 | 310,446 | 323,710 | (13,264) |
| Sports/fitness | 434,411 | 429,742 | 384,176 | 45,566 |
| Special events/facility rental | 332,137 | 322,437 | 264,987 | 57,450 |
| Community programs | 1,240,542 | 1,260,419 | 1,176,801 | 83,618 |
| Development administration | 999,165 | 979,349 | 1,004,910 | (25,561) |
| Planning administration | 537,773 | 479,398 | 460,521 | 18,877 |
| Planning - current | 1,279,979 | 1,165,716 | 1,154,051 | 11,665 |
| Advance long rang planning | 855,594 | 1,961,952 | 1,373,574 | 588,378 |
| New model colony | 670,578 | 1,322,481 | 909,151 | 413,330 |
| Building administration | 384,514 | 384,588 | 372,500 | 12,088 |
| Building inspection | 2,209,489 | 2,042,558 | 2,051,409 | (8,851) |
| Engineering administration | 575,125 | 417,264 | 228,340 | 188,924 |
| Land development | 1,493,376 | 1,637,896 | 1,635,380 | 2,516 |
| Traffic signal/street lighting | 1,833,842 | 1,867,744 | 1,716,169 | 151,575 |
| Traffic management | 159,956 | 159,956 | 139,949 | 20,007 |
| Field services | 331,683 | 336,607 | 323,757 | 12,850 |
| Museum | 439,797 | 445,489 | 434,105 | 11,384 |
| Community outreach | 2,268,554 | 2,288,554 | 2,384,814 | (96,260) |
| Public facilities | 426,770 | 318,116 | 291,741 | 26,375 |
| Senior services | 602,193 | 604,450 | 567,141 | 37,309 |
| Youth/teen services | 880,523 | 772,415 | 697,433 | 74,982 |
| Museum projects | 49,542 | 52,619 | 43,747 | 8,872 |
| CIP design administration | 34,480 | 34,480 | 2,414 | 32,066 |
| Debt management/special district admin. | 220,770 | 289,395 | 272,202 | 17,193 |
| Engineering projects | 373,140 | 373,140 | 217,581 | 155,559 |
| Planning Projects | 420,000 | 420,000 | 79,596 | 340,404 |
| Temp Homeless Services | 300,480 | 300,480 | 300,480 | - |
| Municipal Utility projects | - | 122,464 | 122,464 | - |
| Library | | | | |
| Library administration | 647,944 | 648,944 | 627,142 | 21,802 |
| Library support services | 613,145 | 615,145 | 610,179 | 4,966 |
| Main library | 2,504,058 | 2,420,730 | 2,262,767 | 157,963 |
| Branch library | 510,802 | 510,802 | 465,485 | 45,317 |
| Library projects | 116,000 | 122,000 | 98,109 | 23,891 |
| Public works | | | | |
| Municipal utilities admin | 732,622 | 701,359 | 672,389 | 28,970 |
| Roadway maintenance | 1,516,233 | 1,516,233 | 912,569 | 603,664 |
| Paint and striping | 468,142 | 521,795 | 420,434 | 101,361 |
| Sidewalk | 1,459,977 | 1,459,977 | 1,334,395 | 125,582 |

CITY OF ONTARIO

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|----------------------|---------------------------|---|
| | Original | Final | | |
| Public works (continued) | | | | |
| Street lighting maintenance | 436,431 | 465,573 | 401,590 | 63,983 |
| Sign repair and construction | 360,929 | 360,929 | 335,053 | 25,876 |
| Parks and maintenance supervision | 1,013,736 | 1,016,176 | 1,063,782 | (47,606) |
| Park maintenance | 2,469,925 | 2,414,185 | 2,288,222 | 125,963 |
| Parkway tree trimming | 721,465 | 772,347 | 720,316 | 52,031 |
| Public ground maintenance | 2,026,551 | 2,054,691 | 1,785,627 | 269,064 |
| Civic center ground maintenance | 113,898 | 113,898 | 108,031 | 5,867 |
| Westwind/Creekside | 198,362 | 198,709 | 124,645 | 74,064 |
| Civic center building maintenance | 1,711,045 | 1,713,927 | 1,592,628 | 121,299 |
| Public works building maintenance | 409,495 | 482,645 | 405,208 | 77,437 |
| Park building maintenance | 1,390,819 | 1,316,743 | 876,067 | 440,676 |
| Police facility building maintenance | 900,018 | 936,273 | 848,909 | 87,364 |
| Community events | 45,411 | 45,411 | 32,698 | 12,713 |
| Graffiti | 453,764 | 453,764 | 445,488 | 8,276 |
| Municipal utilities | 1,708,573 | 3,773,573 | 2,031,886 | 1,741,687 |
| Debt service: | | | | |
| Principal retirement | 1,400,257 | 1,400,257 | 1,400,257 | - |
| Interest and fiscal charges | 3,284,632 | 3,284,632 | 3,284,632 | - |
| Transfers out | 2,571,780 | 10,454,345 | 9,961,446 | 492,899 |
| Total Charges to Appropriations | 161,108,542 | 175,347,145 | 165,248,128 | 10,099,017 |
| Budgetary Fund Balance, June 30 | \$ 93,776,444 | \$ 84,837,369 | \$ 86,495,572 | \$ 1,658,203 |

CITY OF ONTARIO

BUDGETARY COMPARISON STATEMENT
QUIET HOME PROGRAM
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|----------------------|----------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 48,095,523 | \$ 48,095,523 | \$ 48,095,523 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 19,036,205 | 22,204,896 | 5,773,980 | (16,430,916) |
| Charges for services | - | - | - | - |
| Use of money and property | 5,000 | - | 19,565 | 19,565 |
| Miscellaneous | - | - | 1,955 | 1,955 |
| Amounts Available for Appropriation | 67,136,728 | 70,300,419 | 53,891,023 | (16,409,396) |
| Charges to Appropriation (Outflow): | | | | |
| Community development | 19,041,205 | 22,204,896 | 2,957,752 | 19,247,144 |
| Total Charges to Appropriations | 19,041,205 | 22,204,896 | 2,957,752 | 19,247,144 |
| Budgetary Fund Balance, June 30 | \$ 48,095,523 | \$ 48,095,523 | \$ 50,933,271 | \$ 2,837,748 |

CITY OF ONTARIO

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities Internal Service Funds |
|--|---|----------------------|----------------------|-----------------------|---|
| | Water | Sewer | Solid Waste | Total | |
| Assets: | | | | | |
| Current: | | | | | |
| Cash and investments | \$ 40,182,315 | \$ 21,244,945 | \$ 24,529,576 | \$ 85,956,836 | \$ 60,963,169 |
| Receivables: | | | | | |
| Accounts | 5,315,655 | 1,979,333 | 3,585,159 | 10,880,147 | 1,039,935 |
| Accrued interest | 232,265 | 123,709 | 129,763 | 485,737 | 236,448 |
| Prepaid costs | 5,379 | 4,514 | - | 9,893 | 42,955 |
| Inventories | 3,731,106 | 144,590 | - | 3,875,696 | 450,800 |
| Restricted: | | | | | |
| Cash and investments | 846,396 | 178,884 | 72,223 | 1,097,503 | - |
| Cash with fiscal agent | 12,035,268 | - | - | 12,035,268 | - |
| Accrued interest | 379 | - | - | 379 | - |
| Total Current Assets | 62,348,763 | 23,675,975 | 28,316,721 | 114,341,459 | 62,733,307 |
| Noncurrent: | | | | | |
| Advances to other funds | - | - | 2,770,000 | 2,770,000 | - |
| Deferred Charges | 623,089 | - | - | 623,089 | - |
| Investment in joint venture | 38,909,588 | - | - | 38,909,588 | - |
| Other investments | 201,750 | - | - | 201,750 | - |
| Capital assets - net of accumulated depreciation | 133,296,622 | 34,480,378 | 5,470,454 | 173,247,454 | 19,538,262 |
| Total Noncurrent Assets | 173,031,049 | 34,480,378 | 8,240,454 | 215,751,881 | 19,538,262 |
| Total Assets | \$ 235,379,812 | \$ 58,156,353 | \$ 36,557,175 | \$ 330,093,340 | \$ 82,271,569 |
| Liabilities and Net Assets: | | | | | |
| Liabilities: | | | | | |
| Current: | | | | | |
| Accounts payable | \$ 6,217,318 | \$ 1,516,357 | \$ 1,705,212 | \$ 9,438,887 | \$ 1,026,640 |
| Accrued liabilities | 136,790 | 54,646 | 201,552 | 392,988 | 144,204 |
| Unearned revenues | - | - | 63,861 | 63,861 | - |
| Deposits payable | 2,725,315 | - | 863,251 | 3,588,566 | - |
| Accrued compensated absences | 32,000 | 15,000 | 37,000 | 84,000 | 42,000 |
| Accrued claims and judgments | - | - | - | - | 881,000 |
| Bonds, notes, and capital leases | 1,015,000 | - | - | 1,015,000 | - |
| Total Current Liabilities | 10,126,423 | 1,586,003 | 2,870,876 | 14,583,302 | 2,093,844 |
| Noncurrent: | | | | | |
| Accrued compensated absences | 366,646 | 179,504 | 391,084 | 937,234 | 338,403 |
| Accrued claims and judgments | - | - | - | - | 10,673,149 |
| Bonds, notes, and capital leases | 47,904,723 | - | - | 47,904,723 | - |
| Total Noncurrent Liabilities | 48,271,369 | 179,504 | 391,084 | 48,841,957 | 11,011,552 |
| Total Liabilities | 58,397,792 | 1,765,507 | 3,261,960 | 63,425,259 | 13,105,396 |
| Net Assets: | | | | | |
| Invested in capital assets | - | 34,480,378 | 5,470,454 | 39,950,832 | 19,538,262 |
| Invested in capital assets, net of related debt | 92,598,330 | - | - | 92,598,330 | - |
| Restricted for capital projects | 8,221,431 | - | - | 8,221,431 | - |
| Restricted for debt service | 3,813,837 | - | - | 3,813,837 | - |
| Unrestricted | 72,348,422 | 21,910,468 | 27,824,761 | 122,083,651 | 49,627,911 |
| Total Net Assets | 176,982,020 | 56,390,846 | 33,295,215 | 266,668,081 | 69,166,173 |
| Total Liabilities and Net Assets | \$ 235,379,812 | \$ 58,156,353 | \$ 36,557,175 | \$ 330,093,340 | \$ 82,271,569 |
| Reconciliation of Net Assets to the Statement of Net Assets | | | | | |
| Net Assets per Statement of Net Assets - Proprietary Funds | | | | \$ 266,668,081 | |
| Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds | | | | 7,779,787 | |
| Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds | | | | 1,819,055 | |
| Net Assets per Statement of Net Assets | | | | \$ 276,266,923 | |

CITY OF ONTARIO

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2009**

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities Internal Service Funds |
|---|--|----------------------|----------------------|-----------------------|---|
| | Water | Sewer | Solid Waste | Total | |
| Operating Revenues: | | | | | |
| Sales and service charges | \$ 40,121,342 | \$ 16,540,679 | \$ 31,672,789 | \$ 88,334,810 | \$ 29,469,049 |
| Interdepartmental charges | 1,196,546 | 62,294 | 432,431 | 1,691,271 | - |
| Miscellaneous | 4,884,093 | 311,617 | 542,229 | 5,737,939 | 157,165 |
| Total Operating Revenues | 46,201,981 | 16,914,590 | 32,647,449 | 95,764,020 | 29,626,214 |
| Operating Expenses: | | | | | |
| Administration and general | 4,104,727 | 1,520,819 | 573,262 | 6,198,808 | 6,945,625 |
| Source of supply | 12,894,912 | - | - | 12,894,912 | 4,778,574 |
| Pumping | 4,141,060 | - | - | 4,141,060 | - |
| Transmission/collection | 1,484,852 | 1,238,243 | 22,428,556 | 25,151,651 | - |
| Treatment | - | 6,843,678 | - | 6,843,678 | - |
| Claims expense | - | - | - | - | 5,174,834 |
| Depreciation expense | 3,017,890 | 807,327 | 89,093 | 3,914,310 | 4,052,203 |
| Total Operating Expenses | 25,643,441 | 10,410,067 | 23,090,911 | 59,144,419 | 20,951,236 |
| Operating Income (Loss) | 20,558,540 | 6,504,523 | 9,556,538 | 36,619,601 | 8,674,978 |
| Nonoperating Revenues (Expenses): | | | | | |
| Interest revenue | 2,450,320 | 1,066,956 | 1,165,393 | 4,682,669 | 2,022,860 |
| Interest expense | (2,591,258) | - | - | (2,591,258) | - |
| Grant revenue | - | - | 52,324 | 52,324 | - |
| Contributions | 17,614,841 | - | - | 17,614,841 | - |
| Total Nonoperating Revenues (Expenses) | 17,473,903 | 1,066,956 | 1,217,717 | 19,758,576 | 2,022,860 |
| Income (Loss) Before Transfers | 38,032,443 | 7,571,479 | 10,774,255 | 56,378,177 | 10,697,838 |
| Transfers in | - | - | - | - | 250,000 |
| Transfers out | (6,396,784) | (2,769,057) | (3,797,016) | (12,962,857) | - |
| Changes in Net Assets | 31,635,659 | 4,802,422 | 6,977,239 | 43,415,320 | 10,947,838 |
| Net Assets: | | | | | |
| Beginning of Year | 145,346,361 | 51,588,424 | 26,317,976 | 223,252,761 | 58,218,335 |
| End of Fiscal Year | \$ 176,982,020 | \$ 56,390,846 | \$ 33,295,215 | \$ 266,668,081 | \$ 69,166,173 |

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

| | |
|---|----------------------|
| Changes in Net Assets, per the Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds | \$ 43,415,320 |
| Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds | 1,819,055 |
| Changes in Net Assets of Business-Type Activities per Statement of Activities | \$ 45,234,375 |

CITY OF ONTARIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2009

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities Internal Service Funds |
|--|--|----------------------|----------------------|----------------------|---|
| | Water | Sewer | Solid Waste | Total | |
| Cash Flows from Operating Activities: | | | | | |
| Cash received from customers and users | \$ 46,084,615 | \$ 16,712,751 | \$ 32,400,785 | \$ 95,198,151 | \$ 28,664,570 |
| Cash paid to supplies for goods and services | (16,448,820) | (8,235,283) | (22,868,923) | (47,553,026) | (9,154,512) |
| Cash paid to employees for services | (4,008,238) | (1,472,253) | (500,489) | (5,980,980) | (6,975,622) |
| Net Cash Provided (Used) by Operating Activities | 25,627,557 | 7,005,215 | 9,031,373 | 41,664,145 | 12,534,436 |
| Cash Flows from Non-Capital Financing Activities: | | | | | |
| Cash transfers in | - | - | - | - | 250,000 |
| Cash transfers out | (6,396,784) | (2,769,057) | (3,797,016) | (12,962,857) | - |
| Grants subsidy | - | - | 63,909 | 63,909 | - |
| Net Cash Provided (Used) by Non-Capital Financing Activities | (6,396,784) | (2,769,057) | (3,733,107) | (12,898,948) | 250,000 |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Acquisition and construction of capital assets | (20,074,208) | (4,085,972) | (1,907,778) | (26,067,958) | (2,737,324) |
| Principal paid on capital debt | (980,000) | - | - | (980,000) | - |
| Interest paid on capital debt | (2,612,282) | - | - | (2,612,282) | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (23,666,490) | (4,085,972) | (1,907,778) | (29,660,240) | (2,737,324) |
| Cash Flows from Investing Activities: | | | | | |
| Interest received | 2,594,527 | 1,172,398 | 1,171,012 | 4,937,937 | 1,989,904 |
| Net Cash Provided (Used) by Investing Activities | 2,594,527 | 1,172,398 | 1,171,012 | 4,937,937 | 1,989,904 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,841,190) | 1,322,584 | 4,561,500 | 4,042,894 | 12,037,016 |
| Cash and Cash Equivalents at Beginning of Year | 54,905,169 | 20,101,245 | 20,040,299 | 95,046,713 | 48,926,153 |
| Cash and Cash Equivalents at End of Year | \$ 53,063,979 | \$ 21,423,829 | \$ 24,601,799 | \$ 99,089,607 | \$ 60,963,169 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Transfers in | \$ 20,558,540 | \$ 6,504,523 | \$ 9,556,538 | \$ 36,619,601 | \$ 8,674,978 |
| Transfers out | | | | | |
| net cash provided (used) by operating activities: | | | | | |
| Depreciation | 3,017,890 | 807,327 | 89,093 | 3,914,310 | 4,052,203 |
| (Increase) decrease in accounts receivable | (234,077) | (201,839) | (259,581) | (695,497) | (961,644) |
| (Increase) decrease in prepaid expense | 15,891 | 778 | 50 | 16,719 | 346,094 |
| (Increase) decrease in inventories | (473,152) | (79,368) | - | (552,520) | 23,269 |
| (Increase) decrease in investment in joint venture | 76,369 | - | - | 76,369 | - |
| Increase (decrease) in accounts payable | 2,452,896 | (74,772) | (440,417) | 1,937,707 | 123,373 |
| Increase (decrease) in accrued liabilities | 16,727 | 1,898 | 19,834 | 38,459 | 12,308 |
| Increase (decrease) in deposits payable | 116,711 | - | 12,917 | 129,628 | - |
| Increase (decrease) in claims and judgments | - | - | - | - | 306,160 |
| Increase (decrease) in compensated absences | 79,762 | 46,668 | 52,939 | 179,369 | (42,305) |
| Total Adjustments | 5,069,017 | 500,692 | (525,165) | 5,044,544 | 3,859,458 |
| Net Cash Provided (Used) by Operating Activities | \$ 25,627,557 | \$ 7,005,215 | \$ 9,031,373 | \$ 41,664,145 | \$ 12,534,436 |
| Non-Cash Investing, Capital, and Financing Activities: | | | | | |
| Contribution from other funds | \$ 17,614,841 | \$ - | \$ - | \$ 17,614,841 | \$ - |
| Amortization of deferred cost | (23,965) | - | - | (23,965) | - |
| Amortization of bond premium | 44,989 | - | - | 44,989 | - |

CITY OF ONTARIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

| | <u>Agency Funds</u> |
|--|------------------------------|
| Assets: | |
| Cash and investments | \$ 27,460,252 |
| Receivables: | |
| Taxes | 7,835 |
| Accrued interest | 153,485 |
| Deposits | 2,011,380 |
| Other investments | 223,340,080 |
| Restricted assets: | |
| Cash and investments with fiscal agents | 8,885,697 |
| Accrued interest | 876 |
| Total Assets | <u>\$ 261,859,605</u> |
| Liabilities: | |
| Accounts payable | \$ 1,883 |
| Due to bondholders | 13,282,239 |
| Due to other governments | 211,255,822 |
| Available for other post employment benefits | 37,319,661 |
| Total Liabilities | <u>\$ 261,859,605</u> |

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CITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Description of Entity

The reporting entity is a municipal corporation governed by an elected mayor and a four-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Ontario, California (the City) and its component units, entities for which the City is considered financially accountable. 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 Ontario Redevelopment Agency, the Industrial Development Authority, the Ontario Redevelopment Financing Authority and the Ontario Housing Authority.
2. The City, Agency and Authorities are financially interdependent. The City makes loans to the Agency for use on redevelopment projects. Property tax revenues of the Agency are used to repay loans from the City.
3. The Agency and Authorities are managed by employees of the City. A portion of the City's salary and overhead expenses are billed to the Agency each year.

The City of Ontario was incorporated December 10, 1891, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities.

Blended Component Units

The Ontario Redevelopment Agency (the Agency) was activated November 1, 1977, pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Development Law." The primary purpose of the Agency is 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 Industrial Development Authority was established August 18, 1981, pursuant to the California Industrial Development Financing Act (AB74). The law authorizes limited issuance of small-issue industrial development bonds to assist private industry. The sole function of the Authority is to review and approve the issuance of bonds to finance eligible projects.

City of Ontario
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

The Ontario Redevelopment Financing Authority was established November 5, 1991, pursuant to Article 1 (commencing with Section 6500) of Chapter 5, Division 7 of Title 1 of the California Government Code in order to jointly exercise powers of the Agency and the City, and to establish a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments.

The Ontario Housing Authority was established on December 2, 1997. The primary purpose of the Authority is to assist property owners in rejuvenating and improving substandard housing conditions within the City.

