

## *Basic Financial Statements*

## CITY OF ONTARIO

STATEMENT OF NET ASSETS  
JUNE 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 312,588,032	\$ 112,564,299	\$ 425,152,331
Receivables:			
Accounts	26,574,230	11,586,886	38,161,116
Taxes	3,740,675	-	3,740,675
Notes and loans	18,225,369	-	18,225,369
Accrued interest	1,700,053	427,228	2,127,281
Internal balances	(14,929,232)	14,929,232	-
Prepaid costs	233,526	8,392	241,918
Deposits	488,011	-	488,011
Inventories	569,390	9,981,234	10,550,624
Deferred charges	2,125,747	599,124	2,724,871
Land held for resale	99,426,383	-	99,426,383
Other investments	-	201,750	201,750
Investment in joint venture	-	36,660,102	36,660,102
Restricted assets:			
Cash and investments	1,489,289	291,929	1,781,218
Cash with fiscal agent	23,611,062	4,000,553	27,611,615
Capital assets not being depreciated	362,932,748	55,140,274	418,073,022
Capital assets, net of depreciation	482,456,337	126,651,305	609,107,642
<b>Total Assets</b>	<b>1,321,231,620</b>	<b>373,042,308</b>	<b>1,694,273,928</b>
<b>Liabilities:</b>			
Accounts payable	13,910,215	7,438,023	21,348,238
Accrued liabilities	4,823,770	425,427	5,249,197
Accrued interest	4,275,303	-	4,275,303
Unearned revenue	2,277,125	34,729	2,311,854
Deposits payable	12,046,085	3,676,790	15,722,875
Due to other governments	3,862,495	-	3,862,495
Noncurrent liabilities:			
Due within one year	10,893,441	1,139,000	12,032,441
Due in more than one year	182,446,197	47,764,929	230,211,126
<b>Total Liabilities</b>	<b>234,534,631</b>	<b>60,478,898</b>	<b>295,013,529</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	705,173,228	133,931,846	839,105,074
Restricted for:			
Community development projects	15,735,633	-	15,735,633
Public safety	121,157,868	-	121,157,868
Public works	76,853,816	-	76,853,816
Capital projects	32,086,879	-	32,086,879
Debt service	14,857,810	4,000,553	18,858,363
Unrestricted	120,831,755	174,631,011	295,462,766
<b>Total Net Assets</b>	<b>\$ 1,086,696,989</b>	<b>\$ 312,563,410</b>	<b>\$ 1,399,260,399</b>

## CITY OF ONTARIO

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions and Grants	Contributions and Grants
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 52,786,433	\$ 296,079	\$ 7,088,065	\$ -
Public safety	100,024,583	4,407,085	2,360,531	-
Community development	52,553,241	8,389,198	5,552,061	19,154,178
Library	4,408,926	160,853	45,302	-
Public works	13,892,857	-	57,102	755,894
Interest on long-term debt	14,619,649	-	-	-
<b>Total Governmental Activities</b>	<b>238,285,689</b>	<b>13,253,215</b>	<b>15,103,061</b>	<b>19,910,072</b>
Business-Type Activities:				
Water	24,622,694	45,766,917	-	-
Sewer	10,883,888	17,816,960	-	-
Solid Waste	20,554,087	31,366,983	122,409	-
<b>Total Business-Type Activities</b>	<b>56,060,669</b>	<b>94,950,860</b>	<b>122,409</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 294,346,358</b>	<b>\$ 108,204,075</b>	<b>\$ 15,225,470</b>	<b>\$ 19,910,072</b>

**General Revenues:**

## Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Other taxes

Motor vehicle in lieu - unrestricted

Use of money and property

Other

**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**

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

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<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (45,402,289)	\$ -	\$ (45,402,289)
(93,256,967)	-	(93,256,967)
(19,457,804)	-	(19,457,804)
(4,202,771)	-	(4,202,771)
(13,079,861)	-	(13,079,861)
(14,619,649)	-	(14,619,649)
<b>(190,019,341)</b>	<b>-</b>	<b>(190,019,341)</b>
-	21,144,223	21,144,223
-	6,933,072	6,933,072
-	10,935,305	10,935,305
<b>-</b>	<b>39,012,600</b>	<b>39,012,600</b>
<b>(190,019,341)</b>	<b>39,012,600</b>	<b>(151,006,741)</b>
95,049,840	-	95,049,840
8,398,053	-	8,398,053
54,729,792	-	54,729,792
2,741,116	-	2,741,116
5,170,173	-	5,170,173
4,013,628	-	4,013,628
510,057	-	510,057
16,662,291	3,520,038	20,182,329
9,071,587	-	9,071,587
8,222,171	(8,222,171)	-
<b>204,568,708</b>	<b>(4,702,133)</b>	<b>199,866,575</b>
14,549,367	34,310,467	48,859,834
1,072,147,622	276,266,923	1,348,414,545
-	1,986,020	1,986,020
<b>\$ 1,086,696,989</b>	<b>\$ 312,563,410</b>	<b>\$ 1,399,260,399</b>

## CITY OF ONTARIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

		Special Revenue Funds	Capital Projects Funds	
	General	Quiet Home Program	Capital Projects	Impact Fees
<b>Assets:</b>				
Cash and investments	\$ 79,984,341	\$ 1,140,903	\$ 5,348,759	\$ 45,655,627
Receivables:				
Accounts	20,818,894	784,399	1,217,231	-
Accrued interest	909,940	-	4,157	178,949
Taxes	699,309	-	-	-
Contracts and notes	10,000	-	-	-
Prepaid costs	139,748	-	-	-
Deposits with others	-	-	168,674	-
Due from other funds	3,139,271	-	-	-
Advances to other funds	12,030,637	-	17,121,099	-
Inventories	167,885	-	-	-
Land held for resale	-	52,303,060	138,681	-
Restricted assets:				
Cash and investments	-	-	121,213	-
Cash and investments with fiscal agents	275,938	-	19,429,032	-
<b>Total Assets</b>	<b>\$ 118,175,963</b>	<b>\$ 54,228,362</b>	<b>\$ 43,548,846</b>	<b>\$ 45,834,576</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,647,935	\$ 167,673	\$ 1,590,898	\$ 60,066
Accrued liabilities	3,244,694	16,033	7,709	-
Deferred revenues	7,829,536	-	7,521,181	-
Unearned revenues	836,235	1,440,890	-	-
Deposits payable	11,601,938	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	592,686	326,844
Advances from other funds	-	-	1,749,493	2,770,000
<b>Total Liabilities</b>	<b>27,160,338</b>	<b>1,624,596</b>	<b>11,461,967</b>	<b>3,156,910</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	986,555	-	15,792,287	1,893,009
Reserved for prepaid costs	139,748	-	-	-
Reserved for deposits with others	-	-	168,674	-
Reserved for land held for resale	-	52,303,060	138,681	-
Reserved for contracts and notes receivables	10,000	-	-	-
Reserved for advances to other funds	12,030,637	-	9,599,918	-
Reserved for inventory	167,885	-	-	-
Reserved for contractual obligations	179,302	-	-	-
Reserved for trust and endowment	754,663	-	-	-
Unreserved:				
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Designated for capital improvement projects	-	-	6,387,319	40,784,657
Designated for debt service	-	-	-	-
Designated for FAA/LAWA land acquisition	-	300,706	-	-
Designated for assessment district maintenance	1,520,280	-	-	-
Designated for compensated absences	12,245,207	-	-	-
Designated for City facilities	7,286,580	-	-	-
Designated for facility maintenance	403,071	-	-	-
Designated for equipment replacement	659,374	-	-	-
Designated for communication computers	1,625,897	-	-	-
Designated for public safety equipment	2,522,985	-	-	-
Designated for development related expenditures	5,905,000	-	-	-
Designated for economic uncertainties	18,703,979	-	-	-
Undesignated	25,874,462	-	-	-
<b>Total Fund Balances</b>	<b>91,015,625</b>	<b>52,603,766</b>	<b>32,086,879</b>	<b>42,677,666</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 118,175,963</b>	<b>\$ 54,228,362</b>	<b>\$ 43,548,846</b>	<b>\$ 45,834,576</b>

## CITY OF ONTARIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

	Debt Service Funds Redevelopment Area #1	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and investments	\$ 28,418,749	\$ 78,260,924	\$ 238,809,303
Receivables:			
Accounts	-	3,199,888	26,020,412
Accrued interest	106,229	310,193	1,509,468
Taxes	1,956,734	1,084,632	3,740,675
Contracts and notes	-	18,215,369	18,225,369
Prepaid costs	-	36,688	176,436
Deposits with others	-	319,337	488,011
Due from other funds	-	-	3,139,271
Advances to other funds	-	11,491,647	40,643,383
Inventories	-	-	167,885
Land held for resale	-	46,984,642	99,426,383
Restricted assets:			
Cash and investments	-	1,368,076	1,489,289
Cash and investments with fiscal agents	1,500,337	2,405,755	23,611,062
<b>Total Assets</b>	<b>\$ 31,982,049</b>	<b>\$ 163,677,151</b>	<b>\$ 457,446,947</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 4,228,062	\$ 3,505,398	\$ 13,200,032
Accrued liabilities	-	1,394,628	4,663,064
Deferred revenues	-	7,787,144	23,137,861
Unearned revenues	-	-	2,277,125
Deposits payable	-	444,147	12,046,085
Due to other governments	-	3,862,495	3,862,495
Due to other funds	-	2,219,741	3,139,271
Advances from other funds	20,471,609	18,422,281	43,413,383
<b>Total Liabilities</b>	<b>24,699,671</b>	<b>37,635,834</b>	<b>105,739,316</b>
<b>Fund Balances:</b>			
Reserved:			
Reserved for encumbrances	-	9,687,167	28,359,018
Reserved for prepaid costs	-	36,688	176,436
Reserved for deposits with others	-	319,337	488,011
Reserved for land held for resale	-	46,984,642	99,426,383
Reserved for contracts and notes receivables	-	6,565,730	6,575,730
Reserved for advances to other funds	-	11,491,647	33,122,202
Reserved for inventory	-	-	167,885
Reserved for contractual obligations	-	-	179,302
Reserved for trust and endowment	-	-	754,663
Unreserved:			
Unreserved, reported in nonmajor:			
Special revenue funds	-	15,993,157	15,993,157
Capital projects funds	-	27,387,517	27,387,517
Debt service funds	-	7,575,432	7,575,432
Designated for capital improvement projects	-	-	47,171,976
Designated for debt service	7,282,378	-	7,282,378
Designated for FAA/LAWA land acquisition	-	-	300,706
Designated for assessment district maintenance	-	-	1,520,280
Designated for compensated absences	-	-	12,245,207
Designated for City facilities	-	-	7,286,580
Designated for facility maintenance	-	-	403,071
Designated for equipment replacement	-	-	659,374
Designated for communication computers	-	-	1,625,897
Designated for public safety equipment	-	-	2,522,985
Designated for development related expenditures	-	-	5,905,000
Designated for economic uncertainties	-	-	18,703,979
Undesignated	-	-	25,874,462
<b>Total Fund Balances</b>	<b>7,282,378</b>	<b>126,041,317</b>	<b>351,707,631</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 31,982,049</b>	<b>\$ 163,677,151</b>	<b>\$ 457,446,947</b>