Since the governing body of the Agency and the Authorities are the same, their data has been blended into that of the financial reporting entity. Complete financial statements for the individual blended component units can be obtained by writing to:

City of Ontario
Fiscal Services Department
303 East "B" Street
Ontario, CA 91764

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

| | |
|--|---|
| State of California | County of San Bernardino |
| Metropolitan Water District | Inland Empire Utilities Agency |
| Ontario-Upland Treatment Plant Authority | Riverside City Community College District |
| Chino Valley Unified School District | Jurupa Unified School District |
| Chaffey Joint Union High School District | Cucamonga School District |
| Upland School District | Monte Vista County Water District |
| Cucamonga County Water District | |

Financial data for joint ventures that do not meet the criteria for inclusion within the reporting entity have been reported in the footnotes (see Note 12).

b. Government-Wide and Fund Financial Statements

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

The City's fiduciary fund financial statements report agency funds and a pension trust fund. Agency funds are used to account for situations where the government's role is purely custodial. All assets reported in an agency fund are offset by a liability to the party on whose behalf they are held. Agency funds have no measurement focus.

The pension trust fund accounts for the resources of the retiree healthcare plan using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for State gas tax and grants revenue where the government considers revenue be available if collected within 120 days and 180 days respectively of the end of current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

City of Ontario
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Quiet Home Program Fund accounts for the Federal Aviation Administration grant funds used for residential sound insulation of dwellings located in the airport noise impact area.
- The Capital Projects Fund accounts for financial transactions of general capital improvements.
- The Impact Fee Fund accounts for revenues from developer-paid impact fees for infrastructure construction.
- The Ontario Redevelopment Agency Project Area #1, Debt Service Fund, accounts for the accumulation of resources for payment of interest and principal on long-term debt of the Agency's Project Area #1.

The City reports the following major proprietary funds:

- The Water Enterprise Fund accounts for the operation and maintenance of the City's water distribution system.
- The Sewer Enterprise Fund accounts for the financial transactions of the City's waste water collection system.
- The Solid Waste Enterprise Fund accounts for the collection and disposal of solid waste from industrial, commercial and residential users throughout the Ontario area.

Additionally, the City reports the following fund types:

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

Private-sector standards of accounting and financial reporting issued prior to December 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

d. Assets, Liabilities and Net Assets or Equity

Cash and Investments

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

Investments are reported at fair value, which is the quoted market price at June 30, 2009. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

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

City of Ontario
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

Functional Classifications

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

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

Inventories, Prepaid Items and Land Held for Resale

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

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

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

The fund balances in the governmental funds have been reserved for amounts equal to inventories, prepaid items and land held for resale in the fund-level statements since these amounts are not available for appropriation.

Note 1: Summary of Significant Accounting Policies (Continued)

Restricted Assets

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

Capital Assets

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

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

The Governmental Accounting Standards Board (GASB) issued Statement No. 34, which requires the inclusion of infrastructure capital assets in local government's basic financial statements. The City defines infrastructure as long-lived capital assets that normally can be preserved for a significant greater number of years than most capital assets (non-infrastructure assets). Infrastructure assets are normally stationary in nature and are of value only to the government entity. They are basic physical assets that allow the government entity to function. Examples include street systems, water purification and distribution systems, sewer collection and treatment systems, parks and recreation lands and improvement systems, storm water conveyance systems, 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, street lights, traffic control devices (signs, signals and pavement markings), landscaping and land. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

The City's policy, relative to maintaining the street assets, is to maintain the existing weighted average rate of "Good", which is a PCI index range between 56 and 70. This rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds.

A detailed description of the modified approach for the City's infrastructure capital assets can be found in the Required Supplementary Information section.

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

| <u>Assets</u> | <u>Years</u> |
|-----------------------------|--------------|
| Structures and improvements | 20 - 99 |
| Furniture and equipment | 5 - 25 |
| Infrastructure | 20 - 99 |

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

Compensated Absences

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

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Note 1: Summary of Significant Accounting Policies (Continued)

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

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Property Tax Revenue

Property tax revenue is recognized on the basis of the National Council of Government Accounting (NCGA) Interpretation No. 3, (adopted by GASB) 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 preceding the fiscal year for which the taxes are levied. The tax levy is made July 1, and covers the fiscal period July 1 to June 30. All secured personal 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 of March each year and are delinquent if unpaid on August 31.

e. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes reconciliation between fund balance of governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term debts and compensated absences have not been included in the governmental fund activity." The detail of the \$165,613,106 long-term debt difference is as follows:

| | |
|--|------------------------------|
| Long-term debt: | |
| Tax allocation bonds payable | \$ 55,138,854 |
| Revenue bonds payable | 83,781,596 |
| Loans payable | 13,181,292 |
| Other post employment benefits obligation | 11,730,911 |
| Bond premiums to be amortized | <u>1,780,453</u> |
| Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities | <u><u>\$ 165,613,106</u></u> |

City of Ontario
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The detail of this \$48,280,291 difference is as follows:

| | |
|---|----------------------|
| Capital outlay | \$ 64,193,377 |
| Depreciation expense | <u>(15,913,086)</u> |
| Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ 48,280,291</u> |

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of this \$1,561,795 difference is as follows:

| | |
|--|-----------------------|
| Debt issued or incurred: | |
| Increased value of capital appreciation bonds | \$ (1,614,989) |
| Other post employment benefit obligations | (5,952,585) |
| Principal repayments: | |
| Tax allocation bonds | 3,159,300 |
| Revenue bonds | 2,393,157 |
| Loans payable | 338,841 |
| Bond premium amortization | <u>114,481</u> |
| Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ (1,561,795)</u> |

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. General Budget Policies

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. All amendments made during the year are included in the budgetary amounts reported herein. The "appropriated budget" covers all City expenditures, including capital improvement projects carried forward from the prior year, which is re-appropriated each year. Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
3. Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations that are encumbered lapse at year-end and then are added to the following year budgeted appropriations.
4. Budgets for the General, Special Revenue, Capital Projects and Debt Service Funds are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. Budget comparisons are not presented for the Proprietary Funds, as the City is not legally required to adopt a budget for these type funds.
5. Capital projects are budgeted through the Capital Projects Fund. Appropriations for capital projects authorized, but not constructed or completed during the year, are re-appropriated in the following year's budget.
6. Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following year. For the fiscal year ended June 30, 2009, based on calculations by City staff, proceeds of taxes did not exceed appropriations.

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

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2009, cash and investments were reported in the accompanying financial statements as follows:

| | |
|----------------------------|-----------------------|
| Governmental activities | \$ 336,698,317 |
| Business-type activities | 99,089,607 |
| Fiduciary funds | <u>36,345,949</u> |
| Total Cash and Investments | <u>\$ 472,133,873</u> |

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

Deposits

At June 30, 2009, the carrying amount of the City's deposits was \$2,983,817 and the bank balance was \$3,667,142. The \$683,325 difference represents outstanding checks and other reconciling items.

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

City of Ontario
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

Investments

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

- United States Treasury Bills, Notes and Bonds
- Obligations of the Federal Government
- Banker's Acceptances with a maturity not to exceed 180 days
- Commercial paper issued by entities organized within the United States as a special purpose corporation, trust, or limited liability company, and has a program-wide credit enhancements including, but not limited to, over-collateralization, letters of credit, or surety bond, with commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization
- Negotiable Certificates of Deposits with a nationally or state chartered bank
- Repurchase Agreements with primary dealer of the Federal Reserve Bank of New York, which the City has entered into a master repurchase agreement
- Local Agency Investment Fund
- Time Deposits
- Medium-Term Notes of a maximum of five years maturity issued by corporations organized and operating within the United States with a minimum rating of "A" by both Moody's and Standard & Poor's and in excess of \$500 million in shareholder equity
- United States Government Agency's Mortgage pass-through security with a maximum five-year maturity and rated "AAA" by both Moody's and Standard and Poor's
- Obligations issued by various agencies of the Federal Government including, but not limited to, the Federal Farm Credit Bank System, the Federal Home Loan Bank System, the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association as well as such agencies or enterprises which may be created. There is no percentage limitation on the dollar amount which can be invested in Agency issues in total, no more than 20% of the cost value of the portfolio may be invested in the securities of any one issuer.

Investment Authorized by Debt Agreements

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

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

City of Ontario
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

GASB Statement No. 31

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

Credit Risk

As of June 30, 2009, the City's investment in medium-term notes and commercial papers consisted of investments with various corporations and were rated "A1" to "Aa2" by Moody's and 'A' to "AAA" by Standard & Poor's except for the investment in International Lease Finance Note which was downgraded to Baa2 and BBB+ by Moody's and Standard & Poor's respectively. Investment in government agencies issued by the Federal National Mortgage Association, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation and the Federal Farm Credit Banks 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. As for the International Lease Finance Note, this was a legal investment at the time of purchase and fell under the City's investment policy standard, however it has since been downgraded. Investments in U.S. Treasury securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2009, the City's investments in external investment pools and money market mutual funds are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2009, none of the City's deposits or investments was exposed to custodial credit risk.

Concentration of Credit Risk

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. As of June 30, 2009, in accordance with GASB Statement No. 40, if the City has invested more than 5% of its investments in any one issuer, then they are exposed to credit risk. The following investments are considered exposed to credit risk.

- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal National Mortgage Association (FNMA)

City of Ontario
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

Interest Rate Risk

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

As of June 30, 2009, the City had the following investments and original maturities:

| | Remaining Investment Maturities | | | | | Fair Value |
|-------------------------------------|---------------------------------|--------------------|----------------|---------------|-------------------|----------------|
| | 6 months or less | 6 months to 1 year | 1 to 3 years | 3 to 5 years | More than 5 years | |
| Investments: | | | | | | |
| US Treasury | \$ 4,998,440 | \$ 30,585,940 | \$ 123,206,017 | \$ 53,503,929 | \$ - | \$ 212,294,326 |
| Federal Government Agency | - | 20,331,260 | 61,125,020 | - | - | 81,456,280 |
| Medium-Term Corporate Notes | - | 6,106,534 | 21,141,048 | 26,178,955 | - | 53,426,537 |
| Collateral Mortgage Obligation | - | - | 24,915,020 | - | - | 24,915,020 |
| Mortgage Backed Security | - | - | 21,603,038 | - | - | 21,603,038 |
| Local Agency Investment Fund | 24,124,410 | - | - | - | - | 24,124,410 |
| Total Cash Investments | 29,122,850 | 57,023,734 | 251,990,143 | 79,682,884 | - | 417,819,611 |
| Investments with Fiscal Agents: | | | | | | |
| Money Market Funds | 44,232,243 | - | - | - | - | 44,232,243 |
| Medium-Term Corporate Notes | - | - | - | - | 985,610 | 985,610 |
| Investment Agreement | - | - | - | - | 6,112,592 | 6,112,592 |
| Total Investments with Fiscal Agent | 44,232,243 | - | - | - | 7,098,202 | 51,330,445 |
| Total Investments | \$ 73,355,093 | \$ 57,023,734 | \$ 251,990,143 | \$ 79,682,884 | \$ 7,098,202 | \$ 469,150,056 |

Note 4: Contracts and Notes Receivable

Contracts and notes receivable as of June 30, 2009, totaled \$13,725,884 and were recorded as follows:

| | |
|--------------------------------------|----------------------|
| General Fund | \$ 14,000 |
| Nonmajor Governmental Funds | 13,711,884 |
| Total Contracts and Notes Receivable | <u>\$ 13,725,884</u> |

The City provides loans to City police officers to assist them to acquire personal residence within the City or to reduce 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, 2009, was:

\$ 14,000

City of Ontario
Notes to Financial Statements (Continued)

Note 4: Contracts and Notes Receivable (Continued)

On June 7, 1994, the 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. The receivable balance at June 30, 2009, was:

\$ 43,000

On June 7, 1994, the 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. The receivable balance at June 30, 2009, was:

39,000

On March 16, 1993, the Ontario Redevelopment Agency accepted a note receivable of \$112,000 from a developer as consideration for housing located outside of the redevelopment areas. The note is non-interest bearing and is due and payable upon the sale or transfer of property. The unpaid principal balance at June 30, 2009, was:

94,931

On October 4, 1994, the Redevelopment Agency loaned a developer, Cichon, \$135,030 to finance the cost of rehabilitation and construction of a low and moderate income residence located in the Center City Project Area. On December 5, 1995, the Agency loaned an additional \$4,647, bringing the total amount to \$139,677. During the fiscal year ended June 30, 2000, the Agency advanced an additional \$254. The note is a 25-year amortized loan and bears interest at 5% annually. The receivable balance at June 30, 2009, was:

114,315

On May 29, 1997, the 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. The receivable balance at June 30, 2009, was:

4,352,738

In order to assist those individuals and families who are the most in need, the Ontario Housing Department provides 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. The balance at June 30, 2009, was:

2,816,602

City of Ontario
Notes to Financial Statements (Continued)

Note 4: Contracts and Notes Receivable (Continued)

Pursuant to the disposition and development agreement dated August 12, 2003, between the Ontario Redevelopment Agency and the Ontario Senior Housing, Inc., the Agency 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, 2009, was: \$ 950,000

The City uses Community Development Block Grant (CDBG) 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, 2009, was: 3,957,362

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, 2009, was: 35,000

Pursuant to the disposition and development agreement between the Ontario Redevelopment Agency and D Street Senior Housing, Inc., the Agency 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, 2009, was: 1,276,909

Pursuant to the owner participation agreement between the Ontario Redevelopment Agency and Rubel Enterprises, dated March 17, 1998, the Agency accepted a promissory note for the principal amount of \$178,500. This promissory note shall be for a ten-year term and bears interest at 5% per annum. Payment shall commence on the sixth anniversary of this promissory note. The receivable balance at June 30, 2009, was: 32,027

Total Contracts and Notes \$13,725,884

Note 5: Capital Assets

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the government-wide financial statements. The City elected to use the "modified approach" as defined by GASB Statement No. 34 for its infrastructure street pavement system. As a result, no accumulated depreciation or depreciation expense has been recorded for this system. A more detailed discussion of the "modified approach" is presented in the Required Supplementary Information section of this report. All other capital assets including other infrastructure systems were reported using the basic approach, whereby accumulated depreciation and depreciation expense has been recorded. The following table presents summary information on the governmental activity infrastructure assets for the fiscal year ending June 30, 2009:

City of Ontario
Notes to Financial Statements (Continued)

Note 5: Capital Assets (Continued)

| | Infrastructure | | |
|---------------------------------|----------------------------|-------------------------------------|--------------------------------------|
| | Historical Cost | Accumulated Depreciation | Net Cost at June 30, 2009 |
| Governmental Activities: | | | |
| Modified Approach: | | | |
| Streets pavement system | \$ 288,321,002 | \$ - | \$ 288,321,002 |
| Basic Approach: | | | |
| Curbs | 47,803,529 | 7,270,120 | 40,533,409 |
| Storm drains and gutters | 24,743,682 | 3,596,968 | 21,146,714 |
| Sidewalks and handicap ramps | 37,645,044 | 5,638,027 | 32,007,017 |
| Bridges | 104,267,889 | 14,750,619 | 89,517,270 |
| Traffic signals/street lighting | 14,081,153 | 1,929,931 | 12,151,222 |
| | <u>\$ 516,862,299</u> | <u>\$ 33,185,665</u> | <u>\$ 483,676,634</u> |

Capital asset activity for the year ended June 30, 2009, was as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|------------------------------|----------------------|-----------------------|------------------------|---------------------------|
| Governmental Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 33,979,305 | \$ 1,785,389 | \$ - | \$ - | \$ 35,764,694 |
| Infrastructure - pavement system | 278,945,924 | 9,375,078 | - | - | 288,321,002 |
| Construction in progress | 144,311,792 | 68,134,296 | (3,555,985) | (28,435,212) | 180,454,891 |
| Total Capital Assets, Not Being Depreciated | <u>457,237,021</u> | <u>79,294,763</u> | <u>(3,555,985)</u> | <u>(28,435,212)</u> | <u>504,540,587</u> |
| Capital assets, being depreciated: | | | | | |
| Infrastructure - other systems | 225,729,438 | 2,413,940 | - | 397,919 | 228,541,297 |
| Structures and improvements | 176,917,380 | 3,991,488 | (2,573,831) | 10,385,332 | 188,720,369 |
| Furniture and equipment | 21,881,654 | 2,401,336 | (35,254) | 37,120 | 24,284,856 |
| Total Capital Assets, Being Depreciated | <u>424,528,472</u> | <u>8,806,764</u> | <u>(2,609,085)</u> | <u>10,820,371</u> | <u>441,546,522</u> |
| Less accumulated depreciation: | | | | | |
| Infrastructure - other systems | 27,480,877 | 5,704,788 | - | - | 33,185,665 |
| Structures and improvements | 46,587,542 | 12,633,303 | (2,573,831) | - | 56,647,014 |
| Furniture and equipment | 15,848,141 | 1,627,198 | (35,254) | - | 17,440,085 |
| Total Accumulated Depreciation | <u>89,916,560</u> | <u>19,965,289</u> | <u>(2,609,085)</u> | <u>-</u> | <u>107,272,764</u> |
| Total Capital Assets, Being Depreciated, Net | <u>334,611,912</u> | <u>(11,158,525)</u> | <u>-</u> | <u>10,820,371</u> | <u>334,273,758</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 791,848,933</u> | <u>\$ 68,136,238</u> | <u>\$ (3,555,985)</u> | <u>\$ (17,614,841)</u> | <u>\$ 838,814,345</u> |

City of Ontario
Notes to Financial Statements (Continued)

Note 5: Capital Assets (Continued)

| | Beginning Balance | Increases | Decreases | Transfer | Ending Balance |
|---|------------------------------|----------------------|------------------|----------------------|---------------------------|
| Business-Type Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 15,094,228 | \$ - | \$ - | \$ - | \$ 15,094,228 |
| Construction-in-progress | 17,074,758 | 19,090,447 | - | - | 36,165,205 |
| Total Capital Assets, Not Being Depreciated | 32,168,986 | 19,090,447 | - | - | 51,259,433 |
| Capital assets, being depreciated: | | | | | |
| Structures and improvements | 6,339,124 | - | (33,286) | - | 6,305,838 |
| Furniture and equipment | 2,204,145 | 55,996 | (16,525) | - | 2,243,616 |
| Infrastructure | 153,572,331 | 6,921,515 | - | 17,614,841 | 178,108,687 |
| Total Capital Assets, Being Depreciated | 162,115,600 | 6,977,511 | (49,811) | 17,614,841 | 186,658,141 |
| Less accumulated depreciation: | | | | | |
| Structures and improvements | 717,383 | 185,843 | (33,286) | - | 869,940 |
| Furniture and equipment | 1,563,475 | 189,229 | (16,525) | - | 1,736,179 |
| Infrastructure | 58,524,763 | 3,539,238 | - | - | 62,064,001 |
| Total Accumulated Depreciation | 60,805,621 | 3,914,310 | (49,811) | - | 64,670,120 |
| Total Capital Assets, Being Depreciated, Net | 101,309,979 | 3,063,201 | - | 17,614,841 | 121,988,021 |
| Business-Type Activities Capital Assets, Net | \$ 133,478,965 | \$ 22,153,648 | \$ - | \$ 17,614,841 | \$ 173,247,454 |

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

| | |
|----------------------------------|----------------------|
| Governmental Activities: | |
| General government | \$ 547,094 |
| Public safety | 2,293,291 |
| Community development | 10,820,615 |
| Library | 525,805 |
| Public works | 1,726,281 |
| Equipment Services | 3,556,766 |
| Information Technology | 495,437 |
| | <u>\$ 19,965,289</u> |
| Business-Type Activities: | |
| Water | \$ 3,017,890 |
| Sewer | 807,327 |
| Solid waste | 89,093 |
| | <u>\$ 3,914,310</u> |

City of Ontario
Notes to Financial Statements (Continued)

Note 6: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due To/From Other Funds

| Due From Other Funds: | Due to Other Funds | | Total |
|-----------------------|-----------------------|-----------------------------|--------------|
| | Capital Projects Fund | Nonmajor Governmental Funds | |
| General Fund | \$ 2,630,537 | \$ 2,074,196 | \$ 4,704,733 |

The interfund balances at June 30, 2009, were the results of routine interfund transactions not cleared prior to the end of the fiscal year.

Advances To/From Other Funds

| Advances To Other Funds: | Advances From Other Funds | | | | Total |
|-----------------------------|---------------------------|--------------|---|-----------------------------|---------------|
| | Capital Projects Fund | Impact Fees | Redevelopment Area #1 - Debt Service Fund | Nonmajor Governmental Funds | |
| General Fund | \$ - | \$ - | \$ 4,102,019 | \$ 8,199,358 | \$ 12,301,377 |
| Capital Projects Fund | - | - | 15,393,747 | 198,401 | 15,592,148 |
| Solid Waste | - | 2,770,000 | - | - | 2,770,000 |
| Nonmajor Governmental Funds | 1,798,401 | - | - | 7,393,484 | 9,191,885 |
| Total | \$ 1,798,401 | \$ 2,770,000 | \$ 19,495,766 | \$ 15,791,243 | \$ 39,855,410 |

During the current and previous fiscal years, the City of Ontario made \$27,893,526 loans to the Redevelopment Agency for capital improvement.

Interfund Transfers

| Transfers In: | Transfers Out | | | | | | Total |
|---|---------------|---|--------------|--------------|--------------|-----------------------------|---------------|
| | General Fund | Redevelopment Area #1 Debt Service Fund | Water | Sewer | Solid Waste | Nonmajor Governmental Funds | |
| General | \$ - | \$ - | \$ 6,376,784 | \$ 2,749,057 | \$ 3,747,016 | \$ 4,173,505 | \$ 17,046,362 |
| Capital Projects Fund | 7,447,565 | - | - | - | - | - | 7,447,565 |
| Redevelopment Area #1 - Debt Service Fund | - | - | - | - | - | 325,551 | 325,551 |
| Internal Service Funds | 160,000 | - | 20,000 | 20,000 | 50,000 | - | 250,000 |
| Nonmajor Governmental Fund | 2,353,881 | 7,585,850 | - | - | - | 8,002,763 | 17,942,494 |
| Total | \$ 9,961,446 | \$ 7,585,850 | \$ 6,396,784 | \$ 2,769,057 | \$ 3,797,016 | \$ 12,501,819 | \$ 43,011,972 |

The General Fund transferred \$7,447,565 to the Capital Projects Fund to fund the Community Events Center and various capital projects.

During the year, certain funds made payments to the General Fund for administrative costs incurred. These transfers to the General Fund for the year amounted to \$17,046,362.

City of Ontario
Notes to Financial Statements (Continued)

Note 7: Long-Term Debt

a. Long-Term Debt - Governmental Activities

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2009:

| | Balance July 1, 2008 | Adjustments | Accreted Interest | Additions | Deletions | Balance June 30, 2009 | Due Within One Year |
|--|-------------------------|---------------------|----------------------|--------------------------|----------------------|--------------------------|------------------------|
| Tax Allocation Bonds | \$ 58,045,558 | \$ - | \$ 252,596 | \$ - | \$ 3,159,300 | \$ 55,138,854 | \$ 3,776,600 |
| Revenue Bonds | 84,812,363 | - | 1,362,390 | - | 2,393,157 | 83,781,596 | 2,228,647 |
| Loans Payable | 13,520,133 | - | - | - | 338,841 | 13,181,292 | 356,800 |
| Other post employment benefits obligation | - | 5,778,326 | - | 5,952,585 | - | 11,730,911 | - |
| Claims and Judgments | 11,247,989 | - | - | 4,303,099 | 3,996,939 | 11,554,149 | 881,000 |
| Compensated Absences | 8,445,480 | - | - | 811,060 | 203,798 | 9,052,742 | 208,000 |
| Total | \$ 176,071,523 | \$ 5,778,326 | \$ 1,614,986 | \$ 11,066,744 | \$ 10,092,035 | 184,439,544 | \$ 7,451,047 |
| | | | | Unamortized Bond Premium | | 1,780,453 | |
| | | | | | | \$ 186,219,997 | |

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.

Tax Allocation Bonds

1992 Tax Allocation Bonds

The 1992 Tax Allocation Bonds were issued to defease the Tax Allocation Bond issues of 1985 and 1987. In February 2002, the Ontario Redevelopment Financing Authority issued the 2002 Revenue Bonds to refund a portion of the 1992 Tax Allocation Revenue Bonds. As a result, except for the 1992 Tax Allocation Capital Appreciation Bonds, the 1992 Tax Allocation Bonds are considered to be defeased and the liability of these bonds has been removed from long-term debt. The balance at June 30, 2009, amounted to \$5,797,154 and was made up of \$1,934,832 of original issue and \$3,862,322 of accreted interest. The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

| | 1992 Capital Appreciation Bonds | |
|---------------|---------------------------------|-------------|
| | Principal | Interest |
| 2009 - 2010 | \$ 2,990,067 | \$ - |
| 2010 - 2011 | 2,807,087 | - |
| Totals | \$ 5,797,154 | \$ - |

City of Ontario
Notes to Financial Statements (Continued)

Note 7: Long-Term Debt (Continued)

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, 2009, amounted to \$45,333,154. The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

| | 1993 Tax Allocation Bonds | |
|-------------|---------------------------|----------------------|
| | Principal | Interest |
| 2009 - 2010 | \$ 162,253 | \$ 5,430,243 |
| 2010 - 2011 | 183,752 | 5,409,483 |
| 2011 - 2012 | 206,905 | 5,386,044 |
| 2012 - 2013 | 226,842 | 5,360,019 |
| 2013 - 2014 | 258,907 | 5,330,874 |
| 2014 - 2019 | 8,344,270 | 25,111,828 |
| 2019 - 2024 | 25,887,793 | 14,396,869 |
| 2024 - 2029 | 10,062,432 | 1,001,267 |
| Total | <u>\$ 45,333,154</u> | <u>\$ 67,426,627</u> |

1995 Tax Allocation Bonds

On August 15, 1995, the Ontario Redevelopment Agency issued \$4,041,700 in 1995 Tax Allocation Bonds. The bonds were sold to the Ontario Redevelopment Financing Authority at par plus premium. All proceeds of the 1995 Bonds will be used to finance redevelopment projects related to Project Area #1. The 1995 Bonds were issued on parity with the Agency's existing Project Area #1 1992 and 1993 Tax Allocation Bonds. The 1995 Bonds were issued with an interest rate of 12.00%, provided that the interest rate for the period from August 1, 1995 through July 1, 1996, shall be 10.55% per annum, the interest rate for the period from August 1, 1996 through July 31, 1997, shall be 11.70% per annum, and the interest for the period from August 1, 1997 through July 31, 1999, shall be 11.86% per annum. Interest is paid semi-annually each year and commenced February 1, 1996, until final maturity on August 1, 2025. The balance at June 30, 2009, amounted to \$4,008,546. The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

| | 1995 Tax Allocation Bonds | |
|-------------|---------------------------|---------------------|
| | Principal | Interest |
| 2009 - 2010 | \$ 14,347 | \$ 480,165 |
| 2010 - 2011 | 16,248 | 478,329 |
| 2011 - 2012 | 18,295 | 476,256 |
| 2012 - 2013 | 20,058 | 473,955 |
| 2013 - 2014 | 22,893 | 471,378 |
| 2014 - 2019 | 737,830 | 2,220,494 |
| 2019 - 2024 | 2,289,107 | 1,273,037 |
| 2024 - 2029 | 889,768 | 88,537 |
| Total | <u>\$ 4,008,546</u> | <u>\$ 5,962,151</u> |

City of Ontario
Notes to Financial Statements (Continued)

Note 7: Long-Term Debt (Continued)

Revenue Bonds

1992 Revenue Bonds

In January 1992, the Ontario Redevelopment Financing Authority issued revenue bonds in order to advance refund the 1985 Certificates of Participation in the amount of \$2,735,000. The Certificates were originally sold to finance the construction of Police-Fire Facilities, which were leased by the Ontario Redevelopment Agency to the City of Ontario. In order to provide for the repayment of the bonds, the City has entered into a capital lease agreement with the authority. The total lease is for \$3,167,290, for a term of 20 years with variable, semi-annual payments. The balance at June 30, 2009, amounted to \$419,320.

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

| | Lease Agreement - Police / Fire Leased Facility | |
|-------------|--|-------------------|
| | Principal | Interest |
| 2009 - 2010 | \$ 84,747 | \$ 186,191 |
| 2010 - 2011 | 79,573 | 191,365 |
| 2011 - 2012 | 255,000 | 7,969 |
| Totals | <u>\$ 419,320</u> | <u>\$ 385,525</u> |

2001 Lease Revenue Bonds

In August 2001, the Ontario Redevelopment Financing Authority issued revenue bonds in the amount of \$31,705,000 to provide funds to finance the cost of acquisition, construction, and installation of certain capital improvements, including public safety, City library, public recreation and redevelopment improvements, facilities and equipment. The bonds dated August 1, 2001, and issued at a premium of \$417,024 mature in 2029, and are payable from the rental payments to be made by the City of Ontario for the right to the use of certain property and facilities pursuant to a lease agreement dated November 1, 2001. The balance at June 30, 2009, including the unamortized bond premium of \$305,321 amounted to \$27,415,321. The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

| | 2001 Lease Revenue Bonds | |
|-------------|--------------------------|----------------------|
| | Principal | Interest |
| 2009 - 2010 | \$ 775,000 | \$ 1,326,939 |
| 2010 - 2011 | 805,000 | 1,297,799 |
| 2011 - 2012 | 835,000 | 1,266,005 |
| 2012 - 2013 | 870,000 | 1,231,470 |
| 2013 - 2014 | 910,000 | 1,194,525 |
| 2014 - 2019 | 5,285,000 | 5,229,013 |
| 2019 - 2024 | 6,825,000 | 3,680,325 |
| 2024 - 2029 | 8,800,000 | 1,810,775 |
| 2029 - 2034 | 2,005,000 | 52,130 |
| Total | <u>\$ 27,110,000</u> | <u>\$ 17,088,981</u> |

Note 7: Long-Term Debt (Continued)

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 in 2017 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, 2009, amounted to \$19,277,276 and was made up of \$12,721,485 original issue and \$6,555,791 accreted interest. The unamortized bond premium was \$1,063,894. The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

| | 2002 Refunding Revenue Bonds | |
|-------------|------------------------------|---------------------|
| | Principal | Interest |
| 2009 - 2010 | \$ 1,110,664 | \$ 363,238 |
| 2010 - 2011 | 821,245 | 361,366 |
| 2011 - 2012 | 3,012,695 | 344,244 |
| 2012 - 2013 | 2,776,404 | 310,063 |
| 2013 - 2014 | 2,577,881 | 273,369 |
| 2014 - 2019 | 7,063,387 | 828,391 |
| 2019 - 2024 | 1,915,000 | 138,581 |
| Total | <u>\$ 19,277,276</u> | <u>\$ 2,619,252</u> |

2007 Lease Revenue Bonds

In August 2007, the Ontario Redevelopment Financing Authority issued revenue bonds in the amount of \$37,535,000 to provide funds to finance the cost of acquisition, construction, and installation of certain capital improvements, including a soccer/sports complex, City Hall Improvements and such other public facilities as may from time to time be designated by the City. The bonds dated August 1, 2007, and issued at a premium of \$440,617 mature in 2036, and are payable semiannually on February 1 and August 1 of each year, commencing February 2008, from certain rental payments to be made by the City for the right to the use of properties and facilities pursuant to the 2001 Lease Agreement and First Amendment to the Lease Agreement, dated September 1, 2007. The balance at June 30, 2009, including the unamortized bond premium of \$411,238 amounted to \$37,386,238.

City of Ontario
Notes to Financial Statements (Continued)

Note 7: Long-Term Debt (Continued)

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

| | 2007 Lease Revenue Bonds | |
|-------------|--------------------------|----------------------|
| | Principal | Interest |
| 2009 - 2010 | \$ 375,000 | \$ 1,731,140 |
| 2010 - 2011 | 390,000 | 1,715,840 |
| 2011 - 2012 | 405,000 | 1,699,940 |
| 2012 - 2013 | 420,000 | 1,683,440 |
| 2013 - 2014 | 440,000 | 1,665,140 |
| 2014 - 2019 | 2,515,000 | 7,998,075 |
| 2019 - 2024 | 3,190,000 | 7,290,585 |
| 2024 - 2029 | 4,045,000 | 6,426,020 |
| 2029 - 2034 | 13,835,000 | 4,476,163 |
| 2034 - 2039 | 11,360,000 | 781,425 |
| Total | <u>\$ 36,975,000</u> | <u>\$ 35,467,768</u> |

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, 2009, amounted to \$13,181,292.

At June 30, 2009, the annual requirements to repay the outstanding indebtedness were as follows:

| | 2002 FNMA Housing Set-Aside Loan | |
|-------------|----------------------------------|---------------------|
| | Principal | Interest |
| 2009 - 2010 | \$ 356,800 | \$ 689,153 |
| 2010 - 2011 | 375,710 | 669,742 |
| 2011 - 2012 | 395,623 | 649,301 |
| 2012 - 2013 | 416,591 | 627,778 |
| 2013 - 2014 | 438,670 | 605,113 |
| 2014 - 2019 | 2,567,740 | 2,641,257 |
| 2019 - 2024 | 3,324,244 | 1,864,706 |
| 2024 - 2029 | 4,303,627 | 859,368 |
| 2029 - 2034 | 1,002,287 | 26,561 |
| Total | <u>\$ 13,181,292</u> | <u>\$ 8,632,979</u> |

Other Post Employment Benefits Obligation

The City's policies relating to other post employment benefits are described in Note 9 of the Notes to Financial Statements. The liability will be paid in future years by the Other Post Employment Benefits agency fund.

City of Ontario
Notes to Financial Statements (Continued)

Note 7: Long-Term Debt (Continued)

Compensated Absences

The City's policies relating to compensated absences are described in Note 1 of the Notes to Financial Statements. For the governmental activities, the liability will be paid in future years by the General Fund.

Claims and judgments

The City's liability regarding self insurance is described in Note 10 of the Notes to Financial Statements. The liability will be paid in future years from the Self Insurance Fund.

Debt Service Requirements

As previously discussed, the City has pledged, as security for bonds and loans it has issued, either directly or through the Financing Authority, a portion of the tax increment revenue (including Low and Moderate Income Housing set-aside) that it receives. These bonds and loans were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. The Agency has committed to appropriate each year, from these resources amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$172,238,431 with annual debt service requirements as indicated on the previous page. For the current year, the total tax increment revenue, net of pass through payments, recognized by the City was \$45,877,180 and the debt service obligation on the bonds was \$11,494,116.

b. Long-Term Debt - Business-Type Activities

The following is a summary of changes in Proprietary Fund long-term debt for the year ended June 30, 2009:

| | Balance July 1, 2008 | Additions | Deletions | Balance June 30, 2009 | Due Within One Year |
|---|-------------------------|--------------------------|-------------------|--------------------------|------------------------|
| 2004 COP - Water System Improvement Project | \$ 48,730,000 | \$ - | \$ 980,000 | \$ 47,750,000 | \$ 1,015,000 |
| Compensated Absences | 841,865 | 196,719 | 17,350 | 1,021,234 | 84,000 |
| Total | <u>\$ 49,571,865</u> | <u>\$ 196,719</u> | <u>\$ 997,350</u> | 48,771,234 | <u>\$ 1,099,000</u> |
| | | Unamortized Bond Premium | | 1,169,723 | |
| | | | | <u>\$ 49,940,957</u> | |

Certificates of participation

2004 Certificates of Participation

In July 2004, the City issued certificates of participation, 2004 Water System Improvement Project, to finance and refinance certain water facilities of the City. The certificates dated July 15, 2006, were issued at a premium of \$1,394,670 and consist of \$30,285,000 serial certificates maturing in principal amount of \$850,000 to \$2,190,000 bearing interest ranging from 3.00% to 5.25% and \$22,035,000 term certificates bearing interest at 5%. Interest is paid semi-annually each year commencing January 1, 2006, until final maturity on July 1, 2034.

City of Ontario
Notes to Financial Statements (Continued)

Note 7: Long-Term Debt (Continued)

The certificates represent proportionate undivided interests in certain installment payments and interest thereon, to be made by the City pursuant to an installment sale agreement date July 1, 2004. The payment of installment payments and interest thereon are secured by a pledge of net revenues of the City's water system. Total principal and interest remaining on the debt is \$85,230,704 with annual debt service requirements as indicated below. For the current year, the pledge revenue from the City's water system was \$40,121,342 and the debt service obligation on the bonds was \$3,411,913. The balance at June 30, 2009, including the unamortized bond premium of \$1,169,723 amounted to \$48,919,723.

The annual principal requirements to amortize the 2004 COP outstanding as of June 30, 2009, are as follows:

| | 2004 COP - Water System Improvement Project | |
|-------------|--|----------------------|
| | Principal | Interest |
| 2009 - 2010 | \$ 1,015,000 | \$ 2,392,713 |
| 2010 - 2011 | 1,055,000 | 2,352,113 |
| 2011 - 2012 | 1,100,000 | 2,309,913 |
| 2012 - 2013 | 1,145,000 | 2,265,913 |
| 2013 - 2014 | 1,200,000 | 2,208,663 |
| 2014 - 2019 | 6,965,000 | 10,080,563 |
| 2019 - 2024 | 8,960,000 | 8,089,913 |
| 2024 - 2029 | 11,555,000 | 5,495,913 |
| 2029 - 2034 | 14,755,000 | 2,285,000 |
| Total | <u>\$ 47,750,000</u> | <u>\$ 37,480,704</u> |

Compensated Absences

The City's policies relating to compensated absences are described in Note 1 of the Notes to Financial Statements. For the business-type activities, the liability will be paid in future years from the Proprietary Funds.

c. 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, 2009, totaled \$24,955,933. This amount is not reported in the City's financial statements. The construction phase is reported in the Capital Projects Funds. Likewise, amounts recorded in the Agency Funds represent only debt service activities, i.e., collection from property owners and payment to bondholders.

City of Ontario
Notes to Financial Statements (Continued)

Note 7: Long-Term Debt (Continued)

d. Other Bond and Loan Programs

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

| | Interest % Rate | Date Issued | Date Series Matures | Outstanding Balance |
|--|--------------------|----------------|---------------------------|------------------------|
| <u>Multi-Family Mortgage Revenue Bonds:</u> | | | | |
| Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Seasons at Gateway Plaza 1996 Series A | 5.60 - 6.50 | 1996 | 2026 | \$ 1,330,000 |
| Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Seasons at Gateway Plaza 1996 Series B | Variable | 1996 | 2026 | 740,000 |
| Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Woodside Senior III Apts 2004 Series A | 6.25 | 2004 | 2034 | 2,448,000 |
| Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Waverly Place Apts 2004 Series B | 6.25 | 2004 | 2034 | 7,047,000 |
| Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Waterford Court Apts 2005 Series A | 6.25 | 2005 | 2035 | 6,165,000 |
| Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Woodside Senior II Apts 2004 Series C | 6.25 | 2004 | 2034 | 1,513,000 |
| Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Cambridge Square Apts 2004 Series D | 6.25 | 2004 | 2034 | 6,087,000 |
| Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Park Center Project 2005 Refunding | Variable | 2005 | 2035 | 23,500,000 |
| Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Park Vista 2006 Series B | Variable | 2006 | 2040 | 6,960,000 |
| Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Terrace View 2006 Series A | Variable | 2006 | 2040 | 6,240,000 |
| Total | | | | <u>\$ 62,030,000</u> |

City of Ontario
Notes to Financial Statements (Continued)

Note 7: Long-Term Debt (Continued)

| | <u>Interest % Rate</u> | <u>Date Issued</u> | <u>Date Series Matures</u> | <u>Outstanding Balance</u> |
|--|----------------------------|------------------------|------------------------------------|--------------------------------|
| <u>Single Family Mortgage Revenue Bonds:</u> | | | | |
| Ontario Redevelopment Agency Single Family Mortgage Revenue Bonds, Project Area #2 | 9.40 | 1983 | 2016 | <u>\$ 100,000</u> |
| <u>Industrial Development Bonds:</u> | | | | |
| Industrial Development Bonds, L.D. Brinkman & Company, West Coast Project | Variable | 1985 | 2015 | <u>\$ 9,000,000</u> |

IV. OTHER INFORMATION

Note 8: City Employees Retirement Plan (Defined Benefit Pension Plan)

Plan Description

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

Funding Policy

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 9.286% for non-safety employees, 25.136% for police safety employees and 22.108% for fire safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2009, the City's annual pension cost of \$18,383,728 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method.