CITY OF ONTARIO

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2010**

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Fund balances of governmental funds.	\$ 351,707,631
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.	827,885,406
Long-term debt and compensated absences have not been included in the governmental fund activity:	
Long-term liabilities	(170,229,443)
Compensated Absences	(9,241,910)
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the statement of net assets.	2,125,747
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.	(4,275,303)
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.	23,137,861
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.	65,587,000
<b>Net assets of governmental activities</b>	<b><u>\$1,086,696,989</u></b>

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## CITY OF ONTARIO

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010**

		Special Revenue Funds	Capital Projects Funds	
	General	Quiet Home Program	Capital Projects	Impact Fees
<b>Revenues:</b>				
Taxes	\$ 110,257,635	\$ -	\$ -	\$ -
Licenses and permits	1,455,692	-	-	-
Intergovernmental	2,662,894	4,527,636	5,293,029	-
Charges for services	5,798,164	-	261,137	1,918,557
Use of money and property	4,197,393	-	177,421	1,413,077
Fines and forfeitures	1,301,515	-	-	-
Contributions	1,719,084	-	-	-
Miscellaneous	10,006,376	-	28,641	22,576
<b>Total Revenues</b>	<b>137,398,753</b>	<b>4,527,636</b>	<b>5,760,228</b>	<b>3,354,210</b>
<b>Expenditures:</b>				
Current:				
General government	9,990,282	-	-	-
Public safety	100,588,380	-	-	82,450
Community development	16,915,964	2,857,141	10,124,790	2,206,557
Library	4,084,426	-	-	-
Public works	14,468,632	-	-	13,664
Debt service:				
Principal retirement	1,234,747	-	-	-
Interest and fiscal charges	3,244,270	-	-	-
Pass-through agreement payments	-	-	-	-
<b>Total Expenditures</b>	<b>150,526,701</b>	<b>2,857,141</b>	<b>10,124,790</b>	<b>2,302,671</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,127,948)	1,670,495	(4,364,562)	1,051,539
<b>Other Financing Sources (Uses):</b>				
Transfers in	22,528,233	-	5,000,000	-
Transfers out	(5,160,000)	-	-	(5,504,738)
Payment to Educational Revenue Augmentation Fund	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>17,368,233</b>	<b>-</b>	<b>5,000,000</b>	<b>(5,504,738)</b>
Net Change in Fund Balances	4,240,285	1,670,495	635,438	(4,453,199)
<b>Fund Balances:</b>				
Beginning of year	86,775,340	50,933,271	31,451,441	47,130,865
<b>End of Year</b>	<b>\$ 91,015,625</b>	<b>\$ 52,603,766</b>	<b>\$ 32,086,879</b>	<b>\$ 42,677,666</b>

## CITY OF ONTARIO

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010**

	<b>Debt Service Funds Redevelopment Area #1</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Taxes	\$ 35,383,340	\$ 21,294,740	\$ 166,935,715
Licenses and permits	-	-	1,455,692
Intergovernmental	-	17,898,644	30,382,203
Charges for services	-	3,640,201	11,618,059
Use of money and property	571,252	2,679,123	9,038,266
Fines and forfeitures	-	10,600	1,312,115
Contributions	-	-	1,719,084
Miscellaneous	-	427,051	10,484,644
<b>Total Revenues</b>	<b>35,954,592</b>	<b>45,950,359</b>	<b>232,945,778</b>
<b>Expenditures:</b>			
Current:			
General government	4,429,308	11,311,413	25,731,003
Public safety	-	1,073,001	101,743,831
Community development	-	32,035,531	64,139,983
Library	-	-	4,084,426
Public works	-	1,064,817	15,547,113
Debt service:			
Principal retirement	3,530,500	1,001,800	5,767,047
Interest and fiscal charges	8,183,858	1,614,354	13,042,482
Pass-through agreement payments	3,557,996	2,274,704	5,832,700
<b>Total Expenditures</b>	<b>19,701,662</b>	<b>50,375,620</b>	<b>235,888,585</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,252,930	(4,425,261)	(2,942,807)
<b>Other Financing Sources (Uses):</b>			
Transfers in	325,649	18,547,586	46,401,468
Transfers out	(10,202,337)	(11,071,053)	(31,938,128)
Payment to Educational Revenue Augmentation Fund	(16,394,862)	-	(16,394,862)
<b>Total Other Financing Sources (Uses)</b>	<b>(26,271,550)</b>	<b>7,476,533</b>	<b>(1,931,522)</b>
Net Change in Fund Balances	(10,018,620)	3,051,272	(4,874,329)
<b>Fund Balances:</b>			
Beginning of year	17,300,998	122,990,045	356,581,960
<b>End of Year</b>	<b>\$ 7,282,378</b>	<b>\$ 126,041,317</b>	<b>\$ 351,707,631</b>

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, 2010**

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Net change in fund balances - total governmental funds \$ (4,874,329)

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. 8,609,323

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes 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 the amounts are deferred and amortized in the statements of activities. (4,616,337)

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. (116,440)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 30,218

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. (569,571)

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. 10,066,852

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 6,019,651

**Change in net assets of governmental activities \$ 14,549,367**

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## CITY OF ONTARIO

**BUDGETARY COMPARISON STATEMENT**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 86,775,340	\$ 86,775,340	\$ 86,775,340	\$ -
<b>Resources (Inflows):</b>				
Taxes	109,080,000	108,056,177	110,257,635	2,201,458
Licenses and permits	765,000	1,185,000	1,455,692	270,692
Intergovernmental	1,559,965	10,169,609	2,662,894	(7,506,715)
Charges for services	4,420,939	4,970,815	5,798,164	827,349
Use of money and property	4,779,439	4,543,439	4,197,393	(346,046)
Fines and forfeitures	1,093,602	1,093,602	1,301,515	207,913
Contributions	-	-	1,719,084	1,719,084
Miscellaneous	8,013,398	8,075,498	10,006,376	1,930,878
Transfers in	20,819,533	28,072,334	22,528,233	(5,544,101)
<b>Amounts Available for Appropriation</b>	<b>237,307,216</b>	<b>252,941,814</b>	<b>246,702,326</b>	<b>(6,239,488)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government				
City council	310,647	337,239	327,583	9,656
Planning commissioners	31,005	31,005	21,733	9,272
City treasurer/city clerk	75,101	84,087	71,004	13,083
Records management	741,884	746,884	742,498	4,386
City attorney	389,900	389,900	258,770	131,130
City manager	505,829	505,829	536,062	(30,233)
General government	351,252	351,252	320,773	30,479
AS administration	583,434	580,975	587,739	(6,764)
Fiscal services	1,159,906	1,165,557	1,157,101	8,456
General services	1,093,716	1,104,716	1,159,526	(54,810)
Billing and collection	2,533,470	2,623,273	2,563,888	59,385
Business license	297,370	313,380	299,001	14,379
Central services	406,011	292,021	291,828	193
Employee select. and compliance	1,268,030	1,248,695	1,153,528	95,167
Benefits administration	262,901	278,236	277,904	332
City administration	210,301	209,301	219,281	(9,980)
RDA administration	43,775	43,775	2,063	41,712
Public safety				
Police administration	972,316	972,316	896,763	75,553
Command management	354,220	354,220	364,947	(10,727)
Traffic support services	3,055,943	3,055,943	3,177,677	(121,734)
COPS/Multi enforcement team	4,500,956	4,501,462	4,598,311	(96,849)
Storefront - Ontario Mills	1,990,876	1,990,876	1,980,042	10,834
Patrol	23,625,488	23,625,488	23,960,052	(334,564)
Extra duty - other	461,266	346,060	360,100	(14,040)
Special Operations Bureau Management	272,481	272,481	272,256	225
Canine	758,441	773,331	810,842	(37,511)
Air support	2,523,475	2,554,284	2,494,747	59,537
Crime analysis	283,891	283,891	273,175	10,716
Personnel recruitment	405,628	405,628	540,121	(134,493)
Record processing	1,703,788	1,714,024	1,398,325	315,699
Communications	5,282,537	5,288,602	4,719,406	569,196
Crime prevention	408,943	415,022	388,932	26,090
Personnel training	1,036,961	1,040,008	861,534	178,474
Police investigation management	294,002	294,002	270,969	23,033
Detective division	6,643,614	6,643,614	6,726,391	(82,777)
Narcotics	3,715,208	3,715,208	3,752,401	(37,193)
ID/evidence	1,438,968	1,451,468	1,442,786	8,682

## CITY OF ONTARIO

**BUDGETARY COMPARISON STATEMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2010**

(Continued)

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety (continued)				
Fire administration	595,667	595,667	630,445	(34,778)
Fire prevention bureau	1,991,086	2,011,086	2,005,510	5,576
Emergency services	29,203,441	29,203,441	30,118,306	(914,865)
Personnel training and development	758,973	758,973	598,499	160,474
E.M.S technical services	794,195	828,746	776,198	52,548
Disaster management	456,279	456,279	439,650	16,629
Operations support services	1,943,804	1,943,935	1,756,214	187,721
Code enforcement	1,766,863	1,896,986	1,816,350	80,636
SWAT	281,570	315,434	340,333	(24,899)
Office of the police chief	1,367,310	1,386,133	1,395,271	(9,138)
Police projects	513,537	3,065,364	581,811	2,483,553
Fire projects	301,650	2,522,899	840,016	1,682,883
Community development				
Community and public services admin.	725,107	725,107	746,674	(21,567)
Sports/fitness	420,979	424,408	409,978	14,430
Special events/facility rental	320,954	313,129	232,579	80,550
Community programs	1,041,805	1,149,312	1,159,255	(9,943)
Development administration	777,255	777,255	791,300	(14,045)
Planning administration	464,330	463,330	455,311	8,019
Planning - current	1,058,829	915,995	904,838	11,157
Advance long rang planning	838,348	1,475,279	991,389	483,890
New model colony	396,644	716,029	644,299	71,730
Building administration	360,483	360,483	357,536	2,947
Building inspection	1,861,643	1,861,643	1,753,385	108,258
Engineering administration	243,601	243,601	172,810	70,791
Land development	1,336,891	1,621,891	1,476,203	145,688
Traffic signal/street lighting	1,758,870	1,780,352	1,691,732	88,620
Traffic management	111,561	104,061	106,357	(2,296)
Field services	222,348	237,348	274,163	(36,815)
Museum	435,038	435,038	429,120	5,918
Community outreach	1,857,967	1,857,967	1,670,678	187,289
Public facilities	164,031	164,031	154,331	9,700
Senior services	447,449	454,994	419,966	35,028
Youth/teen services	849,629	748,933	680,416	68,517
Museum projects	32,000	35,362	35,289	73
CIP design administration	20,555	20,555	2,777	17,778
Debt management/special district admin.	216,611	280,476	293,046	(12,570)
Engineering projects	-	146,220	41,771	104,449
Planning projects	806	2,079,004	334,355	1,744,649
Community & public services projects	-	1,708,573	83,713	1,624,860
Traffic	-	-	602,693	(602,693)
Library				
Library administration	635,009	635,009	635,537	(528)
Library support services	607,771	607,771	618,784	(11,013)
Main library	2,358,628	2,358,628	2,306,564	52,064
Branch library	493,783	493,783	478,239	15,544
Library projects	77,300	77,300	45,302	31,998
Public works				
Municipal utilities admin	617,544	617,544	596,183	21,361
Roadway maintenance	1,477,896	1,455,896	958,958	496,938
Paint and striping	398,811	420,711	365,492	55,219
Sidewalk	1,439,948	1,440,715	1,296,182	144,533