Note 8: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

The summary of principal assumptions and methods used to determine the annual required contribution is shown below:

| | |
|----------------------------|---|
| Valuation Date | June 30, 2008 |
| Actuarial Cost Method | Entry Age Actuarial Cost Method |
| Amortization Method | Level Percent of Payroll |
| Average Remaining Period | 12 years as of the Valuation Date for the miscellaneous plan, 27 years as of the Valuation Date for the safety police plan, and 30 years as of the Valuation Date for the safety fire plan. |
| Asset Valuation Method | 15-Year Smoothed Market |
| Actuarial Assumptions: | |
| Investment Rate of Return | 7.75% (net of administrative expenses) |
| Projected Salary Increases | 3.25% to 14.45% depending on age, service, and type of employment |
| Inflation | 3.00% |
| Payroll Growth | 3.25% |
| Individual Salary Growth | A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.50% and an annual production growth of 0.25% |

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30 year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

| Three-Year Trend Information for PERS (Amounts in Thousands) | | | |
|---|--------------------------------------|--|-----------------------------------|
| <u>Fiscal Year</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
| 6/30/2007 | \$ 14,973 | 100% | \$ - |
| 6/30/2008 | 17,828 | 100% | - |
| 6/30/2009 | 18,384 | 100% | - |

City of Ontario
Notes to Financial Statements (Continued)

Note 8: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Schedule of Funding Progress for PERS
(Amounts in Thousands)

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a % of Covered Payroll |
|--------------------------|---------------------------|---|---------------------|--------------|------------------|--------------------------------|
| 6/30/06: | | | | | | |
| Miscellaneous | \$ 151,338 | \$ 154,469 | \$ (3,131) | 98.0 % | \$ 34,244 | 9.1 % |
| Police | 139,924 | 162,724 | (22,800) | 86.0 | 17,537 | 130.0 |
| Fire | 117,940 | 133,499 | (15,559) | 88.3 | 13,776 | 112.9 |
| Total | <u>\$ 409,202</u> | <u>\$ 450,692</u> | <u>\$ (41,490)</u> | 90.8 % | <u>\$ 65,557</u> | 63.3 % |
| 6/30/07: | | | | | | |
| Miscellaneous | \$ 163,825 | \$ 165,772 | \$ (1,947) | 98.8 % | \$ 37,924 | 5.1 % |
| Police | 152,733 | 174,282 | (21,549) | 87.6 | 18,422 | 117.0 |
| Fire | 127,792 | 143,593 | (15,801) | 89.0 | 14,256 | 110.8 |
| Total | <u>\$ 444,350</u> | <u>\$ 483,647</u> | <u>\$ (39,297)</u> | 91.9 % | <u>\$ 70,602</u> | 55.7 % |
| 6/30/08: | | | | | | |
| Miscellaneous | \$ 177,064 | \$ 180,033 | \$ (2,969) | 98.4 % | \$ 38,886 | 7.6 % |
| Police | 164,288 | 189,484 | (25,196) | 86.7 | 19,042 | 132.3 |
| Fire | 137,008 | 154,068 | (17,060) | 88.9 | 14,818 | 115.1 |
| Total | <u>\$ 478,360</u> | <u>\$ 523,585</u> | <u>\$ (45,225)</u> | 91.4 % | <u>\$ 72,746</u> | 62.2 % |

Note 9: Other Post-Employment Employee Benefits

Plan Description

The City has established the City of Ontario Retiree Healthcare Plan, a single-employer defined benefit healthcare plan. The plan, which is administered by the City, provides health insurance for its retired employees according to the Personnel Rules and Regulations for each of the seven 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.

Funding Policy

The City funds retiree health benefits on a pay as you go basis, paying for retiree benefits from the City's Other Post Employment Benefits agency fund. For fiscal year 2008-2009, the City paid a total of \$2,434,737 for retiree health insurance.

The required contribution is based on projected pay-as-you-go financing requirements with additional amount to prefund benefits as determined annually by the City under an actuarial valuation. The City has elected not to transfer assets into an irrevocable trust fund, but set aside the actuarial required contribution in its Other Post Employment Benefits agency fund. For fiscal year 2008-2009, the City contributed \$8,196,788 to its agency fund.

Note 9: Other Post-Employment Employee Benefits (Continued)

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

| | Fiscal Year Ended 6/30/2009 |
|--|-----------------------------------|
| Annual required contribution | \$ 8,317,000 |
| Interest on OPEB obligation | 404,483 |
| Adjustment to annual required contribution | (334,161) |
| Annual OPEB cost | 8,387,322 |
| Contributions made | 2,434,737 |
| Increase (decrease) in net OPEB obligation | 5,952,585 |
| Net OPEB obligation - beginning of year | 5,778,326 |
| Net OPEB obligation - end of year | \$ 11,730,911 |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008-09 and the two preceding years were as follows:

| Fiscal Year Ended | Annual OPEB cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|----------------------|---------------------|--|------------------------|
| 6/30/2007 | n/a | n/a | n/a |
| 6/30/2008 | \$ 8,056,000 | 28.3% | \$ 5,778,326 |
| 6/30/2009 | 8,387,322 | 29.0% | 11,730,911 |

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

City of Ontario
Notes to Financial Statements (Continued)

Note 9: Other Post-Employment Employee Benefits (Continued)

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

| Schedule of Funding Progress for OPEB (Amounts in Thousands) | | | | | | |
|---|---------------------------------|---|---------------------------|-----------------|--------------------|---|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a % of Covered Payroll |
| 6/30/2006 | \$ - | \$ 81,916 | \$ (81,916) | - % | \$ 59,450 | 137.8 % |
| 6/30/2008 | - | 78,205 | (78,205) | - % | 71,845 | 108.9 % |

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial valuation as of June 30, 2008, used the Entry Age Normal actuarial cost method. The actuarial assumptions included a 7.75% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an annual healthcare cost trend rate of 9.05% to 10.10% depending on the healthcare plan reduced by decrements to an ultimate rate of 4.5% after eight years. Both rates included a payroll increase rate of 3.25% and a general inflation rate of 3%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009, was thirty years. As of the actuarial valuation date, the City had 1,040 active participants and 416 retirees receiving benefits.

Note 10: 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 \$500,000 per claim; amounts in excess of \$500,000 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 \$500,000 per claim arising from general liability claim actions brought against the City. Amounts in excess of \$500,000 per claim are covered by the Authority for California Cities Excess Liability (ACCEL).

City of Ontario
Notes to Financial Statements (Continued)

Note 10: Self-Insurance Program (Continued)

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.

The City purchased \$19,500,000 coverage in excess of the \$500,000 pool effective July 1, 2001.

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

The City has entered into contracts with third-party administrators who supervise the general liability, disability and unemployment insurance 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:

| <u>Fiscal Year</u> | <u>Beginning Balance</u> | <u>Changes in Estimates</u> | <u>Claim Payments</u> | <u>Ending Balance</u> |
|--------------------|------------------------------|---------------------------------|---------------------------|---------------------------|
| 2007-2008 | \$ 9,609,075 | \$ 6,839,120 | \$ 5,200,206 | \$ 11,247,989 |
| 2008-2009 | 11,247,989 | 4,303,099 | 3,996,939 | 11,554,149 |

Note 11: Contingencies

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.

Other

Proposition 218, which was approved by the voters in November, 1996, will regulate the City's ability to impose, increase and extend taxes, assessments and fees. Any new, increased or extended taxes, assessments and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters.

Therefore, the City's ability to finance the services for which the taxes, assessments and fees were imposed may be significantly impaired. At this time, it is uncertain how Proposition 218 will affect the City's ability to maintain or increase the revenue it receives from taxes, assessments and fees.

City of Ontario
Notes to Financial Statements (Continued)

Note 12: Joint Ventures

Water Facilities Authority

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

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

On September 30, 1997, the Authority issued \$24,455,000 in 1997 Refunding Certificates of Participation (COPs) to refund \$25,820,000 of then outstanding 1986 COPs. The 1997 Refunding COPs carry interest rates from 4.0% to 5.3% and will be repaid in various principal increments with the final payment due on October 1, 2015. Each participant in the joint venture has pledged gross revenues from its respective Enterprise Fund and has agreed to restrictive covenants that establish rates and charges for each respective water enterprise fund at levels sufficient to maintain net revenues equal to at least 1.25 times the aggregate amount of each respective party's installment payments to the Authority as well as any parity debt that shall become due and payable within the succeeding twelve months. Each City has an ongoing financial responsibility as each has assumed a portion of the Authority's debt. The City of Ontario's percentage share of the installment payment is 41.51681% and the outstanding balance at June 30, 2009, for which the City is responsible is \$5,096,188. At June 30, 2009, the City's investment in the Authority, including its share of Authority's debt, was \$7,151,252.

Audited financial information of the Authority for the fiscal year ended June 30, 2009, is summarized as follows:

| | |
|---|----------------------|
| Water Facilities Authority Net Assets: | |
| Total assets | \$ 39,996,610 |
| Total liabilities | <u>18,155,418</u> |
| Total net assets | <u>\$ 21,841,192</u> |
| Water Facilities Authority Changes in Net Assets: | |
| Operating revenues | \$ 19,309,929 |
| Operating expenses | <u>19,371,347</u> |
| Operating gain before depreciation and amortization | (61,418) |
| Depreciation and amortization | <u>1,051,028</u> |
| Operating revenue (loss) | <u>(1,112,446)</u> |
| Nonoperating revenues (expenses) | 193,224 |
| Contributions | <u>1,822,998</u> |
| Change in net assets | 903,776 |
| Beginning net assets | <u>20,937,416</u> |
| Ending net assets | <u>\$ 21,841,192</u> |

City of Ontario
Notes to Financial Statements (Continued)

Note 12: Joint Ventures (Continued)

The current participants and their financial contributions through June 30, 2009, were as follows:

| | <u>Amount</u> | <u>Percent</u> |
|----------------------------|-----------------------------|----------------------|
| City of Chino | \$ 4,867,915 | 15.0% |
| City of Chino Hills | 5,347,508 | 16.5% |
| City of Ontario | 10,599,133 | 32.7% |
| City of Upland | 6,239,917 | 19.3% |
| Monte Vista Water District | 5,209,759 | 16.2% |
| Non-Participant | <u>107,399</u> | <u>0.3%</u> |
| Total | <u><u>\$ 32,371,631</u></u> | <u><u>100.0%</u></u> |

Financial statements of the Water Facility Authority can be obtained from the offices of Charles Z. Fedak & Co., 6081 Orange Avenue, Cypress, California 90630.

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, 2009:

| | <u>Governmental Activities</u> |
|------------------------------|------------------------------------|
| Assets: | |
| Cash and investments | \$ 922,182 |
| Capital assets | 588,267 |
| Other assets | <u>5,391</u> |
| Total Assets | <u><u>1,515,840</u></u> |
| Net Assets: | |
| Invested in capital assets | 588,267 |
| Restricted for public safety | <u>927,573</u> |
| Total Net Assets | <u><u>\$ 1,515,840</u></u> |

City of Ontario
Notes to Financial Statements (Continued)

Note 12: Joint Ventures (Continued)

Statement of Activities

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | <u>Net Expenses and Changes in Net Assets</u> |
|---------------------------|-------------------|---|---|
| Public Safety | <u>\$ 193,387</u> | <u>\$ -</u> | \$ (193,387) |
| | | General revenue | <u>6,543</u> |
| | | Changes in net assets | (186,844) |
| | | Net assets at the beginning of the year | <u>1,702,684</u> |
| | | net assets at the end of the year | <u>\$ 1,515,840</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.

West End Hazardous Materials Assistance Team Joint Powers Authority

On January 23, 1989, the West End Hazardous Materials Assistance Team Joint Powers Authority 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.

Chino Basin Desalter Authority

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

The governing Board of Director consists of one representative appointed from each participating agency and has the power and responsibility to adopt budgets, operating plans and finance activities to further the purpose of the Authority. As of June 30, 2009, the City's investment in the Authority was \$31,758,336.

City of Ontario
Notes to Financial Statements (Continued)

Note 12: Joint Ventures (Continued)

The financial information of the Authority for the fiscal year ended June 30, 2009, is summarized as follows:

Chino Basin Desalter Authority Net Assets:

| | |
|-------------------|----------------------|
| Total assets | \$ 165,029,232 |
| Total liabilities | 96,755,085 |
| Total net assets | <u>\$ 68,274,147</u> |

Chino Basin Desalter Authority Changes in Net Assets:

| | |
|---|----------------------|
| Operating revenues | \$ 17,388,504 |
| Operating expenses | <u>17,522,940</u> |
| Operating gain before depreciation and amortization | (134,436) |
| Depreciation and amortization | <u>4,363,900</u> |
| Operating revenue (loss) | (4,498,336) |
| Nonoperating revenues (expenses) | <u>3,749,102</u> |
| Change in net assets | (749,234) |
| Beginning net assets | <u>69,023,381</u> |
| Ending net assets | <u>\$ 68,274,147</u> |

The current participants and their financial contributions through June 30, 2009, were as follows:

| | <u>Amount</u> | <u>Percent</u> |
|------------------------------------|----------------------|----------------|
| Jurupa Community Services District | \$ 6,738,816 | 34.99% |
| City of Chino Hills | 3,587,463 | 18.63% |
| City of Chino | 4,272,234 | 22.18% |
| City of Norco | 852,494 | 4.43% |
| City of Ontario | 2,783,044 | 14.45% |
| Santa Ana River Co. | <u>1,024,949</u> | <u>5.32%</u> |
| Total | <u>\$ 19,259,000</u> | <u>100.00%</u> |

Financial statements of the Authority can be obtained from the CDA Treasurer's office located at 6075 Kimball Avenue, Chino, CA 91710.

Note 13: Contingent Liabilities

Numerous 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. Additionally, the City and the Agency have entered into a development incentive and assistance agreement in which the City will reimburse a private corporation 50% of any sales tax actually received by the City, and the Agency will reimburse a portion of the property tax increment generated by the development. Both reimbursements are subject to certain conditions. Reimbursements shall be made so long as monies are available and will continue to the sooner of the following: 1) the expiration of 25 years after the commencement of operation of any part of the development; 2) the time at which sales taxes received by the City fall below \$500,000 in any given calendar year after December 31, 1992; or 3) the time at which the total amount reimbursed pursuant to the agreement reaches \$53,000,000.

City of Ontario
Notes to Financial Statements (Continued)

Note 14: Fund Equity and Net Assets Restatements

Beginning fund balance in the Community Development Fund has been restated by \$(1,745,679) for deferred loans receivable principal repayments incorrectly recorded as revenue in prior years. In addition, beginning net assets have been restated by \$(5,886,131) to properly account for the other post employment benefits obligation since the City has elected not to place any asset into an irrevocable trust fund. As a result, net assets have been restated for a total of \$(7,631,810).

Note 15: Other Investments

Other investments as of June 30, 2009, totaled \$223,541,830 and were recorded as follows:

| | |
|-------------------|-----------------------|
| Proprietary Funds | \$ 201,750 |
| Fiduciary Funds | <u>223,340,080</u> |
| Total | <u>\$ 223,541,830</u> |

For the proprietary funds, the other investments represent a security interest (at cost) in the San Antonio Water Company for \$201,750. For the fiduciary funds, \$206,335,694 is interest in bonds issued by the Ontario Financing Authority and \$17,004,386 represents water rights/stored water, air quality credits and land purchased by the Other Post Employment Benefits agency fund as an investment to generate a long-term revenue stream to fund future post employment benefits.

Note 16: Subsequent Event

a. Subsequent Event – SERAF Tax Increment Revenue Shift

On July 23, 2009, the California Legislature passed SB 26, requiring a shift in tax increment revenues during fiscal years 2009-2010 and 2010-2011 to be deposited into the county "Supplemental" Educational Revenue Augmentation Fund (SERAF) to be distributed to meet the State's Prop 98 obligations to schools. It is estimated that the Agency's share of the SERAF shift for fiscal year 2009-2010 and 2010-2011 will amount to approximately \$16,394,862 and \$3,372,147, respectively. In October 2009, the California Redevelopment Association and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid. As of the date of this report, no legal determination has been made by the courts on that action.

b. Local Government Revenues Withheld by the State of California

On July 24, 2009, the legislation approved the "borrowing" of up to 8 percent of the local property tax under Proposition 1A (2004). The State of California is required to repay this obligation by June 30, 2013. It is estimated that the City's share will be \$4,277,953.

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REQUIRED SUPPLEMENTARY INFORMATION

Modified Approach for City Infrastructure Capital Assets

**CITY OF ONATRIO
JUNE 30, 2009**

REQUIRED SUPPLEMENTARY INFORMATION

Modified Approach for City Infrastructure Capital Assets

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

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

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

In February 2008, the City has completed a study to update the physical condition assessment of the streets. The prior assessment study was completed in January 2007. 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 and its related subsystems. The following conditions were defined:

| <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 (Continued)

Modified Approach for City Infrastructure Capital Assets (Continued)

The City's policy is to maintain the existing weighted average rating of "Good". This rating allows for minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds, as well as minor cracking of the curbs and gutters, bridges, sidewalks and handicap ramps. As of June 30, 2009, the City's average street and its related subsystem's PCI rating was 65, with the detail condition as follows:

| <u>Condition</u> | <u>% of Streets</u> |
|-------------------|---------------------|
| Excellent to Good | 74% |
| Fair | 9% |
| Poor to Failed | 17% |

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

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

As of June 30, 2009, the City had some of its streets rated below a "fair" rating. The City will require several years to rehabilitate these segments of the streets.

The City's streets are constantly deteriorating resulting from the following four factors: (1) traffic using the streets, (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement, (3) utility company/private development interests trenching operations, and (4) water damage from natural precipitation and other urban runoff. The City is continuously taking actions to arrest the deterioration through short-term maintenance activities such as pothole patching, street sweeping, and street paving. The City expended \$11.34 million on street maintenance for the fiscal year ended June 30, 2009. 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 2010 is a minimum of \$4.9 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, 2009, the City had approximately 114,441,000 square feet (555 centerline miles) of streets with a carrying amount of \$288,321,002 and a replacement cost of approximately \$611,754,000.

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, 2009, the City expended \$6.03 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 \$5.5 million per year to maintain these other infrastructure assets at their present level as shown on the schedule presented below.

City of Ontario
Required Supplementary Information (Continued)

Modified Approach for City Infrastructure Capital Assets (Continued)

INFRASTRUCTURE MAINTENANCE
ESTIMATED AND ACTUAL EXPENDITURES
FIVE YEARS (IN THOUSANDS)

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| <u>Streets:</u> | | | | | |
| Estimated | \$ 8,992 | \$ 7,427 | \$ 12,067 | \$ 17,926 | \$ 21,199 |
| Actual | 6,787 | 9,744 | 12,079 | 11,338 | |
| <u>Sidewalks:</u> | | | | | |
| Estimated | 1,723 | 1,716 | 2,265 | 2,854 | 1,541 |
| Actual | 1,648 | 1,747 | 2,047 | 2,158 | |
| <u>Storm Drain:</u> | | | | | |
| Estimated | 221 | 338 | 1,463 | 1,584 | 1,363 |
| Actual | 207 | 325 | 1,338 | 1,292 | |
| <u>Traffic Signal/Street Lights:</u> | | | | | |
| Estimated | 2,260 | 2,244 | 2,741 | 3,386 | 2,562 |
| Actual | 2,362 | 2,522 | 2,695 | 2,580 | |

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CITY OF ONTARIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

| | Special Revenue Funds | | | |
|--|------------------------------|---------------------|-----------------------------|----------------------------------|
| | Special Gas Tax | Measure I | Park Development | Community Development |
| Assets: | | | | |
| Cash and investments | \$ 7,994,464 | \$ 4,195,150 | \$ 7,955,350 | \$ 135,248 |
| Receivables: | | | | |
| Accounts | 217,745 | 757,119 | - | 2,131,152 |
| Accrued interest | 40,159 | 25,988 | 45,551 | - |
| Taxes | - | - | - | - |
| Contracts and notes | - | - | - | 7,024,184 |
| Prepaid costs | - | - | - | - |
| Deposits with others | - | - | - | - |
| Advances to other funds | - | - | - | 1,533,646 |
| Land held for resale | - | - | - | 701,050 |
| Restricted assets: | | | | |
| Cash and investments | - | - | - | 83,947 |
| Cash and investments with fiscal agents | - | - | - | - |
| Accrued interest | - | - | - | - |
| Total Assets | \$ 8,252,368 | \$ 4,978,257 | \$ 8,000,901 | \$ 11,609,227 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,037,466 | \$ 885,751 | \$ 3,062 | \$ 257,531 |
| Accrued liabilities | 11,827 | 11,559 | - | 8,983 |
| Deferred revenues | - | - | - | 3,066,823 |
| Deposits payable | 47,045 | - | - | - |
| Due to other governments | - | - | - | 3,957,361 |
| Due to other funds | - | 313,360 | - | 1,756,574 |
| Advances from other funds | - | - | - | - |
| Total Liabilities | 1,096,338 | 1,210,670 | 3,062 | 9,047,272 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | 4,102,040 | 1,061,176 | 301,075 | 12,166 |
| Reserved for prepaid costs | - | - | - | - |
| Reserved for deposits with others | - | - | - | - |
| Reserved for land held for resale | - | - | - | 701,050 |
| Reserved for contracts and notes receivables | - | - | - | - |
| Reserved for advances to other funds | - | - | - | 1,533,646 |
| Unreserved: | | | | |
| Designated for public safety equipment | - | - | - | - |
| Designated for capital improvement projects | - | - | - | - |
| Designated for debt service | - | - | - | - |
| Undesignated | 3,053,990 | 2,706,411 | 7,696,764 | 315,093 |
| Total Fund Balances | 7,156,030 | 3,767,587 | 7,997,839 | 2,561,955 |
| Total Liabilities and Fund Balances | \$ 8,252,368 | \$ 4,978,257 | \$ 8,000,901 | \$ 11,609,227 |