## CITY OF ONTARIO

**BUDGETARY COMPARISON STATEMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works (continued)				
Street lighting maintenance	437,237	442,150	325,030	117,120
Sign repair and construction	354,914	354,914	320,699	34,215
Parks and maintenance supervision	836,626	836,626	858,446	(21,820)
Park maintenance	3,067,442	2,941,442	2,437,084	504,358
Parkway tree trimming	709,711	856,093	858,484	(2,391)
Public ground maintenance	2,053,677	2,083,677	1,800,974	282,703
Civic center ground maintenance	111,728	112,228	107,931	4,297
Civic center building maintenance	1,682,053	1,681,553	1,534,196	147,357
Public works building maintenance	475,973	475,973	462,776	13,197
Park building maintenance	961,516	961,516	907,968	53,548
Police facility building maintenance	899,664	900,164	805,827	94,337
Community events	38,646	38,646	26,865	11,781
Graffiti	443,724	443,824	437,050	6,774
Facility maintenance	489,790	575,815	368,487	207,328
Debt service:				
Principal retirement	1,234,747	1,234,747	1,234,747	-
Interest and fiscal charges	3,244,270	3,244,270	3,244,270	-
Transfers out	2,083,665	7,062,350	5,160,000	1,902,350
<b>Total Charges to Appropriations</b>	<b>153,163,716</b>	<b>168,442,717</b>	<b>155,686,701</b>	<b>12,756,016</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 84,143,500</b>	<b>\$ 84,499,097</b>	<b>\$ 91,015,625</b>	<b>\$ 6,516,528</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON STATEMENT**  
**QUIET HOME PROGRAM**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 50,933,271	\$ 50,933,271	\$ 50,933,271	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	17,036,682	11,308,682	4,527,636	(6,781,046)
Use of money and property	50,000	50,000	-	(50,000)
<b>Amounts Available for Appropriation</b>	<b>68,019,953</b>	<b>62,291,953</b>	<b>55,460,907</b>	<b>(6,831,046)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	17,086,682	11,358,682	2,857,141	8,501,541
<b>Total Charges to Appropriations</b>	<b>17,086,682</b>	<b>11,358,682</b>	<b>2,857,141</b>	<b>8,501,541</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 50,933,271</b>	<b>\$ 50,933,271</b>	<b>\$ 52,603,766</b>	<b>\$ 1,670,495</b>



## CITY OF ONTARIO

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Solid Waste	Total	Activities Internal Service Funds
<b>Assets:</b>					
Current:					
Cash and investments	\$ 56,953,876	\$ 26,138,491	\$ 29,471,932	\$ 112,564,299	\$ 73,778,729
Receivables:					
Accounts	6,312,016	1,942,593	3,332,277	11,586,886	553,818
Accrued interest	217,379	101,469	108,380	427,228	190,585
Prepaid costs	7,547	845	-	8,392	57,090
Inventories	9,848,871	132,363	-	9,981,234	401,505
Restricted:					
Cash and investments	36,893	181,081	73,955	291,929	-
Cash with fiscal agent	4,000,553	-	-	4,000,553	-
<b>Total Current Assets</b>	<b>77,377,135</b>	<b>28,496,842</b>	<b>32,986,544</b>	<b>138,860,521</b>	<b>74,981,727</b>
Noncurrent:					
Advances to other funds	-	-	2,770,000	2,770,000	-
Deferred Charges	599,124	-	-	599,124	-
Investment in joint venture	36,660,102	-	-	36,660,102	-
Other investments	201,750	-	-	201,750	-
Capital assets - net of accumulated depreciation	141,593,967	34,336,835	5,860,777	181,791,579	17,503,679
<b>Total Noncurrent Assets</b>	<b>179,054,943</b>	<b>34,336,835</b>	<b>8,630,777</b>	<b>222,022,555</b>	<b>17,503,679</b>
<b>Total Assets</b>	<b>\$ 256,432,078</b>	<b>\$ 62,833,677</b>	<b>\$ 41,617,321</b>	<b>\$ 360,883,076</b>	<b>\$ 92,485,406</b>
<b>Liabilities and Net Assets:</b>					
<b>Liabilities:</b>					
Current:					
Accounts payable	\$ 4,416,305	\$ 1,699,170	\$ 1,322,548	\$ 7,438,023	\$ 710,183
Accrued liabilities	153,851	57,341	214,235	425,427	160,706
Unearned revenues	-	-	34,729	34,729	-
Deposits payable	2,819,267	-	857,523	3,676,790	-
Accrued compensated absences	32,000	15,000	37,000	84,000	42,000
Accrued claims and judgments	-	-	-	-	4,247,000
Bonds, notes, and capital leases	1,055,000	-	-	1,055,000	-
<b>Total Current Liabilities</b>	<b>8,476,423</b>	<b>1,771,511</b>	<b>2,466,035</b>	<b>12,713,969</b>	<b>5,159,889</b>
Noncurrent:					
Accrued compensated absences	372,357	175,027	412,812	960,196	390,199
Accrued claims and judgments	-	-	-	-	9,189,086
Bonds, notes, and capital leases	46,804,733	-	-	46,804,733	-
<b>Total Noncurrent Liabilities</b>	<b>47,177,090</b>	<b>175,027</b>	<b>412,812</b>	<b>47,764,929</b>	<b>9,579,285</b>
<b>Total Liabilities</b>	<b>55,653,513</b>	<b>1,946,538</b>	<b>2,878,847</b>	<b>60,478,898</b>	<b>14,739,174</b>
<b>Net Assets:</b>					
Invested in capital assets	-	34,336,835	5,860,777	40,197,612	17,503,679
Invested in capital assets, net of related debt	93,734,234	-	-	93,734,234	-
Restricted for debt service	4,000,553	-	-	4,000,553	-
Unrestricted	103,043,778	26,550,304	32,877,697	162,471,779	60,242,553
<b>Total Net Assets</b>	<b>200,778,565</b>	<b>60,887,139</b>	<b>38,738,474</b>	<b>300,404,178</b>	<b>77,746,232</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 256,432,078</b>	<b>\$ 62,833,677</b>	<b>\$ 41,617,321</b>	<b>\$ 360,883,076</b>	<b>\$ 92,485,406</b>
<b>Reconciliation of Net Assets to the Statement of Net Assets</b>					
Net Assets per Statement of Net Assets - Proprietary Funds				\$ 300,404,178	
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds				9,598,842	
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds				2,560,390	
<b>Net Assets per Statement of Net Assets</b>				<b>\$ 312,563,410</b>	

## CITY OF ONTARIO

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2010**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste</b>	<b>Total</b>	
<b>Operating Revenues:</b>					
Sales and service charges	\$ 42,382,669	\$ 17,407,922	\$ 30,376,121	\$ 90,166,712	\$ 29,706,532
Interdepartmental charges	1,127,897	62,168	461,867	1,651,932	-
Miscellaneous	2,256,351	346,870	528,995	3,132,216	221,966
<b>Total Operating Revenues</b>	<b>45,766,917</b>	<b>17,816,960</b>	<b>31,366,983</b>	<b>94,950,860</b>	<b>29,928,498</b>
<b>Operating Expenses:</b>					
Administration and general	3,408,568	1,199,779	467,446	5,075,793	8,108,055
Source of supply	7,311,221	-	-	7,311,221	4,646,048
Pumping	4,331,492	-	-	4,331,492	-
Transmission/collection	3,819,917	1,604,490	22,001,990	27,426,397	-
Treatment	-	7,392,686	-	7,392,686	-
Claims expense	-	-	-	-	5,720,744
Depreciation expense	3,560,865	804,720	189,064	4,554,649	3,723,847
<b>Total Operating Expenses</b>	<b>22,432,063</b>	<b>11,001,675</b>	<b>22,658,500</b>	<b>56,092,238</b>	<b>22,198,694</b>
Operating Income (Loss)	23,334,854	6,815,285	8,708,483	38,858,622	7,729,804
<b>Nonoperating Revenues (Expenses):</b>					
Interest revenue	1,843,161	803,077	873,800	3,520,038	1,475,255
Interest expense	(2,528,821)	-	-	(2,528,821)	-
Grant revenue	-	-	122,409	122,409	125,000
Contributions	5,491,169	-	-	5,491,169	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>4,805,509</b>	<b>803,077</b>	<b>996,209</b>	<b>6,604,795</b>	<b>1,600,255</b>
Income (Loss) Before Transfers	28,140,363	7,618,362	9,704,692	45,463,417	9,330,059
Transfers in	7,250	-	-	7,250	250,000
Transfers out	(6,337,088)	(3,122,069)	(4,261,433)	(13,720,590)	(1,000,000)
Changes in Net Assets	\$ 21,810,525	\$ 4,496,293	\$ 5,443,259	\$ 31,750,077	\$ 8,580,059
<b>Net Assets:</b>					
Beginning of Year, as previously reported	\$ 176,982,020	\$ 56,390,846	\$ 33,295,215	\$ 266,668,081	\$ 69,166,173
Restatements	1,986,020	-	-	1,986,020	-
Beginning of Fiscal Year, as restated	178,968,040	56,390,846	33,295,215	268,654,101	69,166,173
Changes in Net Assets	21,810,525	4,496,293	5,443,259	31,750,077	8,580,059
<b>End of Fiscal Year</b>	<b>\$ 200,778,565</b>	<b>\$ 60,887,139</b>	<b>\$ 38,738,474</b>	<b>\$ 300,404,178</b>	<b>\$ 77,746,232</b>
<b>Reconciliation of Changes in Net Assets to the Statement of Activities:</b>					
Changes in Net Assets, per the Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds				\$ 31,750,077	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds				2,560,390	
<b>Changes in Net Assets of Business-Type Activities per Statement of Activities</b>				<b>\$ 34,310,467</b>	