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

(Continued)

| | Special Revenue Funds | | | |
|--|------------------------------|--|---|--------------------------------|
| | Asset Seizure | Mobile Source Air Pollution | Special Assessment/Fee Districts | Dangerous Buildings |
| Assets: | | | | |
| Cash and investments | \$ 1,156,260 | \$ 951,745 | \$ 3,706,660 | \$ 244,692 |
| Receivables: | | | | |
| Accounts | - | 54,300 | - | - |
| Accrued interest | 12,594 | 5,397 | 16,501 | - |
| Taxes | - | - | 10,792 | 254 |
| Contracts and notes | - | - | - | - |
| Prepaid costs | - | 24,992 | - | - |
| Deposits with others | - | - | - | - |
| Advances to other funds | - | - | - | - |
| Land held for resale | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments | 953,142 | - | - | - |
| Cash and investments with fiscal agents | - | - | - | - |
| Accrued interest | - | - | - | - |
| Total Assets | \$ 2,121,996 | \$ 1,036,434 | \$ 3,733,953 | \$ 244,946 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 31,642 | \$ - | \$ 105,270 | \$ 22,038 |
| Accrued liabilities | 137,532 | 137 | 1,115,364 | 16,663 |
| Deferred revenues | - | - | - | - |
| Deposits payable | 68,145 | - | - | - |
| Due to other governments | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advances from other funds | - | - | - | - |
| Total Liabilities | 237,319 | 137 | 1,220,634 | 38,701 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | 121 | 287,060 | - | 131 |
| Reserved for prepaid costs | - | 24,992 | - | - |
| Reserved for deposits with others | - | - | - | - |
| Reserved for land held for resale | - | - | - | - |
| Reserved for contracts and notes receivables | - | - | - | - |
| Reserved for advances to other funds | - | - | - | - |
| Unreserved: | | | | |
| Designated for public safety equipment | 435,000 | - | - | - |
| Designated for capital improvement projects | - | - | 1,507,242 | - |
| Designated for debt service | - | - | - | - |
| Undesignated | 1,449,556 | 724,245 | 1,006,077 | 206,114 |
| Total Fund Balances | 1,884,677 | 1,036,297 | 2,513,319 | 206,245 |
| Total Liabilities and Fund Balances | \$ 2,121,996 | \$ 1,036,434 | \$ 3,733,953 | \$ 244,946 |

CITY OF ONTARIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

| | Special Revenue Funds | | | |
|--|---------------------------------|------------------------------------|--|----------------------------------|
| | Facility Maintenance | Storm Drain Maintenance | Ontario Housing Authority | Historic Preservation |
| Assets: | | | | |
| Cash and investments | \$ 319,104 | \$ 2,069,441 | \$ 2,340,584 | \$ 269,702 |
| Receivables: | | | | |
| Accounts | - | 117,554 | - | - |
| Accrued interest | - | 11,643 | - | 1,577 |
| Taxes | - | - | - | - |
| Contracts and notes | - | - | - | - |
| Prepaid costs | - | - | - | - |
| Deposits with others | - | - | - | - |
| Advances to other funds | - | - | - | - |
| Land held for resale | - | - | 12,520,588 | - |
| Restricted assets: | | | | |
| Cash and investments | - | - | - | - |
| Cash and investments with fiscal agents | - | - | - | - |
| Accrued interest | - | - | - | - |
| Total Assets | \$ 319,104 | \$ 2,198,638 | \$ 14,861,172 | \$ 271,279 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 38,540 | \$ 2,066 | \$ 69,804 | \$ - |
| Accrued liabilities | 796 | 21,125 | - | - |
| Deferred revenues | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other governments | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advances from other funds | - | - | 2,300,469 | - |
| Total Liabilities | 39,336 | 23,191 | 2,370,273 | - |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | 86,025 | 1,096 | 2,474 | - |
| Reserved for prepaid costs | - | - | - | - |
| Reserved for deposits with others | - | - | - | - |
| Reserved for land held for resale | - | - | 12,520,588 | - |
| Reserved for contracts and notes receivables | - | - | - | - |
| Reserved for advances to other funds | - | - | - | - |
| Unreserved: | | | | |
| Designated for public safety equipment | - | - | - | - |
| Designated for capital improvement projects | - | - | - | - |
| Designated for debt service | - | - | - | - |
| Undesignated | 193,743 | 2,174,351 | (32,163) | 271,279 |
| Total Fund Balances | 279,768 | 2,175,447 | 12,490,899 | 271,279 |
| Total Liabilities and Fund Balances | \$ 319,104 | \$ 2,198,638 | \$ 14,861,172 | \$ 271,279 |

CITY OF ONTARIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

(Continued)

| | Special Revenue Funds | | | Capital Projects Funds |
|--|--------------------------------|---|-----------------|---|
| | NMC Public Services | CFD No. 10 - Public Services | NMC CFD | Redevelopment Administration |
| Assets: | | | | |
| Cash and investments | \$ 2,996,476 | \$ 136 | \$ 2,522 | \$ 2,282,754 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Accrued interest | 17,468 | 51 | 933 | 13,037 |
| Taxes | - | - | 620 | - |
| Contracts and notes | - | - | - | - |
| Prepaid costs | - | - | - | 26,001 |
| Deposits with others | - | - | - | - |
| Advances to other funds | - | - | - | - |
| Land held for resale | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments | - | - | - | - |
| Cash and investments with fiscal agents | - | - | - | - |
| Accrued interest | - | - | - | - |
| Total Assets | \$ 3,013,944 | \$ 187 | \$ 4,075 | \$ 2,321,792 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 89,017 |
| Accrued liabilities | - | - | - | 29,213 |
| Deferred revenues | - | - | - | - |
| Deposits payable | - | - | - | - |
| Due to other governments | - | - | - | - |
| Due to other funds | - | 187 | 4,075 | - |
| Advances from other funds | - | - | - | - |
| Total Liabilities | - | 187 | 4,075 | 118,230 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | - | - | - | 98,399 |
| Reserved for prepaid costs | - | - | - | 26,001 |
| Reserved for deposits with others | - | - | - | - |
| Reserved for land held for resale | - | - | - | - |
| Reserved for contracts and notes receivables | - | - | - | - |
| Reserved for advances to other funds | - | - | - | - |
| Unreserved: | | | | |
| Designated for public safety equipment | - | - | - | - |
| Designated for capital improvement projects | - | - | - | 2,079,162 |
| Designated for debt service | - | - | - | - |
| Undesignated | 3,013,944 | - | - | - |
| Total Fund Balances | 3,013,944 | - | - | 2,203,562 |
| Total Liabilities and Fund Balances | \$ 3,013,944 | \$ 187 | \$ 4,075 | \$ 2,321,792 |

CITY OF ONTARIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

| | Capital Projects Funds | | | |
|--|----------------------------------|----------------------------------|--------------------------------------|-----------------------------------|
| | Redevelopment Area #1 | Redevelopment Area #2 | Redevelopment Center City | Redevelopment Cimarron |
| Assets: | | | | |
| Cash and investments | \$ 2,630,532 | \$ 4,047,702 | \$ 4,457,167 | \$ 196,300 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Accrued interest | 20,885 | 23,613 | 26,934 | 1,183 |
| Taxes | - | - | - | - |
| Contracts and notes | - | - | 67,027 | - |
| Prepaid costs | - | - | - | - |
| Deposits with others | - | - | 1,884,365 | - |
| Advances to other funds | 1,600,000 | - | - | 1,073,093 |
| Land held for resale | 18,251,473 | 2,570,809 | 9,292,434 | - |
| Restricted assets: | | | | |
| Cash and investments | 66,161 | - | - | - |
| Cash and investments with fiscal agents | 397,296 | - | 693,857 | 92,971 |
| Accrued interest | 67 | - | 117 | 16 |
| Total Assets | \$ 22,966,414 | \$ 6,642,124 | \$ 16,421,901 | \$ 1,363,563 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 246,522 | \$ 24,520 | \$ 21,338 | \$ 34,555 |
| Accrued liabilities | 7,648 | - | 1,597 | - |
| Deferred revenues | - | - | - | - |
| Deposits payable | 150,000 | 37,500 | - | - |
| Due to other governments | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advances from other funds | 3,084,375 | 652,831 | 2,021,866 | 213,376 |
| Total Liabilities | 3,488,545 | 714,851 | 2,044,801 | 247,931 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | 94,659 | 10,350 | - | - |
| Reserved for prepaid costs | - | - | - | - |
| Reserved for deposits with others | - | - | 1,884,365 | - |
| Reserved for land held for resale | 18,251,473 | 2,570,809 | 9,292,434 | - |
| Reserved for contracts and notes receivables | - | - | 67,027 | - |
| Reserved for advances to other funds | 1,600,000 | - | - | 1,073,093 |
| Unreserved: | | | | |
| Designated for public safety equipment | - | - | - | - |
| Designated for capital improvement projects | - | 3,346,114 | 3,133,274 | 42,539 |
| Designated for debt service | - | - | - | - |
| Undesignated | (468,263) | - | - | - |
| Total Fund Balances | 19,477,869 | 5,927,273 | 14,377,100 | 1,115,632 |
| Total Liabilities and Fund Balances | \$ 22,966,414 | \$ 6,642,124 | \$ 16,421,901 | \$ 1,363,563 |

CITY OF ONTARIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

(Continued)

| | Capital Projects Funds | | | Debt Service Funds |
|--|---------------------------------|--|-------------------|----------------------------------|
| | Redevelopment Guasti | Combined Low/Moderate Housing | CFDs | Redevelopment Area #2 |
| Assets: | | | | |
| Cash and investments | \$ 130,654 | \$ 15,184,246 | \$ 180,681 | \$ 5,964,768 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Accrued interest | 743 | 96,248 | - | 35,186 |
| Taxes | - | 152,691 | - | 24,612 |
| Contracts and notes | - | 6,620,673 | - | - |
| Prepaid costs | - | 1,695 | - | - |
| Deposits with others | - | - | - | - |
| Advances to other funds | - | 4,985,146 | - | - |
| Land held for resale | - | 1,496,568 | - | - |
| Restricted assets: | | | | |
| Cash and investments | - | - | - | - |
| Cash and investments with fiscal agents | - | 942,347 | 9,215 | - |
| Accrued interest | - | 159 | - | - |
| Total Assets | \$ 131,397 | \$ 29,479,773 | \$ 189,896 | \$ 6,024,566 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 108,584 | \$ - | \$ 670,263 |
| Accrued liabilities | - | 29,307 | - | - |
| Deferred revenues | - | 29,109 | - | - |
| Deposits payable | - | 42,895 | 180,831 | - |
| Due to other governments | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advances from other funds | 46,858 | - | - | 4,951,546 |
| Total Liabilities | 46,858 | 209,895 | 180,831 | 5,621,809 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | - | 29,650 | - | - |
| Reserved for prepaid costs | - | 1,695 | - | - |
| Reserved for deposits with others | - | - | - | - |
| Reserved for land held for resale | - | 1,496,568 | - | - |
| Reserved for contracts and notes receivables | - | 6,591,564 | - | - |
| Reserved for advances to other funds | - | 4,985,146 | - | - |
| Unreserved: | | | | |
| Designated for public safety equipment | - | - | - | - |
| Designated for capital improvement projects | 84,539 | 15,222,749 | 9,065 | - |
| Designated for debt service | - | 942,506 | - | 402,757 |
| Undesignated | - | - | - | - |
| Total Fund Balances | 84,539 | 29,269,878 | 9,065 | 402,757 |
| Total Liabilities and Fund Balances | \$ 131,397 | \$ 29,479,773 | \$ 189,896 | \$ 6,024,566 |

CITY OF ONTARIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

| | Debt Service Funds | | | Total Nonmajor Governmental Funds |
|--|--------------------------------------|-----------------------------------|---------------------------------|--|
| | Redevelopment Center City | Redevelopment Cimarron | Redevelopment Guasti | |
| Assets: | | | | |
| Cash and investments | \$ 1,737,439 | \$ 3,502,381 | \$ 1,566,383 | \$ 76,218,541 |
| Receivables: | | | | |
| Accounts | - | - | - | 3,277,870 |
| Accrued interest | 10,386 | 19,743 | 9,268 | 435,088 |
| Taxes | 162,158 | - | - | 351,127 |
| Contracts and notes | - | - | - | 13,711,884 |
| Prepaid costs | - | - | - | 52,688 |
| Deposits with others | - | - | - | 1,884,365 |
| Advances to other funds | - | - | - | 9,191,885 |
| Land held for resale | - | - | - | 44,832,922 |
| Restricted assets: | | | | |
| Cash and investments | - | - | - | 1,103,250 |
| Cash and investments with fiscal agents | 724,856 | 289,664 | - | 3,150,206 |
| Accrued interest | 122 | 49 | - | 530 |
| Total Assets | \$ 2,634,961 | \$ 3,811,837 | \$ 1,575,651 | \$ 154,210,356 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 257,446 | \$ 83,126 | \$ 115,103 | \$ 4,103,644 |
| Accrued liabilities | - | - | - | 1,391,751 |
| Deferred revenues | - | - | - | 3,095,932 |
| Deposits payable | - | - | - | 526,416 |
| Due to other governments | - | - | - | 3,957,361 |
| Due to other funds | - | - | - | 2,074,196 |
| Advances from other funds | - | 2,019,922 | 500,000 | 15,791,243 |
| Total Liabilities | 257,446 | 2,103,048 | 615,103 | 30,940,543 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | - | - | - | 6,086,422 |
| Reserved for prepaid costs | - | - | - | 52,688 |
| Reserved for deposits with others | - | - | - | 1,884,365 |
| Reserved for land held for resale | - | - | - | 44,832,922 |
| Reserved for contracts and notes receivables | - | - | - | 6,658,591 |
| Reserved for advances to other funds | - | - | - | 9,191,885 |
| Unreserved: | | | | |
| Designated for public safety equipment | - | - | - | 435,000 |
| Designated for capital improvement projects | - | - | - | 25,424,684 |
| Designated for debt service | 2,377,515 | 1,708,789 | 960,548 | 6,392,115 |
| Undesignated | - | - | - | 22,311,141 |
| Total Fund Balances | 2,377,515 | 1,708,789 | 960,548 | 123,269,813 |
| Total Liabilities and Fund Balances | \$ 2,634,961 | \$ 3,811,837 | \$ 1,575,651 | \$ 154,210,356 |

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CITY OF ONTARIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

| | Special Revenue Funds | | | |
|--|------------------------------|---------------------|-----------------------------|----------------------------------|
| | Special Gas Tax | Measure I | Park Development | Community Development |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 5,324,214 | 3,231,222 | - | 5,675,970 |
| Charges for services | - | - | 6,952 | - |
| Use of money and property | 373,344 | 219,952 | 406,904 | 94,367 |
| Fines and forfeitures | - | - | - | - |
| Contribution from property owners | - | - | - | - |
| Miscellaneous | 432,881 | - | 50,000 | - |
| Total Revenues | 6,130,439 | 3,451,174 | 463,856 | 5,770,337 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | 194,952 |
| Community development | 3,397,742 | 4,438,977 | - | 2,564,802 |
| Public works | - | - | 99,725 | 1,100,812 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Pass-through agreement payments | - | - | - | - |
| Total Expenditures | 3,397,742 | 4,438,977 | 99,725 | 3,860,566 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,732,697 | (987,803) | 364,131 | 1,909,771 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 1,700,000 | - | - | - |
| Transfers out | (2,537,076) | - | (7,479) | (212,147) |
| Total Other Financing Sources (Uses) | (837,076) | - | (7,479) | (212,147) |
| Net Change in Fund Balances | \$ 1,895,621 | \$ (987,803) | \$ 356,652 | \$ 1,697,624 |
| Fund Balances: | | | | |
| Beginning of year, as originally reported | \$ 5,260,409 | \$ 4,755,390 | \$ 7,641,187 | \$ 2,610,010 |
| Restatements | - | - | - | (1,745,679) |
| Beginning of year, as restated | 5,260,409 | 4,755,390 | 7,641,187 | 864,331 |
| Net change in fund balances | 1,895,621 | (987,803) | 356,652 | 1,697,624 |
| End of Year | \$ 7,156,030 | \$ 3,767,587 | \$ 7,997,839 | \$ 2,561,955 |

CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

(Continued)

| | Special Revenue Funds | | | |
|--|-----------------------|--------------------------------|--|------------------------|
| | Asset Seizure | Mobile Source Air Pollution | Special Assessment/Fee Districts | Dangerous Buildings |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ 623,447 | \$ - |
| Intergovernmental | 674,115 | 203,131 | - | - |
| Charges for services | - | - | 20,000 | 361,099 |
| Use of money and property | 42,072 | 44,120 | 121,085 | - |
| Fines and forfeitures | - | - | - | - |
| Contribution from property owners | - | - | - | - |
| Miscellaneous | 435,909 | 773 | 1,260,933 | - |
| Total Revenues | 1,152,096 | 248,024 | 2,025,465 | 361,099 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | 310,429 | - | - | - |
| Community development | - | 170,282 | 357,494 | 370,643 |
| Public works | - | - | 603,402 | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Pass-through agreement payments | - | - | - | - |
| Total Expenditures | 310,429 | 170,282 | 960,896 | 370,643 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 841,667 | 77,742 | 1,064,569 | (9,544) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | 143,883 | - |
| Transfers out | - | (26,863) | (1,015,818) | - |
| Total Other Financing Sources (Uses) | - | (26,863) | (871,935) | - |
| Net Change in Fund Balances | \$ 841,667 | \$ 50,879 | \$ 192,634 | \$ (9,544) |
| Fund Balances: | | | | |
| Beginning of year, as originally reported | \$ 1,043,010 | \$ 985,418 | \$ 2,320,685 | \$ 215,789 |
| Restatements | - | - | - | - |
| Beginning of year, as restated | 1,043,010 | 985,418 | 2,320,685 | 215,789 |
| Net change in fund balances | 841,667 | 50,879 | 192,634 | (9,544) |
| End of Year | \$ 1,884,677 | \$ 1,036,297 | \$ 2,513,319 | \$ 206,245 |

CITY OF ONTARIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

| | Special Revenue Funds | | | |
|--|---------------------------------|------------------------------------|--|----------------------------------|
| | Facility Maintenance | Storm Drain Maintenance | Ontario Housing Authority | Historic Preservation |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 1,823 | 2,326,444 | - |
| Charges for services | - | 1,258,967 | - | - |
| Use of money and property | - | 104,626 | 20,625 | 14,079 |
| Fines and forfeitures | - | 3,464 | - | - |
| Contribution from property owners | - | - | - | - |
| Miscellaneous | - | 15,206 | - | - |
| Total Revenues | - | 1,384,086 | 2,347,069 | 14,079 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Community development | 564,701 | 1,026,016 | 2,349,821 | - |
| Public works | - | 265,937 | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Pass-through agreement payments | - | - | - | - |
| Total Expenditures | 564,701 | 1,291,953 | 2,349,821 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (564,701) | 92,133 | (2,752) | 14,079 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 510,000 | - | - | - |
| Transfers out | - | (202,368) | - | - |
| Total Other Financing Sources (Uses) | 510,000 | (202,368) | - | - |
| Net Change in Fund Balances | <u>\$ (54,701)</u> | <u>\$ (110,235)</u> | <u>\$ (2,752)</u> | <u>\$ 14,079</u> |
| Fund Balances: | | | | |
| Beginning of year, as originally reported | \$ 334,469 | \$ 2,285,682 | \$ 12,493,651 | \$ 257,200 |
| Restatements | - | - | - | - |
| Beginning of year, as restated | 334,469 | 2,285,682 | 12,493,651 | 257,200 |
| Net change in fund balances | (54,701) | (110,235) | (2,752) | 14,079 |
| End of Year | \$ 279,768 | \$ 2,175,447 | \$ 12,490,899 | \$ 271,279 |

CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

(Continued)

| | Special Revenue Funds | | | Capital Projects Funds |
|--|-----------------------|------------------------------|------------------|------------------------------|
| | NMC Public Services | CFD No. 10 - Public Services | NMC CFD | Redevelopment Administration |
| Revenues: | | | | |
| Taxes | \$ - | \$ 9,382 | \$ 165,123 | \$ - |
| Intergovernmental | - | - | - | - |
| Charges for services | 27,200 | - | - | - |
| Use of money and property | 169,066 | 250 | 4,588 | 106,721 |
| Fines and forfeitures | - | - | - | - |
| Contribution from property owners | - | - | - | - |
| Miscellaneous | - | - | - | 2,850 |
| Total Revenues | 196,266 | 9,632 | 169,711 | 109,571 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | 934 | 6,653 | 971,527 |
| Public safety | - | - | - | - |
| Community development | - | - | - | 1,883,235 |
| Public works | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Pass-through agreement payments | - | - | - | - |
| Total Expenditures | - | 934 | 6,653 | 2,854,762 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 196,266 | 8,698 | 163,058 | (2,745,191) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | 3,361,610 |
| Transfers out | - | (8,698) | (163,058) | - |
| Total Other Financing Sources (Uses) | - | (8,698) | (163,058) | 3,361,610 |
| Net Change in Fund Balances | \$ 196,266 | \$ - | \$ - | \$ 616,419 |
| Fund Balances: | | | | |
| Beginning of year, as originally reported | \$ 2,817,678 | \$ - | \$ - | \$ 1,587,143 |
| Restatements | - | - | - | - |
| Beginning of year, as restated | 2,817,678 | - | - | 1,587,143 |
| Net change in fund balances | 196,266 | - | - | 616,419 |
| End of Year | \$ 3,013,944 | \$ - | \$ - | \$ 2,203,562 |

CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

| | Capital Projects Funds | | | |
|--|--------------------------|--------------------------|------------------------------|---------------------------|
| | Redevelopment Area #1 | Redevelopment Area #2 | Redevelopment Center City | Redevelopment Cimarron |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - |
| Charges for services | - | - | - | - |
| Use of money and property | 118,944 | 173,007 | 261,377 | 11,872 |
| Fines and forfeitures | - | - | - | - |
| Contribution from property owners | - | - | - | - |
| Miscellaneous | 6,554 | - | 7,186 | - |
| Total Revenues | 125,498 | 173,007 | 268,563 | 11,872 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 3,748,135 | 141,699 | 666,665 | 125,669 |
| Public safety | - | - | - | - |
| Community development | 3,427,446 | 22,270 | 2,370,071 | 32,000 |
| Public works | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Pass-through agreement payments | - | - | - | - |
| Total Expenditures | 7,175,581 | 163,969 | 3,036,736 | 157,669 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (7,050,083) | 9,038 | (2,768,173) | (145,797) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 7,585,850 | 800,000 | 3,200,000 | - |
| Transfers out | (2,054,058) | (335,332) | (748,761) | (183,505) |
| Total Other Financing Sources (Uses) | 5,531,792 | 464,668 | 2,451,239 | (183,505) |
| Net Change in Fund Balances | \$ (1,518,291) | \$ 473,706 | \$ (316,934) | \$ (329,302) |
| Fund Balances: | | | | |
| Beginning of year, as originally reported | \$ 20,996,160 | \$ 5,453,567 | \$ 14,694,034 | \$ 1,444,934 |
| Restatements | - | - | - | - |
| Beginning of year, as restated | 20,996,160 | 5,453,567 | 14,694,034 | 1,444,934 |
| Net change in fund balances | (1,518,291) | 473,706 | (316,934) | (329,302) |
| End of Year | \$ 19,477,869 | \$ 5,927,273 | \$ 14,377,100 | \$ 1,115,632 |

CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

(Continued)

| | Capital Projects Funds | | | Debt Service Funds |
|--|-------------------------|-------------------------------------|------------------|--------------------------|
| | Redevelopment Guasti | Combined Low/Moderate Housing | CFDs | Redevelopment Area #2 |
| Revenues: | | | | |
| Taxes | \$ - | \$ 10,282,081 | \$ - | \$ 4,368,157 |
| Intergovernmental | - | - | - | - |
| Charges for services | - | - | - | - |
| Use of money and property | 6,790 | 844,465 | 9,215 | 228,841 |
| Fines and forfeitures | - | - | - | - |
| Contribution from property owners | - | - | 3,887,060 | - |
| Miscellaneous | - | 156,790 | - | - |
| Total Revenues | 6,790 | 11,283,336 | 3,896,275 | 4,596,998 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 9,992 | 2,114,076 | 3,887,210 | 65,966 |
| Public safety | - | - | - | - |
| Community development | - | 3,653,803 | - | - |
| Public works | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | 338,841 | - | - |
| Interest and fiscal charges | - | 707,588 | - | 42,911 |
| Pass-through agreement payments | - | - | - | 1,313,701 |
| Total Expenditures | 9,992 | 6,814,308 | 3,887,210 | 1,422,578 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,202) | 4,469,028 | 9,065 | 3,174,420 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 45,000 | - | - | - |
| Transfers out | (39,954) | (382,382) | - | (1,339,320) |
| Total Other Financing Sources (Uses) | 5,046 | (382,382) | - | (1,339,320) |
| Net Change in Fund Balances | \$ 1,844 | \$ 4,086,646 | \$ 9,065 | \$ 1,835,100 |
| Fund Balances: | | | | |
| Beginning of year, as originally reported | \$ 82,695 | \$ 25,183,232 | \$ - | \$ (1,432,343) |
| Restatements | - | - | - | - |
| Beginning of year, as restated | 82,695 | 25,183,232 | - | (1,432,343) |
| Net change in fund balances | 1,844 | 4,086,646 | 9,065 | 1,835,100 |
| End of Year | \$ 84,539 | \$ 29,269,878 | \$ 9,065 | \$ 402,757 |

CITY OF ONTARIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

| | Debt Service Funds | | | Total Nonmajor Governmental Funds |
|--|--------------------------------------|-----------------------------------|---------------------------------|--|
| | Redevelopment Center City | Redevelopment Cimarron | Redevelopment Guasti | |
| Revenues: | | | | |
| Taxes | \$ 2,183,444 | \$ 1,493,144 | \$ 450,084 | \$ 19,574,862 |
| Intergovernmental | - | - | - | 17,436,919 |
| Charges for services | - | - | - | 1,674,218 |
| Use of money and property | 71,818 | 176,378 | 84,565 | 3,709,071 |
| Fines and forfeitures | - | - | - | 3,464 |
| Contribution from property owners | - | - | - | 3,887,060 |
| Miscellaneous | - | - | - | 2,369,082 |
| Total Revenues | 2,255,262 | 1,669,522 | 534,649 | 48,654,676 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 37,173 | 20,049 | 11,889 | 11,807,637 |
| Public safety | - | - | - | 505,381 |
| Community development | - | - | - | 26,629,303 |
| Public works | - | - | - | 2,069,876 |
| Debt service: | | | | |
| Principal retirement | 420,000 | 220,000 | - | 978,841 |
| Interest and fiscal charges | 395,647 | 85,492 | 4,686 | 1,236,324 |
| Pass-through agreement payments | 368,969 | 379,366 | 112,251 | 2,174,287 |
| Total Expenditures | 1,221,789 | 704,907 | 128,826 | 45,401,649 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,033,473 | 964,615 | 405,823 | 3,253,027 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 539,320 | 56,831 | - | 17,942,494 |
| Transfers out | (3,200,000) | - | (45,000) | (12,501,819) |
| Total Other Financing Sources (Uses) | (2,660,680) | 56,831 | (45,000) | 5,440,675 |
| Net Change in Fund Balances | \$ (1,627,207) | \$ 1,021,446 | \$ 360,823 | \$ 8,693,702 |
| Fund Balances: | | | | |
| Beginning of year, as originally reported | \$ 4,004,722 | \$ 687,343 | \$ 599,725 | \$ 116,321,790 |
| Restatements | - | - | - | (1,745,679) |
| Beginning of year, as restated | 4,004,722 | 687,343 | 599,725 | 114,576,111 |
| Net change in fund balances | (1,627,207) | 1,021,446 | 360,823 | 8,693,702 |
| End of Year | \$ 2,377,515 | \$ 1,708,789 | \$ 960,548 | \$ 123,269,813 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 SPECIAL GAS TAX
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 5,260,409 | \$ 5,260,409 | \$ 5,260,409 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 5,742,039 | 8,370,095 | 5,324,214 | (3,045,881) |
| Use of money and property | 68,380 | 68,380 | 373,344 | 304,964 |
| Miscellaneous | - | - | 432,881 | 432,881 |
| Transfers in | 1,700,000 | 1,700,000 | 1,700,000 | - |
| Amounts Available for Appropriation | 12,770,828 | 15,398,884 | 13,090,848 | (2,308,036) |
| Charges to Appropriation (Outflow): | | | | |
| Community development | 4,818,368 | 9,572,443 | 3,397,742 | 6,174,701 |
| Transfers out | 2,537,076 | 2,537,076 | 2,537,076 | - |
| Total Charges to Appropriations | 7,355,444 | 12,109,519 | 5,934,818 | 6,174,701 |
| Budgetary Fund Balance, June 30 | \$ 5,415,384 | \$ 3,289,365 | \$ 7,156,030 | \$ 3,866,665 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
MEASURE I
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|-------------------|---------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 4,755,390 | \$ 4,755,390 | \$ 4,755,390 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 2,854,727 | 4,654,727 | 3,231,222 | (1,423,505) |
| Use of money and property | 140,405 | 140,405 | 219,952 | 79,547 |
| Miscellaneous | 32,000 | 637,354 | - | (637,354) |
| Amounts Available for Appropriation | 7,782,522 | 10,187,876 | 8,206,564 | (1,981,312) |
| Charges to Appropriation (Outflow): | | | | |
| Community development | 2,832,767 | 9,893,273 | 4,438,977 | 5,454,296 |
| Total Charges to Appropriations | 2,832,767 | 9,893,273 | 4,438,977 | 5,454,296 |
| Budgetary Fund Balance, June 30 | \$ 4,949,755 | \$ 294,603 | \$ 3,767,587 | \$ 3,472,984 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 PARK DEVELOPMENT
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|---------------------|---------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 7,641,187 | \$ 7,641,187 | \$ 7,641,187 | \$ - |
| Resources (Inflows): | | | | |
| Charges for services | - | - | 6,952 | 6,952 |
| Use of money and property | 175,965 | 175,965 | 406,904 | 230,939 |
| Miscellaneous | 1,000,000 | 1,000,000 | 50,000 | (950,000) |
| Amounts Available for Appropriation | 8,817,152 | 8,817,152 | 8,105,043 | (712,109) |
| Charges to Appropriation (Outflow): | | | | |
| Public works | 3,140,058 | 3,807,602 | 99,725 | 3,707,877 |
| Transfers out | 203,895 | 203,895 | 7,479 | 196,416 |
| Total Charges to Appropriations | 3,343,953 | 4,011,497 | 107,204 | 3,904,293 |
| Budgetary Fund Balance, June 30 | \$ 5,473,199 | \$ 4,805,655 | \$ 7,997,839 | \$ 3,192,184 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|-------------------|---------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 as restated | \$ 864,331 | \$ 864,331 | \$ 864,331 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 6,914,612 | 10,843,580 | 5,675,970 | (5,167,610) |
| Use of money and property | 300,000 | 300,000 | 94,367 | (205,633) |
| Amounts Available for Appropriation | 8,078,943 | 12,007,911 | 6,634,668 | (5,373,243) |
| Charges to Appropriation (Outflow): | | | | |
| Public safety | 194,977 | 194,977 | 194,952 | 25 |
| Community development | 1,971,819 | 4,546,759 | 2,564,802 | 1,981,957 |
| Public works | 4,835,669 | 6,189,697 | 1,100,812 | 5,088,885 |
| Transfers out | 212,147 | 212,147 | 212,147 | - |
| Total Charges to Appropriations | 7,214,612 | 11,143,580 | 4,072,713 | 7,070,867 |
| Budgetary Fund Balance, June 30 | \$ 864,331 | \$ 864,331 | \$ 2,561,955 | \$ 1,697,624 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
ASSET SEIZURE
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|---------------------|---------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 1,043,010 | \$ 1,043,010 | \$ 1,043,010 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | - | - | 674,115 | 674,115 |
| Use of money and property | 28,110 | 28,110 | 42,072 | 13,962 |
| Miscellaneous | - | - | 435,909 | 435,909 |
| Transfers in | - | 435,000 | - | (435,000) |
| Amounts Available for Appropriation | 1,071,120 | 1,506,120 | 2,195,106 | 688,986 |
| Charges to Appropriation (Outflow): | | | | |
| Public safety | 417,325 | 418,938 | 310,429 | 108,509 |
| Transfers out | 61,120 | - | - | - |
| Total Charges to Appropriations | 478,445 | 418,938 | 310,429 | 108,509 |
| Budgetary Fund Balance, June 30 | \$ 592,675 | \$ 1,087,182 | \$ 1,884,677 | \$ 797,495 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 MOBILE SOURCE AIR POLLUTION
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|-------------------|---------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 985,418 | \$ 985,418 | \$ 985,418 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 200,000 | 200,000 | 203,131 | 3,131 |
| Use of money and property | 21,242 | 21,242 | 44,120 | 22,878 |
| Miscellaneous | - | - | 773 | 773 |
| Amounts Available for Appropriation | 1,206,660 | 1,206,660 | 1,233,442 | 26,782 |
| Charges to Appropriation (Outflow): | | | | |
| Community development | 42,267 | 481,367 | 170,282 | 311,085 |
| Transfers out | 5,839 | 5,839 | 26,863 | (21,024) |
| Total Charges to Appropriations | 48,106 | 487,206 | 197,145 | 290,061 |
| Budgetary Fund Balance, June 30 | \$ 1,158,554 | \$ 719,454 | \$ 1,036,297 | \$ 316,843 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 SPECIAL ASSESSMENT/FEE DISTRICTS
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|---------------------|---------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 2,320,685 | \$ 2,320,685 | \$ 2,320,685 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 626,845 | 626,845 | 623,447 | (3,398) |
| Charges for services | 75,000 | 75,000 | 20,000 | (55,000) |
| Use of money and property | 103,429 | 103,429 | 121,085 | 17,656 |
| Miscellaneous | 420,460 | 420,460 | 1,260,933 | 840,473 |
| Transfers in | 201,780 | 201,780 | 143,883 | (57,897) |
| Amounts Available for Appropriation | 3,748,199 | 3,748,199 | 4,490,033 | 741,834 |
| Charges to Appropriation (Outflow): | | | | |
| Community development | 501,758 | 501,758 | 357,494 | 144,264 |
| Public works | 666,547 | 666,547 | 603,402 | 63,145 |
| Transfers out | 193,788 | 1,068,839 | 1,015,818 | 53,021 |
| Total Charges to Appropriations | 1,362,093 | 2,237,144 | 1,976,714 | 260,430 |
| Budgetary Fund Balance, June 30 | \$ 2,386,106 | \$ 1,511,055 | \$ 2,513,319 | \$ 1,002,264 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
DANGEROUS BUILDINGS
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|-------------------|-------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 215,789 | \$ 215,789 | \$ 215,789 | \$ - |
| Resources (Inflows): | | | | |
| Charges for services | 60,000 | 862,080 | 361,099 | (500,981) |
| Use of money and property | 5,752 | 5,752 | - | (5,752) |
| Amounts Available for Appropriation | 281,541 | 1,083,621 | 576,888 | (506,733) |
| Charges to Appropriation (Outflow): | | | | |
| Community development | 81,370 | 762,387 | 370,643 | 391,744 |
| Total Charges to Appropriations | 81,370 | 762,387 | 370,643 | 391,744 |
| Budgetary Fund Balance, June 30 | \$ 200,171 | \$ 321,234 | \$ 206,245 | \$ (114,989) |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
 FACILITY MAINTENANCE
 YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-------------------|--------------------|-------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 334,469 | \$ 334,469 | \$ 334,469 | \$ - |
| Resources (Inflows): | | | | |
| Transfers in | 510,000 | 510,000 | 510,000 | - |
| Amounts Available for Appropriation | 844,469 | 844,469 | 844,469 | - |
| Charges to Appropriation (Outflow): | | | | |
| Community development | 658,070 | 862,870 | 564,701 | 298,169 |
| Total Charges to Appropriations | 658,070 | 862,870 | 564,701 | 298,169 |
| Budgetary Fund Balance, June 30 | \$ 186,399 | \$ (18,401) | \$ 279,768 | \$ 298,169 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 STORM DRAIN MAINTENANCE
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|---------------------|---------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 2,285,682 | \$ 2,285,682 | \$ 2,285,682 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | - | - | 1,823 | 1,823 |
| Charges for services | 1,320,000 | 1,320,000 | 1,258,967 | (61,033) |
| Use of money and property | 55,705 | 55,705 | 104,626 | 48,921 |
| Fines and forfeitures | 1,500 | 1,500 | 3,464 | 1,964 |
| Miscellaneous | - | - | 15,206 | 15,206 |
| Amounts Available for Appropriation | 3,662,887 | 3,662,887 | 3,669,768 | 6,881 |
| Charges to Appropriation (Outflow): | | | | |
| Community development | 930,182 | 1,108,938 | 1,026,016 | 82,922 |
| Public works | 463,693 | 475,318 | 265,937 | 209,381 |
| Transfers out | 276,609 | 276,609 | 202,368 | 74,241 |
| Total Charges to Appropriations | 1,670,484 | 1,860,865 | 1,494,321 | 366,544 |
| Budgetary Fund Balance, June 30 | \$ 1,992,403 | \$ 1,802,022 | \$ 2,175,447 | \$ 373,425 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 ONTARIO HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|----------------------|----------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 12,493,651 | \$ 12,493,651 | \$ 12,493,651 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 4,071,854 | 9,960,025 | 2,326,444 | (7,633,581) |
| Use of money and property | - | - | 20,625 | 20,625 |
| Amounts Available for Appropriation | 16,565,505 | 22,453,676 | 14,840,720 | (7,612,956) |
| Charges to Appropriation (Outflow): | | | | |
| Community development | 4,071,854 | 9,960,025 | 2,349,821 | 7,610,204 |
| Total Charges to Appropriations | 4,071,854 | 9,960,025 | 2,349,821 | 7,610,204 |
| Budgetary Fund Balance, June 30 | \$ 12,493,651 | \$ 12,493,651 | \$ 12,490,899 | \$ (2,752) |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
HISTORIC PRESERVATION
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|-------------------|-------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 257,200 | \$ 257,200 | \$ 257,200 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 6,272 | 6,272 | 14,079 | 7,807 |
| Amounts Available for Appropriation | 263,472 | 263,472 | 271,279 | 7,807 |
| Budgetary Fund Balance, June 30 | \$ 263,472 | \$ 263,472 | \$ 271,279 | \$ 7,807 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
 NMC PUBLIC SERVICES
 YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|---------------------|---------------------|---------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 2,817,678 | \$ 2,817,678 | \$ 2,817,678 | \$ - |
| Resources (Inflows): | | | | |
| Charges for services | - | - | 27,200 | 27,200 |
| Use of money and property | 68,481 | 68,481 | 169,066 | 100,585 |
| Amounts Available for Appropriation | 2,886,159 | 2,886,159 | 3,013,944 | 127,785 |
| Budgetary Fund Balance, June 30 | \$ 2,886,159 | \$ 2,886,159 | \$ 3,013,944 | \$ 127,785 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
CFD NO. 10 - PUBLIC SERVICES
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|-------------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Taxes | - | 9,210 | 9,382 | 172 |
| Use of money and property | - | - | 250 | 250 |
| Amounts Available for Appropriation | - | 9,210 | 9,632 | 422 |
| Charges to Appropriation (Outflow): | | | | |
| General government | - | 4,400 | 934 | 3,466 |
| Transfers out | - | 8,449 | 8,698 | (249) |
| Total Charges to Appropriations | - | 12,849 | 9,632 | 3,217 |
| Budgetary Fund Balance, June 30 | \$ - | \$ (3,639) | \$ - | \$ 3,639 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
 NMC CFD
 YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|----------------|-----------------|----------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Taxes | - | 178,310 | 165,123 | (13,187) |
| Use of money and property | - | - | 4,588 | 4,588 |
| Amounts Available for Appropriation | - | 178,310 | 169,711 | (8,599) |
| Charges to Appropriation (Outflow): | | | | |
| General government | - | 17,873 | 6,653 | 11,220 |
| Transfers out | - | 158,471 | 163,058 | (4,587) |
| Total Charges to Appropriations | - | 176,344 | 169,711 | 6,633 |
| Budgetary Fund Balance, June 30 | \$ - | \$ 1,966 | \$ - | \$ (1,966) |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive Positive (Negative) |
|--|-----------------------|----------------------|---------------------------|--|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 81,632,749 | \$ 81,632,749 | \$ 81,632,749 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | 2,149,356 | 6,388,480 | 5,171,175 | (1,217,305) |
| Charges for services | - | - | 20,508 | 20,508 |
| Use of money and property | 17,709 | 17,709 | 444,404 | 426,695 |
| Transfers in | - | 7,447,565 | 7,447,565 | - |
| Amounts Available for Appropriation | 83,799,814 | 95,486,503 | 94,716,401 | (770,102) |
| Charges to Appropriation (Outflow): | | | | |
| Community development | 2,015,606 | 75,145,388 | 63,264,960 | 11,880,428 |
| Total Charges to Appropriations | 2,015,606 | 75,145,388 | 63,264,960 | 11,880,428 |
| Budgetary Fund Balance, June 30 | \$ 81,784,208 | \$ 20,341,115 | \$ 31,451,441 | \$ 11,110,326 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 IMPACT FEES
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|----------------------|----------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 44,699,987 | \$ 44,699,987 | \$ 44,699,987 | \$ - |
| Resources (Inflows): | | | | |
| Intergovernmental | - | 472,950 | - | (472,950) |
| Charges for services | - | 10,990,993 | 2,823,226 | (8,167,767) |
| Use of money and property | 1,446,530 | 1,446,530 | 2,456,120 | 1,009,590 |
| Amounts Available for Appropriation | 46,146,517 | 57,610,460 | 49,979,333 | (7,631,127) |
| Charges to Appropriation (Outflow): | | | | |
| Public safety | 150,000 | 795,575 | 35,683 | 759,892 |
| Community development | 691,247 | 9,488,434 | 2,055,595 | 7,432,839 |
| Public works | 210,000 | 5,930,557 | 757,190 | 5,173,367 |
| Total Charges to Appropriations | 1,051,247 | 16,214,566 | 2,848,468 | 13,366,098 |
| Budgetary Fund Balance, June 30 | \$ 45,095,270 | \$ 41,395,894 | \$ 47,130,865 | \$ 5,734,971 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 REDEVELOPMENT ADMINISTRATION
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 1,587,143 | \$ 1,587,143 | \$ 1,587,143 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 48,784 | 48,784 | 106,721 | 57,937 |
| Miscellaneous | - | - | 2,850 | 2,850 |
| Transfers in | 3,293,560 | 3,361,610 | 3,361,610 | - |
| Amounts Available for Appropriation | 4,929,487 | 4,997,537 | 5,058,324 | 60,787 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 1,306,676 | 1,303,387 | 971,527 | 331,860 |
| Community development | 2,054,934 | 2,427,714 | 1,883,235 | 544,479 |
| Total Charges to Appropriations | 3,361,610 | 3,731,101 | 2,854,762 | 876,339 |
| Budgetary Fund Balance, June 30 | \$ 1,567,877 | \$ 1,266,436 | \$ 2,203,562 | \$ 937,126 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 REDEVELOPMENT AREA #1 - CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|----------------------|----------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 20,996,160 | \$ 20,996,160 | \$ 20,996,160 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 60,000 | 60,000 | 118,944 | 58,944 |
| Miscellaneous | - | - | 6,554 | 6,554 |
| Transfers in | 5,923,850 | 7,585,850 | 7,585,850 | - |
| Amounts Available for Appropriation | 26,980,010 | 28,642,010 | 28,707,508 | 65,498 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 1,799,351 | 3,437,668 | 3,748,135 | (310,467) |
| Community development | 2,223,850 | 4,298,468 | 3,427,446 | 871,022 |
| Transfers out | 1,932,378 | 2,054,058 | 2,054,058 | - |
| Total Charges to Appropriations | 5,955,579 | 9,790,194 | 9,229,639 | 560,555 |
| Budgetary Fund Balance, June 30 | \$ 21,024,431 | \$ 18,851,816 | \$ 19,477,869 | \$ 626,053 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AREA #2 - CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|---------------------|---------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 5,453,567 | \$ 5,453,567 | \$ 5,453,567 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 83,282 | 83,282 | 173,007 | 89,725 |
| Transfers in | 800,000 | 800,000 | 800,000 | - |
| Amounts Available for Appropriation | 6,336,849 | 6,336,849 | 6,426,574 | 89,725 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 293,750 | 364,394 | 141,699 | 222,695 |
| Community development | 648,000 | 688,225 | 22,270 | 665,955 |
| Transfers out | 277,405 | 335,332 | 335,332 | - |
| Total Charges to Appropriations | 1,219,155 | 1,387,951 | 499,301 | 888,650 |
| Budgetary Fund Balance, June 30 | \$ 5,117,694 | \$ 4,948,898 | \$ 5,927,273 | \$ 978,375 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT CENTER CITY - CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|----------------------|----------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 14,694,034 | \$ 14,694,034 | \$ 14,694,034 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 111,145 | 111,145 | 261,377 | 150,232 |
| Miscellaneous | - | - | 7,186 | 7,186 |
| Transfers in | 3,200,000 | 3,200,000 | 3,200,000 | - |
| Amounts Available for Appropriation | 18,005,179 | 18,005,179 | 18,162,597 | 157,418 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 655,913 | 855,925 | 666,665 | 189,260 |
| Community development | 3,088,350 | 3,179,944 | 2,370,071 | 809,873 |
| Transfers out | 934,388 | 748,761 | 748,761 | - |
| Total Charges to Appropriations | 4,678,651 | 4,784,630 | 3,785,497 | 999,133 |
| Budgetary Fund Balance, June 30 | \$ 13,326,528 | \$ 13,220,549 | \$ 14,377,100 | \$ 1,156,551 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT CIMARRON - CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|---------------------|---------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 1,444,934 | \$ 1,444,934 | \$ 1,444,934 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 9,375 | 9,375 | 11,872 | 2,497 |
| Miscellaneous | - | 680,405 | - | (680,405) |
| Amounts Available for Appropriation | 1,454,309 | 2,134,714 | 1,456,806 | (677,908) |
| Charges to Appropriation (Outflow): | | | | |
| General government | 160,750 | 790,621 | 125,669 | 664,952 |
| Community development | - | 32,000 | 32,000 | - |
| Transfers out | 122,678 | 183,505 | 183,505 | - |
| Total Charges to Appropriations | 283,428 | 1,006,126 | 341,174 | 664,952 |
| Budgetary Fund Balance, June 30 | \$ 1,170,881 | \$ 1,128,588 | \$ 1,115,632 | \$ (12,956) |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT GUASTI - CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|------------------|------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 82,695 | \$ 82,695 | \$ 82,695 | \$ - |
| Resources (Inflows): | | | | |
| Use of money and property | 2,191 | 2,191 | 6,790 | 4,599 |
| Transfers in | 45,000 | 45,000 | 45,000 | - |
| Amounts Available for Appropriation | 129,886 | 129,886 | 134,485 | 4,599 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 35,000 | 41,904 | 9,992 | 31,912 |
| Transfers out | 26,711 | 39,954 | 39,954 | - |
| Total Charges to Appropriations | 61,711 | 81,858 | 49,946 | 31,912 |
| Budgetary Fund Balance, June 30 | \$ 68,175 | \$ 48,028 | \$ 84,539 | \$ 36,511 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 COMBINED LOW/MODERATE HOUSING
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|----------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 25,183,232 | \$ 25,183,232 | \$ 25,183,232 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 9,520,885 | 9,520,885 | 10,282,081 | 761,196 |
| Use of money and property | 276,000 | 276,000 | 844,465 | 568,465 |
| Miscellaneous | 200,000 | 200,000 | 156,790 | (43,210) |
| Amounts Available for Appropriation | 35,180,117 | 35,180,117 | 36,466,568 | 1,286,451 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 3,067,312 | 3,385,415 | 2,114,076 | 1,271,339 |
| Community development | 6,810,686 | 13,475,561 | 3,653,803 | 9,821,758 |
| Debt service: | | | | |
| Principal retirement | 338,841 | 338,841 | 338,841 | - |
| Interest and fiscal charges | 707,588 | 707,588 | 707,588 | - |
| Transfers out | 382,382 | 382,382 | 382,382 | - |
| Total Charges to Appropriations | 11,306,809 | 18,289,787 | 7,196,690 | 11,093,097 |
| Budgetary Fund Balance, June 30 | \$ 23,873,308 | \$ 16,890,330 | \$ 29,269,878 | \$ 12,379,548 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE

CFDs

YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|------------------|------------------|------------------|--------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (Inflows): | | | | |
| Contribution from property owners | 564,223 | 4,272,974 | 3,887,060 | (385,914) |
| Charges for services | - | 18,750 | - | (18,750) |
| Use of money and property | 3,385 | 3,385 | 9,215 | 5,830 |
| Amounts Available for Appropriation | 567,608 | 4,295,109 | 3,896,275 | (398,834) |
| Charges to Appropriation (Outflow): | | | | |
| General government | 43,883 | 3,931,821 | 3,887,210 | 44,611 |
| Capital outlay | 200,000 | 200,000 | - | 200,000 |
| Debt service: | | | | |
| Principal retirement | 108,900 | 108,900 | - | 108,900 |
| Transfers out | 160,437 | - | - | - |
| Total Charges to Appropriations | 513,220 | 4,240,721 | 3,887,210 | 353,511 |
| Budgetary Fund Balance, June 30 | \$ 54,388 | \$ 54,388 | \$ 9,065 | \$ (45,323) |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 REDEVELOPMENT AREA #1 - DEBT SERVICE
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|----------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 9,589,769 | \$ 9,589,769 | \$ 9,589,769 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 29,851,752 | 29,851,752 | 32,633,498 | 2,781,746 |
| Use of money and property | 738,079 | 738,079 | 1,279,436 | 541,357 |
| Transfers in | 325,551 | 325,551 | 325,551 | - |
| Amounts Available for Appropriation | 40,505,151 | 40,505,151 | 43,828,254 | 3,323,103 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 3,997,193 | 3,997,193 | 3,949,116 | 48,077 |
| Debt service: | | | | |
| Principal retirement | 5,354,669 | 5,095,153 | 3,512,200 | 1,582,953 |
| Interest and fiscal charges | 8,797,813 | 8,771,862 | 8,121,149 | 650,713 |
| Pass-through agreement payments | 2,518,742 | 2,518,742 | 3,358,941 | (840,199) |
| Transfers out | 5,923,850 | 7,585,850 | 7,585,850 | - |
| Total Charges to Appropriations | 26,592,267 | 27,968,800 | 26,527,256 | 1,441,544 |
| Budgetary Fund Balance, June 30 | \$ 13,912,884 | \$ 12,536,351 | \$ 17,300,998 | \$ 4,764,647 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AREA #2 - DEBT SERVICE
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|---------------------|-------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ (1,432,343) | \$ (1,432,343) | \$ (1,432,343) | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 4,209,441 | 4,209,441 | 4,368,157 | 158,716 |
| Use of money and property | 68,319 | 68,319 | 228,841 | 160,522 |
| Amounts Available for Appropriation | 2,845,417 | 2,845,417 | 3,164,655 | 319,238 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 84,189 | 84,189 | 65,966 | 18,223 |
| Debt service: | | | | |
| Principal retirement | 416,056 | 454,430 | - | 454,430 |
| Interest and fiscal charges | 39,074 | 42,911 | 42,911 | - |
| Pass-through agreement payments | 1,052,360 | 1,052,360 | 1,313,701 | (261,341) |
| Transfers out | 1,194,639 | 1,339,320 | 1,339,320 | - |
| Total Charges to Appropriations | 2,786,318 | 2,973,210 | 2,761,898 | 211,312 |
| Budgetary Fund Balance, June 30 | \$ 59,099 | \$ (127,793) | \$ 402,757 | \$ 530,550 |

CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT CENTER CITY - DEBT SERVICE
YEAR ENDED JUNE 30, 2009

| | Budget Amounts | | Actual | Variance with |
|--|-----------------------|---------------------|---------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Budgetary Fund Balance, July 1 | \$ 4,004,722 | \$ 4,004,722 | \$ 4,004,722 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 2,157,280 | 2,157,280 | 2,183,444 | 26,164 |
| Use of money and property | 72,654 | 72,654 | 71,818 | (836) |
| Transfers in | 394,639 | 539,320 | 539,320 | - |
| Amounts Available for Appropriation | 6,629,295 | 6,773,976 | 6,799,304 | 25,328 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 43,146 | 43,146 | 37,173 | 5,973 |
| Debt service: | | | | |
| Principal retirement | 770,480 | 1,126,504 | 420,000 | 706,504 |
| Interest and fiscal charges | 602,314 | 637,916 | 395,647 | 242,269 |
| Pass-through agreement payments | 235,953 | 235,953 | 368,969 | (133,016) |
| Transfers out | 3,200,000 | 3,200,000 | 3,200,000 | - |
| Total Charges to Appropriations | 4,851,893 | 5,243,519 | 4,421,789 | 821,730 |
| Budgetary Fund Balance, June 30 | \$ 1,777,402 | \$ 1,530,457 | \$ 2,377,515 | \$ 847,058 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 REDEVELOPMENT CIMARRON - DEBT SERVICE
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 687,343 | \$ 687,343 | \$ 687,343 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 1,427,552 | 1,427,552 | 1,493,144 | 65,592 |
| Use of money and property | 52,087 | 52,087 | 176,378 | 124,291 |
| Transfers in | 56,831 | 56,831 | 56,831 | - |
| Amounts Available for Appropriation | 2,223,813 | 2,223,813 | 2,413,696 | 189,883 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 28,551 | 28,551 | 20,049 | 8,502 |
| Debt service: | | | | |
| Principal retirement | 268,382 | 294,475 | 220,000 | 74,475 |
| Interest and fiscal charges | 221,784 | 224,393 | 85,492 | 138,901 |
| Pass-through agreement payments | 401,499 | 401,499 | 379,366 | 22,133 |
| Total Charges to Appropriations | 920,216 | 948,918 | 704,907 | 244,011 |
| Budgetary Fund Balance, June 30 | \$ 1,303,597 | \$ 1,274,895 | \$ 1,708,789 | \$ 433,894 |

CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE
 REDEVELOPMENT GUASTI - DEBT SERVICE
 YEAR ENDED JUNE 30, 2009**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-------------------|---------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance, July 1 | \$ 599,725 | \$ 599,725 | \$ 599,725 | \$ - |
| Resources (Inflows): | | | | |
| Taxes | 437,511 | 437,511 | 450,084 | 12,573 |
| Use of money and property | 25,246 | 25,246 | 84,565 | 59,319 |
| Amounts Available for Appropriation | 1,062,482 | 1,062,482 | 1,134,374 | 71,892 |
| Charges to Appropriation (Outflow): | | | | |
| General government | 8,750 | 8,750 | 11,889 | (3,139) |
| Debt service: | | | | |
| Principal retirement | 41,177 | - | - | - |
| Interest and fiscal charges | 4,117 | 4,686 | 4,686 | - |
| Pass-through agreement payments | 136,722 | 136,722 | 112,251 | 24,471 |
| Transfers out | 45,000 | 91,858 | 45,000 | 46,858 |
| Total Charges to Appropriations | 235,766 | 242,016 | 173,826 | 68,190 |
| Budgetary Fund Balance, June 30 | \$ 826,716 | \$ 820,466 | \$ 960,548 | \$ 140,082 |

CITY OF ONTARIO

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2009

| | Equipment Services | Self Insurance | Information Technology | Total |
|--|-------------------------------|-----------------------|-----------------------------------|----------------------|
| Assets: | | | | |
| Current: | | | | |
| Cash and investments | \$ 21,716,530 | \$ 19,493,420 | \$ 19,753,219 | \$ 60,963,169 |
| Receivables: | | | | |
| Accounts | 38,778 | 1,000,000 | 1,157 | 1,039,935 |
| Accrued interest | 123,863 | - | 112,585 | 236,448 |
| Prepaid costs | - | 32,653 | 10,302 | 42,955 |
| Inventories | 450,800 | - | - | 450,800 |
| Total Current Assets | 22,329,971 | 20,526,073 | 19,877,263 | 62,733,307 |
| Noncurrent: | | | | |
| Capital assets - net of accumulated depreciation | 18,301,374 | - | 1,236,888 | 19,538,262 |
| Total Noncurrent Assets | 18,301,374 | - | 1,236,888 | 19,538,262 |
| Total Assets | \$ 40,631,345 | \$ 20,526,073 | \$ 21,114,151 | \$ 82,271,569 |
| Liabilities and Net Assets: | | | | |
| Liabilities: | | | | |
| Current: | | | | |
| Accounts payable | \$ 181,320 | \$ 612,103 | \$ 233,217 | \$ 1,026,640 |
| Accrued liabilities | 59,406 | 7,869 | 76,929 | 144,204 |
| Accrued compensated absences | 16,000 | 3,000 | 23,000 | 42,000 |
| Accrued claims and judgments | - | 881,000 | - | 881,000 |
| Total Current Liabilities | 256,726 | 1,503,972 | 333,146 | 2,093,844 |
| Noncurrent: | | | | |
| Accrued compensated absences | 119,684 | 27,348 | 191,371 | 338,403 |
| Accrued claims and judgments | - | 10,673,149 | - | 10,673,149 |
| Total Noncurrent Liabilities | 119,684 | 10,700,497 | 191,371 | 11,011,552 |
| Total Liabilities | 376,410 | 12,204,469 | 524,517 | 13,105,396 |
| Net Assets: | | | | |
| Invested in capital assets | 18,301,374 | - | 1,236,888 | 19,538,262 |
| Unrestricted | 21,953,561 | 8,321,604 | 19,352,746 | 49,627,911 |
| Total Net Assets | 40,254,935 | 8,321,604 | 20,589,634 | 69,166,173 |
| Total Liabilities and Net Assets | \$ 40,631,345 | \$ 20,526,073 | \$ 21,114,151 | \$ 82,271,569 |

CITY OF ONTARIO

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2009**

| | Equipment Services | Self Insurance | Information Technology | Total |
|---|-------------------------------|---------------------------|-----------------------------------|----------------------|
| Operating Revenues: | | | | |
| Sales and service charges | \$ 11,259,299 | \$ 9,040,492 | \$ 9,169,258 | \$ 29,469,049 |
| Miscellaneous | 146,651 | - | 10,514 | 157,165 |
| Total Operating Revenues | 11,405,950 | 9,040,492 | 9,179,772 | 29,626,214 |
| Operating Expenses: | | | | |
| Administration and general | 2,660,887 | 1,062,841 | 3,221,897 | 6,945,625 |
| Material and supplies | 3,587,121 | - | 1,191,453 | 4,778,574 |
| Claims expense | - | 5,174,834 | - | 5,174,834 |
| Depreciation expense | 3,556,766 | - | 495,437 | 4,052,203 |
| Total Operating Expenses | 9,804,774 | 6,237,675 | 4,908,787 | 20,951,236 |
| Operating Income (Loss) | 1,601,176 | 2,802,817 | 4,270,985 | 8,674,978 |
| Nonoperating Revenues (Expenses): | | | | |
| Interest revenue | 1,041,130 | - | 981,730 | 2,022,860 |
| Total Nonoperating Revenues (Expenses) | 1,041,130 | - | 981,730 | 2,022,860 |
| Income (Loss) Before Transfers | 2,642,306 | 2,802,817 | 5,252,715 | 10,697,838 |
| Transfers in | - | - | 250,000 | 250,000 |
| Changes in Net Assets | 2,642,306 | 2,802,817 | 5,502,715 | 10,947,838 |
| Net Assets: | | | | |
| Beginning of Year | 37,612,629 | 5,518,787 | 15,086,919 | 58,218,335 |
| End of Fiscal Year | \$ 40,254,935 | \$ 8,321,604 | \$ 20,589,634 | \$ 69,166,173 |

CITY OF ONTARIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2009

| | Equipment Services | Self Insurance | Information Technology | Total |
|--|-------------------------------|---------------------------|-----------------------------------|----------------------|
| Cash Flows from Operating Activities: | | | | |
| Cash received from customers and users | \$ 11,380,108 | \$ 8,040,492 | \$ 9,243,970 | \$ 28,664,570 |
| Cash paid to supplies for goods and services | (3,781,284) | (3,963,367) | (1,409,861) | (9,154,512) |
| Cash paid to employees for services | (2,684,023) | (1,064,421) | (3,227,178) | (6,975,622) |
| Net Cash Provided (Used) by Operating Activities | 4,914,801 | 3,012,704 | 4,606,931 | 12,534,436 |
| Cash Flows from Non-Capital Financing Activities: | | | | |
| Cash transfers in | - | - | 250,000 | 250,000 |
| Net Cash Provided (Used) by Non-Capital Financing Activities | - | - | 250,000 | 250,000 |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Acquisition and construction of capital assets | (2,263,225) | - | (474,099) | (2,737,324) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (2,263,225) | - | (474,099) | (2,737,324) |
| Cash Flows from Investing Activities: | | | | |
| Interest received | 1,059,538 | - | 930,366 | 1,989,904 |
| Net Cash Provided (Used) by Investing Activities | 1,059,538 | - | 930,366 | 1,989,904 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 3,711,114 | 3,012,704 | 5,313,198 | 12,037,016 |
| Cash and Cash Equivalents at Beginning of Year | 18,005,416 | 16,480,716 | 14,440,021 | 48,926,153 |
| Cash and Cash Equivalents at End of Year | \$ 21,716,530 | \$ 19,493,420 | \$ 19,753,219 | \$ 60,963,169 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | |
| Operating income (loss) | \$ 1,601,176 | \$ 2,802,817 | \$ 4,270,985 | \$ 8,674,978 |
| Transfers in | | | | |
| Transfers out | | | | |
| Depreciation | 3,556,766 | - | 495,437 | 4,052,203 |
| (Increase) decrease in accounts receivable | (25,842) | (1,000,000) | 64,198 | (961,644) |
| (Increase) decrease in prepaid expense | - | 329,691 | 16,403 | 346,094 |
| (Increase) decrease in inventories | 23,269 | - | - | 23,269 |
| Increase (decrease) in accounts payable | (217,432) | 575,616 | (234,811) | 123,373 |
| Increase (decrease) in accrued liabilities | 2,063 | 914 | 9,331 | 12,308 |
| Increase (decrease) in claims and judgments | - | 306,160 | - | 306,160 |
| Increase (decrease) in compensated absences | (25,199) | (2,494) | (14,612) | (42,305) |
| Total Adjustments | 3,313,625 | 209,887 | 335,946 | 3,859,458 |
| Net Cash Provided (Used) by Operating Activities | \$ 4,914,801 | \$ 3,012,704 | \$ 4,606,931 | \$ 12,534,436 |

Non-Cash Investing, Capital, and Financing Activities:

During fiscal year 2008-2009, there was no noncash investing, capital or financing activities.