## CITY OF ONTARIO

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2010**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste</b>	<b>Total</b>	
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers and users	\$ 44,864,508	\$ 17,853,700	\$ 31,614,137	\$ 94,332,345	\$ 30,414,615
Cash paid to supplies for goods and services	(19,148,070)	(8,798,467)	(22,384,654)	(50,331,191)	(8,798,805)
Cash paid to employees for services	(3,385,796)	(1,201,561)	(433,035)	(5,020,392)	(8,039,757)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>22,330,642</b>	<b>7,853,672</b>	<b>8,796,448</b>	<b>38,980,762</b>	<b>13,576,053</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Cash transfers in	7,250	-	-	7,250	250,000
Cash transfers out	(6,337,088)	(3,122,069)	(4,261,433)	(13,720,590)	(1,000,000)
Grants subsidy	-	-	93,277	93,277	125,000
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(6,329,838)</b>	<b>(3,122,069)</b>	<b>(4,168,156)</b>	<b>(13,620,063)</b>	<b>(625,000)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(6,367,041)	(661,177)	(579,387)	(7,607,605)	(1,689,264)
Principal paid on capital debt	(1,015,000)	-	-	(1,015,000)	-
Interest paid on capital debt	(2,549,846)	-	-	(2,549,846)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(9,931,887)</b>	<b>(661,177)</b>	<b>(579,387)</b>	<b>(11,172,451)</b>	<b>(1,689,264)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest received	1,858,426	825,317	895,183	3,578,926	1,521,118
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>1,858,426</b>	<b>825,317</b>	<b>895,183</b>	<b>3,578,926</b>	<b>1,521,118</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>7,927,343</b>	<b>4,895,743</b>	<b>4,944,088</b>	<b>17,767,174</b>	<b>12,782,907</b>
Cash and Cash Equivalents at Beginning of Year	53,063,979	21,423,829	24,601,799	99,089,607	60,995,822
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 60,991,322</b>	<b>\$ 26,319,572</b>	<b>\$ 29,545,887</b>	<b>\$116,856,781</b>	<b>\$ 73,778,729</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Transfers in	\$ 23,334,854	\$ 6,815,285	\$ 8,708,483	\$ 38,858,622	\$ 7,729,804
<b>Transfers out</b>					
<b>net cash provided (used) by operating activities:</b>					
Depreciation	3,560,865	804,720	189,064	4,554,649	3,723,847
(Increase) decrease in accounts receivable	(996,361)	36,740	252,882	(706,739)	486,117
(Increase) decrease in prepaid expense	(2,168)	3,669	-	1,501	(46,788)
(Increase) decrease in inventories	(4,131,745)	12,227	-	(4,119,518)	49,295
(Increase) decrease in investment in joint venture	2,249,486	-	-	2,249,486	-
Increase (decrease) in accounts payable	(1,801,013)	182,813	(382,664)	(2,000,864)	(316,457)
Increase (decrease) in accrued liabilities	17,061	2,695	12,683	32,439	16,502
Increase (decrease) in deposits payable	93,952	-	(5,728)	88,224	-
Increase (decrease) in claims and judgments	-	-	-	-	1,881,937
Increase (decrease) in compensated absences	5,711	(4,477)	21,728	22,962	51,796
<b>Total Adjustments</b>	<b>(1,004,212)</b>	<b>1,038,387</b>	<b>87,965</b>	<b>122,140</b>	<b>5,846,249</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 22,330,642</b>	<b>\$ 7,853,672</b>	<b>\$ 8,796,448</b>	<b>\$ 38,980,762</b>	<b>\$ 13,576,053</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>					
Capital assets contributed from governmental activities	\$ 5,491,169	\$ -	\$ -	\$ 5,491,169	\$ -
Amortization of deferred cost	(23,965)	-	-	(23,965)	-
Amortization of bond premium	44,990	-	-	44,990	-

## CITY OF ONTARIO

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2010

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	<b>Agency Funds</b>
<b>Assets:</b>	
Cash and investments	\$ 34,210,990
Receivables:	
Accounts	691,086
Taxes	7,724
Accrued interest	119,249
Deposits	2,029,183
Other investments	266,004,822
Restricted assets:	
Cash and investments with fiscal agents	5,720,806
<b>Total Assets</b>	<b>\$ 308,783,860</b>
 <b>Liabilities:</b>	
Accounts payable	\$ 1,035,945
Due to bondholders	10,208,397
Due to other governments	252,681,351
Available for other post employment benefits	44,858,167
<b>Total Liabilities</b>	<b>\$ 308,783,860</b>

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## 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 and the Ontario Housing Authority 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.

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.

## CITY OF ONTARIO

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2010

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#### Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 1: Summary of Significant Accounting Policies (Continued)**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for sales taxes, grant revenue and State gas tax where the government considers revenue be available if collected within 90 days, 180 days and 310 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.

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.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 1: Summary of Significant Accounting Policies (Continued)**

- 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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 1: Summary of Significant Accounting Policies (Continued)**

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, 2010. 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."

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 1: Summary of Significant Accounting Policies (Continued)**

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, except for water stock inventory which is valued at market value at the end of the fiscal year. Inventories in the Internal Service Funds consist of expendable supplies held for consumption, whereas in the Enterprise Funds, it represents water stock in the water utility fund and expendable supplies held for consumption in both water utility and sewer utility funds. Inventory costs are recorded as expenditure when used.

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

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**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, infrastructure (e.g., roads, bridges, sidewalks and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$5,000 and \$50,000 respectively (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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**


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**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

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

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

<u>Assets</u>	<u>Years</u>
Structures and improvements	20 - 99
Furniture and equipment	5 - 25
Intangible assets – software	5
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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**


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**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 \$170,229,443 long-term debt difference is as follows:

Long-term debt:	
Tax allocation bonds payable	\$ 52,150,191
Revenue bonds payable	82,965,651
Loans payable	12,824,492
Other post employment benefits obligation	20,623,347
Bond premiums to be amortized	<u>1,665,762</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	<u>\$ 170,229,443</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**


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**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 \$8,609,323 difference is as follows:

Capital outlay	\$ 25,380,201
Contributed capital assets to the Water Fund	(5,491,169)
Depreciation expense	<u>(11,279,709)</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>\$ 8,609,323</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 \$4,616,337 difference is as follows:

Debt issued or incurred:	
Increased value of capital appreciation bonds	\$ 1,605,639
Other post employment benefit obligations	8,892,436
Principal repayments:	
Tax allocation bonds	(3,181,600)
Revenue bonds	(2,228,647)
Loans payable	(356,800)
Bond premium amortization	<u>(114,691)</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>\$ 4,616,337</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, 2010, 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.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**


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**III. DETAILED NOTES ON ALL FUNDS**
**Note 3: Cash and Investments**

As of June 30, 2010, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 337,688,383
Business-type activities	116,856,781
Fiduciary funds	<u>39,931,796</u>
Total Cash and Investments	<u><u>\$ 494,476,960</u></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, 2010, the carrying amount of the City's deposits was \$4,194,961 and the bank balance was \$4,487,066. The \$292,105 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 insured by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

**Investments**

Under 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
- Banker's Acceptances with a maturity not to exceed 180 days

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 3: Cash and Investments (Continued)**

- 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.
- The City's policy reflects California State Government Code very closely while being even more restrictive in terms of allocations and maturities. For example, State Code allows a 30% allocation to corporate medium-term notes and puts no limitation on individual allocation. Ontario's policy requires that no more than 3% of the fund be invested in any one corporate name and that no more than half of the 30% allocation be invested in securities with rating lower than AA.

**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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**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, 2010, the City's investment in medium-term notes and commercial papers consisted of investments with various corporations and were rated "A3" to "Aa2" by Moody's and 'A' to "AA+" by Standard & Poor's. Investment in government agencies issued by the Federal National Mortgage Association, the Federal Home Loan Banks, 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. Investments in U.S. Treasury securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2010, 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, 2010, 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, 2010, 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 National Mortgage Association (FNMA)

**CITY OF ONTARIO**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**

**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, 2010, 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	\$ -	\$ 35,155,090	\$ 142,722,709	\$ 81,898,470	\$ -	\$ 259,776,269
Federal Government Agency	30,175,000	-	35,218,750	20,068,760	-	85,462,510
Medium-Term Corporate Notes	-	10,027,715	23,787,542	4,596,280	-	38,411,537
Collateral Mortgage Obligation	18,208,980	35,372	4,291,140	-	-	22,535,492
Commercial Paper	4,999,250	-	-	-	-	4,999,250
Mortgage Backed Security	-	4,229,357	14,055,770	-	-	18,285,127
Local Agency Investment Fund	27,357,910	-	-	-	-	27,357,910
Total Cash Investments	80,741,140	49,447,534	220,075,911	106,563,510	-	456,828,095
Investments with Fiscal Agents:						
Money Market Funds	11,832,911	-	-	-	-	11,832,911
Medium-Term Corporate Notes	-	-	-	-	985,610	985,610
Investment Agreement	-	-	-	-	5,563,563	5,563,563
US Treasury	-	15,071,550	-	-	-	15,071,550
Total Investments with Fiscal Agent	11,832,911	15,071,550	-	-	6,549,173	33,453,634
Total Investments	<u>\$ 92,574,051</u>	<u>\$ 64,519,084</u>	<u>\$ 220,075,911</u>	<u>\$ 106,563,510</u>	<u>\$ 6,549,173</u>	<u>\$ 490,281,729</u>

**Note 4: Contracts and Notes Receivable**

Contracts and notes receivable as of June 30, 2010, totaled \$18,225,369 and were recorded as follows:

General Fund	\$ 10,000
Nonmajor Governmental Funds	18,215,369
Total Contracts and Notes Receivable	<u>\$ 18,225,369</u>

**CITY OF ONTARIO**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**

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**Note 4: Contracts and Notes Receivable (Continued)**

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, 2010, was:

\$ 10,000

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, 2010, 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, 2010, 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, 2010, was:

94,317

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, 2010, was:

103,700

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, 2010, was:

4,464,185

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 4: Contracts and Notes Receivable (Continued)**

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, 2010, was:

2,684,811

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, 2010, 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, 2010, was:

3,862,495

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, 2010, 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, 2010, was:

1,200,909

Pursuant to the disposition and development agreement between the Ontario Housing Authority and Ontario Senior Housing Partners, LP, the Agency approved a gap loan in the amount of \$5,155,500 to provide new housing development opportunities to address regional needs. The Agency gap loan will have a 55 year term with an interest rate of 1% simple interest. The loan will be paid back utilizing 85% of the residual cash flow. Any remaining balance at the end of the 55 year term is due and payable. The receivable balance at June 30, 2010, was:

4,737,952

Total Contracts and Notes \$18,225,369

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

**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, 2010:

	<b>Infrastructure</b>		
	<b>Historical Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Cost at June 30, 2010</b>
<b>Governmental Activities:</b>			
<b>Modified Approach:</b>			
Streets pavement system	\$ 295,352,386	\$ -	\$ 295,352,386
<b>Basic Approach:</b>			
Curbs	47,803,523	8,465,208	39,338,315
Storm drains and gutters	25,690,965	4,232,244	21,458,721
Sidewalks and handicap ramps	38,200,860	6,580,317	31,620,543
Bridges	104,267,889	17,357,316	86,910,573
Traffic signals/street lighting	14,081,158	2,281,960	11,799,198
	<u>\$ 525,396,781</u>	<u>\$ 38,917,045</u>	<u>\$ 486,479,736</u>

## CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**Note 5: Capital Assets (Continued)**

Capital asset activity for the year ended June 30, 2010, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b><u>Governmental Activities:</u></b>					
Capital assets, not being depreciated:					
Land	\$ 35,764,694	\$ 1,280,795	\$ -	\$ -	\$ 37,045,489
Infrastructure - pavement system	288,321,002	7,031,384	-	-	295,352,386
Construction in progress	180,454,891	9,581,471	-	(159,501,489)	30,534,873
<b>Total Capital Assets, Not Being Depreciated</b>	<b>504,540,587</b>	<b>17,893,650</b>	<b>-</b>	<b>(159,501,489)</b>	<b>362,932,748</b>
Capital assets, being depreciated:					
Infrastructure - other systems	228,541,297	1,046,848	-	456,250	230,044,395
Structures and improvements	188,720,369	7,306,963	(921,115)	153,554,070	348,660,287
Furniture and equipment	24,284,856	822,004	(58,852)	-	25,048,008
<b>Total Capital Assets, Being Depreciated</b>	<b>441,546,522</b>	<b>9,175,815</b>	<b>(979,967)</b>	<b>154,010,320</b>	<b>603,752,690</b>
Less accumulated depreciation:					
Infrastructure - other systems	33,185,665	5,731,380	-	-	38,917,045
Structures and improvements	56,647,014	7,667,956	(921,115)	-	63,393,855
Furniture and equipment	17,440,085	1,604,220	(58,852)	-	18,985,453
<b>Total Accumulated Depreciation</b>	<b>107,272,764</b>	<b>15,003,556</b>	<b>(979,967)</b>	<b>-</b>	<b>121,296,353</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>334,273,758</b>	<b>(5,827,741)</b>	<b>-</b>	<b>154,010,320</b>	<b>482,456,337</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 838,814,345</b>	<b>\$ 12,065,909</b>	<b>\$ -</b>	<b>\$ (5,491,169)</b>	<b>\$ 845,389,085</b>



## CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

## Note 5: Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Transfer	Ending Balance
<b><u>Business-Type Activities:</u></b>					
Capital assets, not being depreciated:					
Land	\$ 15,094,228	\$ -	\$ -	\$ -	\$ 15,094,228
Construction-in-progress	36,165,205	5,351,245	-	(1,470,404)	40,046,046
Total Capital Assets, Not Being Depreciated	51,259,433	5,351,245	-	(1,470,404)	55,140,274
Capital assets, being depreciated:					
Structures and improvements	6,305,838	-	-	854,531	7,160,369
Furniture and equipment	2,243,616	-	-	-	2,243,616
Infrastructure	178,108,687	2,256,360	-	6,107,042	186,472,089
Total Capital Assets, Being Depreciated	186,658,141	2,256,360	-	6,961,573	195,876,074
Less accumulated depreciation:					
Structures and improvements	869,940	288,618	-	-	1,158,558
Furniture and equipment	1,736,179	158,978	-	-	1,895,157
Infrastructure	62,064,001	4,107,053	-	-	66,171,054
Total Accumulated Depreciation	64,670,120	4,554,649	-	-	69,224,769
Total Capital Assets, Being Depreciated, Net	121,988,021	(2,298,289)	-	6,961,573	126,651,305
Business-Type Activities Capital Assets, Net	\$ 173,247,454	\$ 3,052,956	\$ -	\$ 5,491,169	\$ 181,791,579

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

Governmental Activities:	
General government	\$ 664,090
Public safety	2,251,044
Community development	3,750,262
Library	520,273
Public works	4,094,040
Equipment Services	3,269,360
Information Technology	454,487
	<u>\$ 15,003,556</u>
Business-Type Activities:	
Water	\$ 3,560,865
Sewer	804,720
Solid waste	189,064
	<u>\$ 4,554,649</u>

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

**Note 6: Interfund Receivable, Payable and Transfers**

The composition of interfund balances as of June 30, 2010, is as follows:

**Due To/From Other Funds**

Due From Other Funds	Due to Other Funds			Total
	Capital Projects Fund	Impact Fees	Nonmajor Governmental Funds	
General Fund	\$ 592,686	\$ 326,844	\$ 2,219,741	\$ 3,139,271

The interfund balances at June 30, 2010, 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	\$ -	\$ -	\$ 3,500,000	\$ 8,530,637	\$ 12,030,637
Capital Projects Fund	-	-	16,971,609	149,490	17,121,099
Solid Waste	-	2,770,000	-	-	2,770,000
Nonmajor Governmental Funds	1,749,493	-	-	9,742,154	11,491,647
Total	\$ 1,749,493	\$ 2,770,000	\$ 20,471,609	\$ 18,422,281	\$ 43,413,383

During the current and previous fiscal years, the General Fund and the Capital Project fund made \$3,500,000 and \$16,971,609 loans respectively to the Redevelopment Agency for capital improvement. The Solid Waste fund loaned \$2,770,000 to the Impact Fees fund for the OPD facility construction.

**Interfund Transfers**

Transfers In:	Transfers Out								Total
	General Fund	Impact Fees	Redevelopment Area #1 Debt Service Fund	Water	Sewer	Solid Waste	Internal Service Funds	Nonmajor Governmental Funds	
General	\$ -	\$ 5,504,738	\$ -	\$ 6,317,088	\$ 3,102,069	\$ 4,211,433	\$ 1,000,000	\$ 2,392,905	\$ 22,528,233
Capital Projects Fund	5,000,000	-	-	-	-	-	-	-	5,000,000
Redevelopment Area #1 - Debt Service Fund	-	-	-	-	-	-	-	325,649	325,649
Water Fund	-	-	-	-	-	-	-	7,250	7,250
Internal Service Funds	160,000	-	-	20,000	20,000	50,000	-	-	250,000
Nonmajor Governmental Fund	-	-	10,202,337	-	-	-	-	8,345,249	18,547,586
Total	\$ 5,160,000	\$ 5,504,738	\$ 10,202,337	\$ 6,337,088	\$ 3,122,069	\$ 4,261,433	\$ 1,000,000	\$ 11,071,053	\$ 46,658,718

The General Fund transferred \$5,000,000 to the Capital Projects Fund to fund the City Hall renovation.

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

**Note 6: Interfund Receivable, Payable and Transfers (Continued)**

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 \$22,528,233.

**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, 2010:

	Balance July 1, 2009	Adjustments	Accreted Interest	Additions	Deletions	Balance June 30, 2010	Due Within One Year
Tax Allocation Bonds	\$ 55,138,854	\$ -	\$ 192,937	\$ -	\$ 3,181,600	\$ 52,150,191	\$ 3,185,091
Revenue Bonds	83,781,596	-	1,412,702	-	2,228,647	82,965,651	2,406,640
Loans Payable	13,181,292	-	-	-	356,800	12,824,492	375,710
Other post employment benefits obligation	11,730,911	-	-	8,892,436	-	20,623,347	-
Claims and Judgments	11,554,149	-	-	5,534,034	3,652,097	13,436,086	4,247,000
Compensated Absences	9,052,742	-	-	1,259,417	638,050	9,674,109	679,000
<b>Total</b>	<b>\$ 184,439,544</b>	<b>\$ -</b>	<b>\$ 1,605,639</b>	<b>\$ 15,685,887</b>	<b>\$ 10,057,194</b>	<b>191,673,876</b>	<b>\$ 10,893,441</b>
Unamortized Bond Premium						1,665,762	
						<b>\$ 193,339,638</b>	

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, 2010, amounted to \$2,985,091 and was made up of \$1,015,723 of original issue and \$1,969,368 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
2010-2011	\$ 2,985,091	\$ -
<b>Totals</b>	<b>\$ 2,985,091</b>	<b>\$ -</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**


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**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, 2010, amounted to \$45,170,901. The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

	1993 Tax Allocation Bonds	
	Principal	Interest
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
2014-2015	283,254	5,298,344
2015-2020	12,215,649	23,878,233
2020-2025	28,482,915	11,134,627
2025-2030	3,312,677	198,761
Total	<u>\$ 45,170,901</u>	<u>\$ 61,996,385</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, 2010, amounted to \$3,994,199. The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**
**Note 7: Long-Term Debt (Continued)**

	1995 Tax Allocation Bonds	
	Principal	Interest
2010-2011	\$ 16,248	\$ 478,329
2011-2012	18,295	476,256
2012-2013	20,058	473,955
2013-2014	22,893	471,378
2014-2015	25,046	468,502
2015-2020	1,080,151	2,111,415
2020-2025	2,518,585	984,576
2025-2030	292,923	17,575
Total	<u>\$ 3,994,199</u>	<u>\$ 5,481,986</u>

**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, 2010, amounted to \$334,573.

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
2010-2011	\$ 79,573	\$ 191,365
2011-2012	255,000	7,969
Totals	<u>\$ 334,573</u>	<u>\$ 199,334</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, 2010, including the unamortized bond premium of \$290,427, amounted to \$26,625,427.

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

**Note 7: Long-Term Debt (Continued)**

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

	2001 Lease Revenue Bonds	
	Principal	Interest
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
2014-2015	950,000	1,154,040
2015-2020	5,570,000	4,944,038
2020-2025	7,175,000	3,330,325
2025-2030	9,220,000	1,243,840
Total	<u>\$ 26,335,000</u>	<u>\$ 15,662,042</u>

**2002 Refunding Revenue Bonds**

In February 2002, the Ontario Redevelopment Financing Authority issued revenue bonds in the amount of \$35,290,000 to provide funds to concurrently refund on a current basis a portion of the Authority's 1992 Revenue Bonds and certain outstanding tax allocation bonds of the Agency and to finance redevelopment activities within the Agency's Project Area #1, Center City and Cimarron redevelopment projects. The bonds issued at a premium of \$1,702,231, consist of \$17,472,433 capital appreciation bonds maturing annually through 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, 2010, amounted to \$19,696,078 and was made up of \$12,275,207 original issue and \$7,420,871 accreted interest. The unamortized bond premium was \$978,782. The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

	2002 Refunding Revenue Bonds	
	Principal	Interest
2010-2011	\$ 1,132,067	\$ 361,366
2011-2012	3,296,818	344,244
2012-2013	3,028,572	310,063
2013-2014	2,802,027	273,369
2014-2015	2,611,637	235,044
2015-2020	5,539,957	669,347
2020-2025	1,285,000	62,581
Total	<u>\$ 19,696,078</u>	<u>\$ 2,256,014</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**


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**Note 7: Long-Term Debt (Continued)****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, 2010, including the unamortized bond premium of \$396,553, amounted to \$36,996,553.