CITY OF ONTARIO

COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2009

| | Redevelopment Financing Authority | West End Communication Authority | Assessment District 106 Bond Redemption | Sanitary Collection Treatment |
|--|--|---|--|--|
| Assets: | | | | |
| Cash and investments | \$ 416,298 | \$ 922,182 | \$ 830,961 | \$ 921,436 |
| Receivables: | | | | |
| Taxes | - | - | 2,048 | - |
| Accrued interest | 2,434 | 5,391 | 4,958 | - |
| Deposits | - | - | - | - |
| Other investments | 206,335,694 | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 2,311,578 | - | 446,864 | - |
| Accrued interest | 297 | - | - | - |
| Total Assets | \$ 209,066,301 | \$ 927,573 | \$ 1,284,831 | \$ 921,436 |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to other governments | 209,066,301 | 927,573 | - | 921,436 |
| Due to bondholders | - | - | 1,284,831 | - |
| Available for other post employment benefits | - | - | - | - |
| Total Liabilities | \$ 209,066,301 | \$ 927,573 | \$ 1,284,831 | \$ 921,436 |

CITY OF ONTARIO

COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2009

(Continued)

| | Reassessment Bond Redemption | Assessment District 100A Bond Redemption | Assessment District 100C Bond Redemption | Assessment District 103 Bond Redemption |
|--|---|---|---|--|
| Assets: | | | | |
| Cash and investments | \$ 527,222 | \$ 2,622 | \$ 703,074 | \$ 97,833 |
| Receivables: | | | | |
| Taxes | 382 | - | - | - |
| Accrued interest | 3,082 | - | 4,110 | 572 |
| Deposits | - | - | - | - |
| Other investments | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | 418,099 | 1,314,261 |
| Accrued interest | - | - | 70 | 222 |
| Total Assets | \$ 530,686 | \$ 2,622 | \$ 1,125,353 | \$ 1,412,888 |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to other governments | - | - | - | - |
| Due to bondholders | 530,686 | 2,622 | 1,125,353 | 1,412,888 |
| Available for other post employment benefits | - | - | - | - |
| Total Liabilities | \$ 530,686 | \$ 2,622 | \$ 1,125,353 | \$ 1,412,888 |

CITY OF ONTARIO

COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2009

| | Assessment District 104 Bond Redemption | Assessment District 108 Bond Redemption | Assessment District 107 Bond Redemption | West End Fire and Emergency Response Commission |
|--|--|--|--|--|
| Assets: | | | | |
| Cash and investments | \$ 27,440 | \$ 957,493 | \$ 1,342,896 | \$ 340,337 |
| Receivables: | | | | |
| Taxes | - | - | 235 | - |
| Accrued interest | 195 | 5,663 | 7,844 | 2,058 |
| Deposits | - | - | - | - |
| Other investments | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 324,639 | 1,368,160 | 1,375,019 | - |
| Accrued interest | 55 | - | 232 | - |
| Total Assets | \$ 352,329 | \$ 2,331,316 | \$ 2,726,226 | \$ 342,395 |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 1,883 |
| Due to other governments | - | - | - | 340,512 |
| Due to bondholders | 352,329 | 2,331,316 | 2,726,226 | - |
| Available for other post employment benefits | - | - | - | - |
| Total Liabilities | \$ 352,329 | \$ 2,331,316 | \$ 2,726,226 | \$ 342,395 |

CITY OF ONTARIO

COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2009

| | Community Facility District No.5 Debt Service | Community Facility District No. 13 Debt Service | Other Post Employment Benefits | Total |
|--|--|--|---|-----------------------|
| Assets: | | | | |
| Cash and investments | \$ 1,915,025 | \$ 255,958 | \$ 18,199,475 | \$ 27,460,252 |
| Receivables: | | | | |
| Taxes | 5,170 | - | - | 7,835 |
| Accrued interest | 11,262 | 1,496 | 104,420 | 153,485 |
| Deposits | - | - | 2,011,380 | 2,011,380 |
| Other investments | - | - | 17,004,386 | 223,340,080 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 985,610 | 341,467 | - | 8,885,697 |
| Accrued interest | - | - | - | 876 |
| Total Assets | \$ 2,917,067 | \$ 598,921 | \$ 37,319,661 | \$ 261,859,605 |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 1,883 |
| Due to other governments | - | - | - | 211,255,822 |
| Due to bondholders | 2,917,067 | 598,921 | - | 13,282,239 |
| Available for other post employment benefits | - | - | 37,319,661 | 37,319,661 |
| Total Liabilities | \$ 2,917,067 | \$ 598,921 | \$ 37,319,661 | \$ 261,859,605 |

CITY OF ONTARIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009

(Continued)

| | Balance July 1, 2008 | Additions | Deductions | Balance June 30, 2009 |
|--|-------------------------|----------------------|----------------------|--------------------------|
| Redevelopment Financing Authority | | | | |
| Assets: | | | | |
| Cash and investments | \$ 394,559 | \$ 25,420,456 | \$ 25,398,717 | \$ 416,298 |
| Receivables: | | | | |
| Accrued interest | 5,849 | 2,434 | 5,849 | 2,434 |
| Other investments | 212,814,342 | 3,837,090 | 10,315,738 | 206,335,694 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 2,293,556 | 7,810,809 | 7,792,787 | 2,311,578 |
| Accrued interest | 2,400 | 297 | 2,400 | 297 |
| Total Assets | \$ 215,510,706 | \$ 37,071,086 | \$ 43,515,491 | \$ 209,066,301 |
| Liabilities: | | | | |
| Due to other governments | \$ 215,510,706 | \$ 37,071,086 | \$ 43,515,491 | \$ 209,066,301 |
| Total Liabilities | \$ 215,510,706 | \$ 37,071,086 | \$ 43,515,491 | \$ 209,066,301 |
| West End Communication Authority | | | | |
| Assets: | | | | |
| Cash and investments | \$ 874,945 | \$ 64,584 | \$ 17,347 | \$ 922,182 |
| Receivables: | | | | |
| Accrued interest | 46,926 | 9,294 | 50,829 | 5,391 |
| Total Assets | \$ 921,871 | \$ 73,878 | \$ 68,176 | \$ 927,573 |
| Liabilities: | | | | |
| Accounts payable | \$ 842 | \$ 9,334 | \$ 10,176 | \$ - |
| Due to other governments | 921,029 | 64,544 | 58,000 | 927,573 |
| Total Liabilities | \$ 921,871 | \$ 73,878 | \$ 68,176 | \$ 927,573 |
| Assessment District 106 Bond Redemption | | | | |
| Assets: | | | | |
| Cash and investments | \$ 778,084 | \$ 505,096 | \$ 452,219 | \$ 830,961 |
| Receivables: | | | | |
| Taxes | 1,005 | 2,048 | 1,005 | 2,048 |
| Accrued interest | 9,399 | 4,958 | 9,399 | 4,958 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 449,324 | 2,225 | 4,685 | 446,864 |
| Receivables (net of uncollectibles) | 561 | - | 561 | - |
| Total Assets | \$ 1,238,373 | \$ 514,327 | \$ 467,869 | \$ 1,284,831 |
| Liabilities: | | | | |
| Due to bondholders | \$ 1,238,373 | \$ 514,327 | \$ 467,869 | \$ 1,284,831 |
| Total Liabilities | \$ 1,238,373 | \$ 514,327 | \$ 467,869 | \$ 1,284,831 |

CITY OF ONTARIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009

| | Balance July 1, 2008 | Additions | Deductions | Balance June 30, 2009 |
|--|-------------------------|-------------------|---------------------|--------------------------|
| <u>Sanitary Collection Treatment</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 1,475,700 | \$ 778,848 | \$ 1,333,112 | \$ 921,436 |
| Total Assets | \$ 1,475,700 | \$ 778,848 | \$ 1,333,112 | \$ 921,436 |
| Liabilities: | | | | |
| Due to other governments | \$ 1,475,700 | \$ 778,848 | \$ 1,333,112 | \$ 921,436 |
| Total Liabilities | \$ 1,475,700 | \$ 778,848 | \$ 1,333,112 | \$ 921,436 |
| <u>Reassessment Bond Redemption</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 679,979 | \$ 167,745 | \$ 320,502 | \$ 527,222 |
| Receivables: | | | | |
| Taxes | 164 | 382 | 164 | 382 |
| Accrued interest | 28,999 | 3,082 | 28,999 | 3,082 |
| Total Assets | \$ 709,142 | \$ 171,209 | \$ 349,665 | \$ 530,686 |
| Liabilities: | | | | |
| Due to bondholders | \$ 709,142 | \$ 171,209 | \$ 349,665 | \$ 530,686 |
| Total Liabilities | \$ 709,142 | \$ 171,209 | \$ 349,665 | \$ 530,686 |
| <u>Assessment District 100A Bond Redemption</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 157,300 | \$ 10,107 | \$ 164,785 | \$ 2,622 |
| Receivables: | | | | |
| Accrued interest | 32,601 | 970 | 33,571 | - |
| Total Assets | \$ 189,901 | \$ 11,077 | \$ 198,356 | \$ 2,622 |
| Liabilities: | | | | |
| Due to bondholders | \$ 189,901 | \$ 11,077 | \$ 198,356 | \$ 2,622 |
| Total Liabilities | \$ 189,901 | \$ 11,077 | \$ 198,356 | \$ 2,622 |
| <u>Assessment District 100C Bond Redemption</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 909,911 | \$ 203,891 | \$ 410,728 | \$ 703,074 |
| Receivables: | | | | |
| Accrued interest | 11,133 | 4,110 | 11,133 | 4,110 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 418,042 | 3,505 | 3,448 | 418,099 |
| Accrued interest | 524 | 70 | 524 | 70 |
| Total Assets | \$ 1,339,610 | \$ 211,576 | \$ 425,833 | \$ 1,125,353 |
| Liabilities: | | | | |
| Due to bondholders | \$ 1,339,610 | \$ 211,576 | \$ 425,833 | \$ 1,125,353 |
| Total Liabilities | \$ 1,339,610 | \$ 211,576 | \$ 425,833 | \$ 1,125,353 |

CITY OF ONTARIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009

(Continued)

| | Balance July 1, 2008 | Additions | Deductions | Balance June 30, 2009 |
|---|-------------------------|---------------------|---------------------|--------------------------|
| <u>Assessment District 103 Bond Redemption</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 1,285,389 | \$ 35,405 | \$ 1,222,961 | \$ 97,833 |
| Receivables: | | | | |
| Taxes | 4,080 | - | 4,080 | - |
| Accrued interest | 26,512 | 572 | 26,512 | 572 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 1,355,904 | 11,342 | 52,985 | 1,314,261 |
| Accrued interest | 1,699 | 222 | 1,699 | 222 |
| Total Assets | \$ 2,673,584 | \$ 47,541 | \$ 1,308,237 | \$ 1,412,888 |
| Liabilities: | | | | |
| Due to bondholders | \$ 2,673,584 | \$ 47,541 | \$ 1,308,237 | \$ 1,412,888 |
| Total Liabilities | \$ 2,673,584 | \$ 47,541 | \$ 1,308,237 | \$ 1,412,888 |
| <u>Assessment District 104 Bond Redemption</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 311,831 | \$ 15,206 | \$ 299,597 | \$ 27,440 |
| Receivables: | | | | |
| Taxes | 541 | - | 541 | - |
| Accrued interest | 9,107 | 195 | 9,107 | 195 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 336,504 | 2,804 | 14,669 | 324,639 |
| Accrued interest | 422 | 55 | 422 | 55 |
| Total Assets | \$ 658,405 | \$ 18,260 | \$ 324,336 | \$ 352,329 |
| Liabilities: | | | | |
| Due to bondholders | \$ 658,405 | \$ 18,260 | \$ 324,336 | \$ 352,329 |
| Total Liabilities | \$ 658,405 | \$ 18,260 | \$ 324,336 | \$ 352,329 |
| <u>Assessment District 108 Bond Redemption</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 912,231 | \$ 1,300,084 | \$ 1,254,822 | \$ 957,493 |
| Receivables: | | | | |
| Accrued interest | 24,270 | 5,663 | 24,270 | 5,663 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 1,361,409 | 6,751 | - | 1,368,160 |
| Accrued interest | 1,700 | - | 1,700 | - |
| Total Assets | \$ 2,299,610 | \$ 1,312,498 | \$ 1,280,792 | \$ 2,331,316 |
| Liabilities: | | | | |
| Due to bondholders | \$ 2,299,610 | \$ 1,312,498 | \$ 1,280,792 | \$ 2,331,316 |
| Total Liabilities | \$ 2,299,610 | \$ 1,312,498 | \$ 1,280,792 | \$ 2,331,316 |

CITY OF ONTARIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009

| | Balance July 1, 2008 | Additions | Deductions | Balance June 30, 2009 |
|---|-------------------------|---------------------|---------------------|--------------------------|
| <u>Assessment District 107 Bond Redemption</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 1,740,809 | \$ 913,244 | \$ 1,311,157 | \$ 1,342,896 |
| Receivables: | | | | |
| Taxes | 393 | 235 | 393 | 235 |
| Accrued interest | 32,184 | 7,844 | 32,184 | 7,844 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 1,368,417 | 11,502 | 4,900 | 1,375,019 |
| Accrued interest | 1,714 | 232 | 1,714 | 232 |
| Total Assets | \$ 3,143,517 | \$ 933,057 | \$ 1,350,348 | \$ 2,726,226 |
| Liabilities: | | | | |
| Due to bondholders | \$ 3,143,517 | \$ 933,057 | \$ 1,350,348 | \$ 2,726,226 |
| Total Liabilities | \$ 3,143,517 | \$ 933,057 | \$ 1,350,348 | \$ 2,726,226 |
| <u>West End Fire and Emergency Response Commission</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 341,055 | \$ 72,937 | \$ 73,655 | \$ 340,337 |
| Receivables: | | | | |
| Accrued interest | 7,857 | 2,058 | 7,857 | 2,058 |
| Total Assets | \$ 348,912 | \$ 74,995 | \$ 81,512 | \$ 342,395 |
| Liabilities: | | | | |
| Accounts payable | \$ 5,929 | \$ 45,271 | \$ 49,317 | \$ 1,883 |
| Accrued liabilities | 198 | 26 | 224 | - |
| Due to other governments | 342,785 | 29,698 | 31,971 | 340,512 |
| Total Liabilities | \$ 348,912 | \$ 74,995 | \$ 81,512 | \$ 342,395 |
| <u>Community Facility District No.5 Debt Service</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 1,866,540 | \$ 1,728,613 | \$ 1,680,128 | \$ 1,915,025 |
| Receivables: | | | | |
| Taxes | 4,935 | 5,170 | 4,935 | 5,170 |
| Accrued interest | 19,649 | 11,262 | 19,649 | 11,262 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 985,614 | 62,342 | 62,346 | 985,610 |
| Total Assets | \$ 2,876,738 | \$ 1,807,387 | \$ 1,767,058 | \$ 2,917,067 |
| Liabilities: | | | | |
| Due to bondholders | \$ 2,876,738 | \$ 1,807,387 | \$ 1,767,058 | \$ 2,917,067 |
| Total Liabilities | \$ 2,876,738 | \$ 1,807,387 | \$ 1,767,058 | \$ 2,917,067 |

CITY OF ONTARIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2009

(Continued)

| | Balance July 1, 2008 | Additions | Deductions | Balance June 30, 2009 |
|--|-------------------------|----------------------|----------------------|--------------------------|
| Community Facility District No. 13 Debt Service | | | | |
| Assets: | | | | |
| Cash and investments | \$ - | \$ 392,090 | \$ 136,132 | \$ 255,958 |
| Receivables: | | | | |
| Accrued interest | - | 1,496 | - | 1,496 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | 622,227 | 280,760 | 341,467 |
| Total Assets | \$ - | \$ 1,015,813 | \$ 416,892 | \$ 598,921 |
| Liabilities: | | | | |
| Due to bondholders | \$ - | \$ 1,015,813 | \$ 416,892 | \$ 598,921 |
| Total Liabilities | \$ - | \$ 1,015,813 | \$ 416,892 | \$ 598,921 |
| Other Post Employment Benefits | | | | |
| Assets: | | | | |
| Cash and investments | \$ 29,915,011 | \$ 10,037,912 | \$ 21,753,448 | \$ 18,199,475 |
| Receivables: | | | | |
| Accrued interest | 120,509 | 104,420 | 120,509 | 104,420 |
| Deposits | 1,248 | 19,017,715 | 17,007,583 | 2,011,380 |
| Other investments | - | 17,004,386 | - | 17,004,386 |
| Total Assets | \$ 30,036,768 | \$ 46,164,433 | \$ 38,881,540 | \$ 37,319,661 |
| Liabilities: | | | | |
| Accounts payable | \$ 20,511 | \$ 21,460,583 | \$ 21,481,094 | \$ - |
| Available for other post employment benefits | 30,016,257 | 24,703,850 | 17,400,446 | 37,319,661 |
| Total Liabilities | \$ 30,036,768 | \$ 46,164,433 | \$ 38,881,540 | \$ 37,319,661 |
| Totals - All Agency Funds | | | | |
| Assets: | | | | |
| Cash and investments | \$ 41,643,344 | \$ 41,646,218 | \$ 55,829,310 | \$ 27,460,252 |
| Receivables: | | | | |
| Taxes | 11,118 | 7,835 | 11,118 | 7,835 |
| Accrued interest | 374,995 | 158,358 | 379,868 | 153,485 |
| Deposits | 1,248 | 19,017,715 | 17,007,583 | 2,011,380 |
| Other investments | 212,814,342 | 20,841,476 | 10,315,738 | 223,340,080 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | 8,568,770 | 8,533,507 | 8,216,580 | 8,885,697 |
| Accrued interest | 9,020 | 876 | 9,020 | 876 |
| Total Assets | \$ 263,422,837 | \$ 90,205,985 | \$ 91,769,217 | \$ 261,859,605 |
| Liabilities: | | | | |
| Accounts payable | \$ 27,282 | \$ 21,515,188 | \$ 21,540,587 | \$ 1,883 |
| Accrued liabilities | 198 | 26 | 224 | - |
| Due to other governments | 218,250,220 | 37,944,176 | 44,938,574 | 211,255,822 |
| Due to bondholders | 15,128,880 | 6,042,745 | 7,889,386 | 13,282,239 |
| Available for other post employment benefits | 30,016,257 | 24,703,850 | 17,400,446 | 37,319,661 |
| Total Liabilities | \$ 263,422,837 | \$ 90,205,985 | \$ 91,769,217 | \$ 261,859,605 |