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

	2007 Lease Revenue Bonds	
	Principal	Interest
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
2014-2015	460,000	1,644,890
2015-2020	2,630,000	7,875,500
2020-2025	3,355,000	7,126,485
2025-2030	4,235,000	6,230,180
2030-2035	16,530,000	3,743,425
2035-2040	7,735,000	351,788
Total	<u>\$ 36,600,000</u>	<u>\$ 33,736,628</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, 2010, amounted to \$12,824,492.

At June 30, 2010, the annual requirements to repay the outstanding indebtedness were as follows:

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

Note 7: Long-Term Debt (Continued)

	2002 FNMA Housing Set-Aside Loan	
	Principal	Interest
2010-2011	\$ 375,710	\$ 669,742
2011-2012	395,623	649,301
2012-2013	416,591	627,778
2013-2014	438,670	605,113
2014-2015	461,920	581,248
2015-2020	2,703,830	2,501,561
2020-2025	3,500,429	1,683,852
2025-2030	4,531,719	625,232
Total	<u>\$ 12,824,492</u>	<u>\$ 7,943,827</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.

**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 \$162,501,277 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 \$49,672,063 and the debt service obligation on the bonds was \$11,596,930.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**
**Note 7: Long-Term Debt (Continued)****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, 2010:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due Within One Year
2004 COP - Water System Improvement Project	\$ 47,750,000	\$ -	\$ 1,015,000	\$ 46,735,000	\$ 1,055,000
Compensated Absences	1,021,234	22,962	-	1,044,196	84,000
Total	<u>\$ 48,771,234</u>	<u>\$ 22,962</u>	<u>\$ 1,015,000</u>	47,779,196	<u>\$ 1,139,000</u>
		Unamortized Bond Premium		1,124,733	
				<u>\$ 48,903,929</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.

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 \$81,812,988 with annual debt service requirements as indicated below. For the current year, the pledge revenue from the City's water system was \$42,382,669 and the debt service obligation on the bonds was \$3,407,713. The balance at June 30, 2010, including the unamortized bond premium of \$1,124,733, amounted to \$47,859,733.

The annual principal requirements to amortize the 2004 COP outstanding as of June 30, 2010, are as follows:

	2004 COP - Water System Improvement Project	
	Principal	Interest
2010-2011	\$ 1,055,000	\$ 2,352,113
2011-2012	1,100,000	2,309,912
2012-2013	1,145,000	2,265,913
2013-2014	1,200,000	2,208,663
2014-2015	1,260,000	2,148,662
2015-2020	7,320,000	9,728,487
2020-2025	9,430,000	7,619,513
2025-2030	12,140,000	4,907,475
2030-2035	12,085,000	1,537,250
Total	<u>\$ 46,735,000</u>	<u>\$ 35,077,988</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**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 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, 2010, totaled \$25,255,933. 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.

**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:

## CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

## Note 7: Long-Term Debt (Continued)

	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	\$ 1,290,000
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	5,800,000
Ontario Redevelopment Agency Multi-Family Mortgage Revenue Bonds, Terrace View 2006 Series A	Variable	2006	2040	5,200,000
Total				<u>\$ 59,790,000</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 8.964% for non-safety employees, 24.315% for police safety employees and 22.017% 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 2010, the City's annual pension cost of \$17,838,674 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**
**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, 2009
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	21 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	3.55% 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			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Miscellaneous			
6/30/2008	\$ 6,665,505	100%	\$ -
6/30/2009	6,684,573	100%	-
6/30/2010	6,317,896	100%	-
Police			
6/30/2008	6,439,099	100%	-
6/30/2009	6,799,477	100%	-
6/30/2010	6,650,547	100%	-
Fire			
6/30/2008	4,722,916	100%	-
6/30/2009	4,899,996	100%	-
6/30/2010	4,870,231	100%	-

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**
**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
6/30/07:						
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 %
6/30/09:						
Miscellaneous	\$ 186,323	\$ 204,418	\$ (18,095)	91.1 %	\$ 38,565	46.9 %
Police	172,801	210,276	(37,475)	82.2	19,905	188.3
Fire	143,894	167,257	(23,363)	86.0	15,633	149.4
Total	<u>\$ 503,018</u>	<u>\$ 581,951</u>	<u>\$ (78,933)</u>	86.4 %	<u>\$ 74,103</u>	106.5 %

**Note 9: Other Post-Employment 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 2009-2010, the City paid a total of \$2,541,039 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

**CITY OF ONTARIO**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**

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

fund, but set aside the actuarial required contribution in its Other Post Employment Benefits agency fund. For fiscal year 2009-2010, the City contributed \$ 8,664,883 to its agency fund.

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, 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 6/30/2010
Annual required contribution	\$ 11,788,000
Interest on OPEB obligation	549,566
Adjustment to annual required contribution	(904,091)
Annual OPEB cost	11,433,475
Contributions made	2,541,039
Increase (decrease) in net OPEB obligation	8,892,436
Net OPEB obligation - beginning of year	11,730,911
Net OPEB obligation - end of year	\$ 20,623,347

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009-10 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	\$ 8,056,000	28.3%	\$ 5,778,326
6/30/2009	8,387,322	29.0%	11,730,911
6/30/2010	8,892,436	28.6%	20,623,347

**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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**
**Note 9: Other Post-Employment 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. This is the latest information available.

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	-	122,120	(122,120)	- %	71,845	170.0 %
6/30/2010	-	135,371	(135,371)	- %	68,602	197.3 %

**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, 2009, used the Entry Age Normal actuarial cost method. The actuarial assumptions included a 4.75% 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, and a general inflation rate of 3.0%. 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 unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010, was twenty eight years. As of the actuarial valuation date, the City had 1,066 active participants and 465 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) JUNE 30, 2010

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#### 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:

Fiscal Year	Beginning Balance	Changes in Estimates	Claim Payments	Ending Balance
2008-2009	\$ 11,247,989	\$ 4,303,099	\$ 3,996,939	\$ 11,554,149
2009-2010	11,554,149	5,534,034	3,652,097	\$ 13,436,086

#### 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**


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**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, 2010, for which the City is responsible is \$4,479,664. At June 30, 2010, the City's investment in the Authority, including its share of Authority's debt, was \$7,424,683.

Audited financial information of the Authority for the fiscal year ended June 30, 2010, is summarized as follows:

Water Facilities Authority Net Assets:	
Total assets	\$ 36,010,562
Total liabilities	<u>13,607,433</u>
Total net assets	<u><u>\$ 22,403,129</u></u>
Water Facilities Authority Changes in Net Assets:	
Operating revenues	\$ 12,777,404
Operating expenses	<u>12,795,406</u>
Operating gain before depreciation and amortization	(18,002)
Depreciation and amortization	<u>1,074,511</u>
Operating revenue (loss)	<u>(1,092,513)</u>
Nonoperating revenues (expenses)	56,576
Contributions	<u>1,597,874</u>
Change in net assets	561,937
Beginning net assets	<u>21,841,192</u>
Ending net assets	<u><u>\$ 22,403,129</u></u>

# CITY OF ONTARIO

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2010

### Note 12: Joint Ventures (Continued)

The current participants and their financial contributions through June 30, 2010, were as follows:

	Amount	Percent
City of Chino	\$ 5,170,809	15.2%
City of Chino Hills	5,354,632	15.8%
City of Ontario	5,478,488	16.1%
City of Upland	11,257,927	33.1%
Monte Vista Water District	6,600,250	19.5%
Non-Participant	107,399	0.3%
Total	<u>\$ 33,969,505</u>	<u>100.0%</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, 2010:

#### Statement of Net Assets

	Governmental Activities
Assets:	
Cash and investments	\$ 951,599
Capital assets	395,061
Other assets	<u>3,673</u>
Total Assets	<u>1,350,333</u>
Net Assets:	
Invested in capital assets	395,061
Restricted for public safety	<u>955,272</u>
Total Net Assets	<u>\$ 1,350,333</u>

## CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

## Note 12: Joint Ventures (Continued)

<u>Statement of Activities</u>			
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net Expenses and Changes in Net Assets</u>
Public Safety	<u>\$ 193,206</u>	<u>\$ -</u>	\$ (193,206)
		General revenue	<u>27,699</u>
		Changes in net assets	(165,507)
		Net assets at the beginning of the year	<u>1,515,840</u>
		net assets at the end of the year	<u>\$ 1,350,333</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 Fire and Emergency Response Commission**

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

The following is a summary of the West End Fire and Emergency Response Commission financial information for the fiscal year ended June 30, 2010:

<u>Statement of Net Assets</u>	
	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 348,122
Capital assets	452,971
Other assets	<u>19,737</u>
Total Assets	<u>820,830</u>
Liabilities	
Accounts payable	<u>18,964</u>
Net Assets:	
Invested in capital assets	452,971
Restricted for public safety	<u>348,895</u>
Total Net Assets	<u>\$ 801,866</u>

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 12: Joint Ventures (Continued)**

<u>Statement of Activities</u>			
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net Expenses and Changes in Net Assets</u>
Public Safety	<u>\$ 87,765</u>	<u>\$ 50,000</u>	\$ (37,765)
		General revenue	<u>10,980</u>
		Changes in net assets	(26,785)
		Net assets at the beginning of the year	<u>828,651</u>
		net assets at the end of the year	<u>\$ 801,866</u>

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

**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, 2010, the City's investment in the Authority was \$29,235,419.

CITY OF ONTARIO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

**Note 12: Joint Ventures (Continued)**

The financial information of the Authority for the fiscal year ended June 30, 2010, is summarized as follows:

Chino Basin Desalter Authority Net Assets:

Total assets	\$ 148,523,949
Total liabilities	91,084,626
Total net assets	<u>\$ 57,439,323</u>

Chino Basin Desalter Authority Changes in Net Assets:

Operating revenues	\$ 31,225,382
Operating expenses	29,704,045
Operating gain before depreciation and amortization	1,521,337
Depreciation and amortization	4,380,261
Operating revenue (loss)	(2,858,924)
Nonoperating revenues (expenses)	2,011,580
Transfers and capital contributions	(9,987,480)
Change in net assets	(10,834,824)
Beginning net assets	68,274,147
Ending net assets	<u>\$ 57,439,323</u>

The current participants and their financial contributions through June 30, 2010, were as follows:

	Amount	Percent
Jurupa Community Services District	\$ 6,803,242	34.93%
City of Chino Hills	3,637,862	18.68%
City of Chino	4,332,414	22.24%
City of Norco	868,593	4.46%
City of Ontario	2,797,846	14.36%
Santa Ana River Co.	1,037,206	5.33%
Total	<u>\$ 19,477,163</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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**

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**Note 13: Contingent Liabilities (Continued)**

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.

**Note 14: Transactions with the State of California**

**Proposition 1A Borrowing by the State of California**

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of Ontario was \$4,517,938.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

**Delay of State Gas Tax Payments**

In March 2010, the State Legislature passed legislation delaying a variety of State payments to local agencies in response to anticipated State cash flow problems in fiscal year 2010-2011. AB5 8x contains provisions to delay a portion (approximately 60%) of the payments of State Gas Tax monies for the first nine months of 2010-2011 (July 2010 through March 2011) to be paid no later than April 28, 2011.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**


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**Note 14: Transactions with the State of California (Continued)**
**SERAF Shift for fiscal year 2009-2010 and 2010-2011**

On July 23, 2009, the State adopted legislation, requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). These monies were to be distributed to meet the State's Proposition 98 obligations to schools. The California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010, the Sacramento Superior Court upheld the legislation. This decision is in the process of being appealed by CRA and its member agencies.

The payment of the SERAF was due on May 10, 2010, for fiscal year 2009-2010 and was made in the amount of \$16,394,862. The legislation allowed this payment to be made from any available monies present in any project area(s). Subsequent legislation was passed which even allowed the funding for this payment to be borrowed from the Low and Moderate Income Housing Fund with appropriate findings from its legislative body. Any amounts borrowed from Low and Moderate Income Housing (including any suspended set-aside amounts) are to be repaid by June 30, 2015. If those amounts are not repaid, by that date, then the set-aside percentage to Low and Moderate Income Housing will increase from 20% to 25% for the remainder of the life of the Agency.

To accomplish the payment, the Agency paid the full amount from their Project Area 1 Tax Increment Fund. In the accompanying financial statements, the amount paid to the County has been reported as a use of current year resources.

The Agency's share of the SERAF shift for fiscal year 2010-2011 will amount to \$3,375,413 and this amount will be payable in May 2011 if the appeal is not successful.

**Note 15: Fund Equity and Net Assets Restatements**

During the current fiscal year, the City changed the valuation method of its water stock inventory from the cost method to market value at the end of the fiscal year. As a result, beginning fund balance in the Water Fund and net assets in the business-type activities has been restated by \$1,986,020.

**Note 16: Other Investments**

Other investments as of June 30, 2010, totaled \$266,206,572 and were recorded as follows:

Proprietary Funds	\$ 201,750
Fiduciary Funds	266,004,822
Total	<u>\$ 266,206,572</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, \$249,691,522 is interest in bonds issued by the Ontario Financing Authority and \$16,313,300 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.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 17: Other Commitments**

On July 1, 2009, the Agency entered into an Operating Covenant and Facility Upgrade Loan with Staples Contract and Commercial, Inc. The operating covenant payment is capped at \$900,000 per year, but may be adjusted downward if the sales tax generated falls below the 2009 calendar year base amount. The interest free loan for equipment shall not exceed \$3,000,000 or 50% of the cost of the project. The Agency is to disburse the loan after Staples has spent the lesser of \$3,000,000 or 50% of the cost of acquiring the equipment to complete the Ontario facility upgrade. If Staples leaves the City of Ontario before 2015, the remaining balance on the loan shall be due. Any remaining balance on the loan will be forgiven if Staples remains in Ontario through January 1, 2017.

**Note 18: Subsequent Events**

**Owner Participation Agreement**

On June 10, 2010, the Agency entered into an Owner Participation Agreement with Ontario Mills Limited Partnership for the improvements to the real property within the Project Area No. 1 commonly known as the Ontario Mills Regional Shopping Center (the Center). In order to finance the costs of constructing the improvements, the Center has requested financial assistance from the Agency in an amount not to exceed \$4,500,000. The Agency's financial contribution for Phase I shall not exceed \$2,225,535 and the financial contribution for Phase II shall not exceed \$2,274,465. The improvements are to be initiated on or before February 28, 2011 and be completed by October 31, 2012.

**Purchase of Water Rights**

On August 26, 2010, the City purchased water rights in the amount of \$4,937,000 using funds from its Post Employment Benefits Fund. The long-term investment in the water rights will generate a positive return to help the City fund the cost of future post employment benefits.

# **REQUIRED SUPPLEMENTARY INFORMATION**

*Modified Approach for City Infrastructure Capital Assets*

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**Modified Approach for City Infrastructure Capital Assets**

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure 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 March 2010, the City has completed a study to update the physical condition assessment of the streets. The prior assessment study was completed in February 2008. The streets, primarily surfaced with asphalt and concrete, were defined as all physical features associated with the operation of motorized vehicles that exist within the limits of right of way. City owned streets are classified based on land use, access and traffic utilization into the following four classifications: arterial, collector local, and alley. Currently, 50% of the City's arterial and collectors and 25% of the local streets and alleys are being assessed each year. Each street and its related subsystems were assigned a physical condition based on 17 potential defects. A Pavement Condition Index (PCI), a nationally recognized index, was assigned and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street. The following conditions were defined:

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

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
**JUNE 30, 2010**


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

The City's policy is to maintain the existing weighted average rating of "Good". This rating allows for minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. As of June 30, 2010, the City's average street and its related subsystem's PCI rating was 69.3, with the detail condition as follows:

<u>Condition</u>	<u>% of Streets</u>
Excellent to Good	66%
Fair	23%
Poor to Failed	11%

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

<u>Report's Date</u>	<u>PCI Index</u>
March 18, 2010	69
February 18, 2008	65
January 11, 2007	67
February 21, 2006	68
April 11, 2005	65
February 28, 2002	71
July 15, 1999	69

As of June 30, 2010, 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 \$8.24 million on street maintenance for the fiscal year ended June 30, 2010. 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 \$5.81 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, 2010, the City had approximately 116,975,341 square feet (565 centerline miles) of streets with a carrying amount of \$295,352,386 and a replacement cost of approximately \$330,805,375.

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, 2010, the City expended \$5.2 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 \$13.2 million per year to maintain these other infrastructure assets at their present level as shown on the schedule presented below.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
JUNE 30, 2010

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

	2007	2008	2009	2010	2011
<b><u>Streets:</u></b>					
Estimated	\$ 7,427	\$ 12,067	\$ 17,926	\$ 8,166	\$ 18,894
Actual	9,744	12,079	11,338	8,244	
<b><u>Sidewalks:</u></b>					
Estimated	1,716	2,265	2,854	1,740	1,495
Actual	1,747	2,047	2,158	1,596	
<b><u>Storm Drain:</u></b>					
Estimated	338	1,463	1,584	1,325	8,103
Actual	325	1,338	1,292	1,209	
<b><u>Traffic Signal/Street Lights:</u></b>					
Estimated	2,244	2,741	3,386	2,532	3,568
Actual	2,522	2,695	2,580	2,419	

## CITY OF ONTARIO

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

	<b>Special Revenue Funds</b>			
	<b>Special Gas Tax</b>	<b>Measure I</b>	<b>Park Impact Fees / Quimby</b>	<b>Community Development</b>
<b>Assets:</b>				
Cash and investments	\$ 5,173,940	\$ 4,616,812	\$ 9,423,623	\$ -
Receivables:				
Accounts	254,821	228,263	-	2,531,831
Accrued interest	16,656	16,991	35,233	-
Taxes	-	-	-	-
Contracts and notes	-	-	-	8,306,710
Prepaid costs	-	-	-	-
Deposits with others	-	-	-	-
Advances to other funds	-	-	-	2,856,990
Land held for resale	-	-	-	701,050
Restricted assets:				
Cash and investments	44,355	3,601	-	48,484
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,489,772</b>	<b>\$ 4,865,667</b>	<b>\$ 9,458,856</b>	<b>\$ 14,445,065</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 857,017	\$ 465,781	\$ 4,190	\$ 157,738
Accrued liabilities	17,708	-	-	39,444
Deferred revenues	-	-	-	4,444,215
Deposits payable	-	-	-	-
Due to other governments	-	-	-	3,862,495
Due to other funds	-	162,946	-	2,055,875
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>874,725</b>	<b>628,727</b>	<b>4,190</b>	<b>10,559,767</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	1,427,987	7,756,576	276,499	42,133
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	-	-	-	2,856,990
Unreserved:				
Designated for public safety equipment	-	-	-	-
Designated for capital improvement projects	-	-	-	-
Designated for debt service	-	-	-	-
Undesignated	3,187,060	(3,519,636)	9,178,167	285,125
<b>Total Fund Balances</b>	<b>4,615,047</b>	<b>4,236,940</b>	<b>9,454,666</b>	<b>3,885,298</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,489,772</b>	<b>\$ 4,865,667</b>	<b>\$ 9,458,856</b>	<b>\$ 14,445,065</b>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2010**

(Continued)

	<b>Special Revenue Funds</b>			
	<b>Asset Seizure</b>	<b>Mobile Source Air Pollution</b>	<b>Special Assessment/Fee Districts</b>	<b>Building Safety</b>
<b>Assets:</b>				
Cash and investments	\$ 1,191,215	\$ 645,589	\$ 3,860,285	\$ 465,675
Receivables:				
Accounts	-	52,662	-	-
Accrued interest	9,145	3,112	11,170	-
Taxes	-	-	8,323	1,975
Contracts and notes	-	-	-	-
Prepaid costs	-	11,898	-	-
Deposits with others	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	1,185,009	-	-	-
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,385,369</b>	<b>\$ 713,261</b>	<b>\$ 3,879,778</b>	<b>\$ 467,650</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 25,573	\$ -	\$ 46,597	\$ 19,595
Accrued liabilities	94,908	19,621	1,115,494	15,369
Deferred revenues	-	-	-	-
Deposits payable	74,991	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>195,472</b>	<b>19,621</b>	<b>1,162,091</b>	<b>34,964</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	5,849	-	2,965	-
Reserved for prepaid costs	-	11,898	-	-
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	-	-	1,715,796	-
Designated for debt service	-	-	-	-
Undesignated	1,749,048	681,742	998,926	432,686
<b>Total Fund Balances</b>	<b>2,189,897</b>	<b>693,640</b>	<b>2,717,687</b>	<b>432,686</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,385,369</b>	<b>\$ 713,261</b>	<b>\$ 3,879,778</b>	<b>\$ 467,650</b>



## CITY OF ONTARIO

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

	<b>Special Revenue Funds</b>			
	<b>Storm Drain Maintenance</b>	<b>Ontario Housing Authority</b>	<b>Historic Preservation</b>	<b>NMC Public Services</b>
<b>Assets:</b>				
Cash and investments	\$ 2,036,189	\$ 84,638	\$ 303,305	\$ 3,152,403
Receivables:				
Accounts	112,413	2,675	-	-
Accrued interest	7,832	-	1,075	12,135
Taxes	-	-	-	-
Contracts and notes	-	3,316,321	-	-
Prepaid costs	-	-	-	-
Deposits with others	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	13,078,554	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,156,434</b>	<b>\$ 16,482,188</b>	<b>\$ 304,380</b>	<b>\$ 3,164,538</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 76,261	\$ 63,091	\$ -	\$ -
Accrued liabilities	20,210	-	-	-
Deferred revenues	-	3,316,321	-	-
Deposits payable	1,864	40,000	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	4,649,139	-	-
<b>Total Liabilities</b>	<b>98,335</b>	<b>8,068,551</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	8,079	4,778	-	-
Reserved for prepaid costs	-	-	-	-
Reserved for deposits with others	-	-	-	-
Reserved for land held for resale	-	13,078,554	-	-
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	2,050,020	(4,669,695)	304,380	3,164,538
<b>Total Fund Balances</b>	<b>2,058,099</b>	<b>8,413,637</b>	<b>304,380</b>	<b>3,164,538</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,156,434</b>	<b>\$ 16,482,188</b>	<b>\$ 304,380</b>	<b>\$ 3,164,538</b>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2010**

(Continued)

	<b>Special Revenue Funds</b>		<b>Capital Projects Funds</b>	
	<b>CFD No. 10 - Public Services</b>	<b>NMC CFD</b>	<b>Redevelopment Administration</b>	<b>Redevelopment Area #1</b>
<b>Assets:</b>				
Cash and investments	\$ 137	\$ 103	\$ 2,792,235	\$ 2,051,179
Receivables:				
Accounts	-	-	-	-
Accrued interest	34	26	10,369	23,180
Taxes	-	620	-	-
Contracts and notes	-	-	-	-
Prepaid costs	-	-	21,125	-
Deposits with others	-	-	-	-
Advances to other funds	-	-	-	1,600,000
Land held for resale	-	-	-	20,256,858
Restricted assets:				
Cash and investments	-	-	-	86,627
Cash and investments with fiscal agents	-	-	-	387,491
<b>Total Assets</b>	<b>\$ 171</b>	<b>\$ 749</b>	<b>\$ 2,823,729</b>	<b>\$ 24,405,335</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 126,874	\$ 262,474
Accrued liabilities	-	-	28,300	1,895
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	150,000
Due to other governments	-	-	-	-
Due to other funds	171	749	-	-
Advances from other funds	-	-	-	2,929,611
<b>Total Liabilities</b>	<b>171</b>	<b>749</b>	<b>155,174</b>	<b>3,343,980</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	-	-	58,458	59,293
Reserved for prepaid costs	-	-	21,125	-
Reserved for deposits with others	-	-	-	-
Reserved for land held for resale	-	-	-	20,256,858
Reserved for contracts and notes receivables	-	-	-	-
Reserved for advances to other funds	-	-	-	1,600,000
Unreserved:				
Designated for public safety equipment	-	-	-	-
Designated for capital improvement projects	-	-	2,588,972	-
Designated for debt service	-	-	-	-
Undesignated	-	-	-	(854,796)
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>2,668,555</b>	<b>21,061,355</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 171</b>	<b>\$ 749</b>	<b>\$ 2,823,729</b>	<b>\$ 24,405,335</b>

## CITY OF ONTARIO

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	<b>Capital Projects Funds</b>			
	<b>Redevelopment Area #2</b>	<b>Redevelopment Center City</b>	<b>Redevelopment Cimarron</b>	<b>Redevelopment Guasti</b>
<b>Assets:</b>				
Cash and investments	\$ 3,630,505	\$ 5,297,191	\$ 1,004,988	\$ 191,178
Receivables:				
Accounts	-	-	-	-
Accrued interest	14,272	20,063	1,570	731
Taxes	-	-	-	-
Contracts and notes	-	35,000	-	-
Prepaid costs	-	-	50	-
Deposits with others	-	319,337	-	-
Advances to other funds	-	-	1,073,093	-
Land held for resale	2,570,809	9,292,434	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	60,994	-
<b>Total Assets</b>	<b>\$ 6,215,586</b>	<b>\$ 14,964,025</b>	<b>\$ 2,140,695</b>	<b>\$ 191,909</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 8,371	\$ 22,877	\$ 3,185	\$ -
Accrued liabilities	329	1,895	-	-
Deferred revenues	-	-	-	-
Deposits payable	22,500	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	468,574	2,425,196	200,305	80,041
<b>Total Liabilities</b>	<b>499,774</b>	<b>2,449,968</b>	<b>203,490</b>	<b>80,041</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	37,880	-	-	-
Reserved for prepaid costs	-	-	50	-
Reserved for deposits with others	-	319,337	-	-
Reserved for land held for resale	2,570,809	9,292,434	-	-
Reserved for contracts and notes receivables	-	35,000	-	-
Reserved for advances to other funds	-	-	1,073,093	-
Unreserved:				
Designated for public safety equipment	-	-	-	-
Designated for capital improvement projects	3,107,123	2,867,286	864,062	111,868
Designated for debt service	-	-	-	-
Undesignated	-	-	-	-
<b>Total Fund Balances</b>	<b>5,715,812</b>	<b>12,514,057</b>	<b>1,937,205</b>	<b>111,868</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,215,586</b>	<b>\$ 14,964,025</b>	<b>\$ 2,140,695</b>	<b>\$ 191,909</b>

## CITY OF ONTARIO

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2010**

(Continued)

	<b>Capital Projects Funds</b>		<b>Debt Service Funds</b>	
	<b>Combined Low/Moderate Housing</b>	<b>CFDs</b>	<b>Redevelopment Area #2</b>	<b>Redevelopment Center City</b>
<b>Assets:</b>				
Cash and investments	\$ 17,204,331	\$ 151,747	\$ 7,482,021	\$ 2,840,075
Receivables:				
Accounts	-	-	-	-
Accrued interest	67,206	-	30,503	10,701
Taxes	609,829	-	-	156,593
Contracts and notes	6,557,338	-	-	-
Prepaid costs	3,615	-	-	-
Deposits with others	-	-	-	-
Advances to other funds	5,961,564	-	-	-
Land held for resale	1,084,937	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	935,851	9,215	-	723,479
<b>Total Assets</b>	<b>\$ 32,424,671</b>	<b>\$ 160,962</b>	<b>\$ 7,512,524</b>	<b>\$ 3,730,848</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 74,260	\$ -	\$ 658,840	\$ 338,542
Accrued liabilities	39,455	-	-	-
Deferred revenues	26,608	-	-	-
Deposits payable	2,895	151,897	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	5,149,493	-
<b>Total Liabilities</b>	<b>143,218</b>	<b>151,897</b>	<b>5,808,333</b>	<b>338,542</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	6,670	-	-	-
Reserved for prepaid costs	3,615	-	-	-
Reserved for deposits with others	-	-	-	-
Reserved for land held for resale	1,084,937	-	-	-
Reserved for contracts and notes receivables	6,530,730	-	-	-
Reserved for advances to other funds	5,961,564	-	-	-
Unreserved:				
Designated for public safety equipment	-	-	-	-
Designated for capital improvement projects	18,693,937	9,065	-	-
Designated for debt service	-	-	1,704,191	3,392,306
Undesignated	-	-	-	-
<b>Total Fund Balances</b>	<b>32,281,453</b>	<b>9,065</b>	<b>1,704,191</b>	<b>3,392,306</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 32,424,671</b>	<b>\$ 160,962</b>	<b>\$ 7,512,524</b>	<b>\$ 3,730,848</b>

## CITY OF ONTARIO

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	<b>Debt Service Funds</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Redevelopment Cimarron</b>	<b>Redevelopment Guasti</b>	
<b>Assets:</b>			
Cash and investments	\$ 2,498,634	\$ 2,162,926	\$ 78,260,924
Receivables:			
Accounts	17,223	-	3,199,888
Accrued interest	9,709	8,480	310,193
Taxes	307,292	-	1,084,632
Contracts and notes	-	-	18,215,369
Prepaid costs	-	-	36,688
Deposits with others	-	-	319,337
Advances to other funds	-	-	11,491,647
Land held for resale	-	-	46,984,642
Restricted assets:			
Cash and investments	-	-	1,368,076
Cash and investments with fiscal agents	288,725	-	2,405,755
<b>Total Assets</b>	<b>\$ 3,121,583</b>	<b>\$ 2,171,406</b>	<b>\$ 163,677,151</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 112,624	\$ 181,508	\$ 3,505,398
Accrued liabilities	-	-	1,394,628
Deferred revenues	-	-	7,787,144
Deposits payable	-	-	444,147
Due to other governments	-	-	3,862,495
Due to other funds	-	-	2,219,741
Advances from other funds	2,019,922	500,000	18,422,281
<b>Total Liabilities</b>	<b>2,132,546</b>	<b>681,508</b>	<b>37,635,834</b>
<b>Fund Balances:</b>			
Reserved:			
Reserved for encumbrances	-	-	9,687,167
Reserved for prepaid costs	-	-	36,688
Reserved for deposits with others	-	-	319,337
Reserved for land held for resale	-	-	46,984,642
Reserved for contracts and notes receivables	-	-	6,565,730
Reserved for advances to other funds	-	-	11,491,647
Unreserved:			
Designated for public safety equipment	-	-	435,000
Designated for capital improvement projects	-	-	29,958,109
Designated for debt service	989,037	1,489,898	7,575,432
Undesignated	-	-	12,987,565
<b>Total Fund Balances</b>	<b>989,037</b>	<b>1,489,898</b>	<b>126,041,317</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,121,583</b>	<b>\$ 2,171,406</b>	<b>\$ 163,677,151</b>

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## CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010

	Special Revenue Funds			
	Special Gas Tax	Measure I	Park Impact Fees / Quimby	Community Development
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,779,591	2,125,367	-	6,920,108
Charges for services	-	-	1,247,878	-
Use of money and property	137,801	114,190	280,074	261,173
Fines and forfeitures	-	-	-	-
Miscellaneous	1	45,000	-	-
<b>Total Revenues</b>	<b>3,917,393</b>	<b>2,284,557</b>	<b>1,527,952</b>	<b>7,181,281</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	197,462
Community development	4,969,184	1,815,204	-	5,348,763
Public works	-	-	59,236	99,566
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
<b>Total Expenditures</b>	<b>4,969,184</b>	<b>1,815,204</b>	<b>59,236</b>	<b>5,645,791</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,051,791)	469,353	1,468,716	1,535,490
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,000,000	-	-	-
Transfers out	(2,489,192)	-	(11,889)	(212,147)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,489,192)</b>	<b>-</b>	<b>(11,889)</b>	<b>(212,147)</b>
Net Change in Fund Balances	(2,540,983)	469,353	1,456,827	1,323,343
<b>Fund Balances:</b>				
Beginning of year	7,156,030	3,767,587	7,997,839	2,561,955
<b>End of Year</b>	<b>\$ 4,615,047</b>	<b>\$ 4,236,940</b>	<b>\$ 9,454,666</b>	<b>\$ 3,885,298</b>

## CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Asset Seizure	Mobile Source Air Pollution	Special Assessment/Fee Districts	Building Safety
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 964,400	\$ -
Intergovernmental	593,929	196,096	-	-
Charges for services	-	-	-	1,070,247
Use of money and property	62,018	23,145	81,998	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	61,890	-
<b>Total Revenues</b>	<b>655,947</b>	<b>219,241</b>	<b>1,108,288</b>	<b>1,070,247</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	350,727	-	-	-
Community development	-	459,239	329,748	705,813
Public works	-	-	564,911	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
<b>Total Expenditures</b>	<b>350,727</b>	<b>459,239</b>	<b>894,659</b>	<b>705,813</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	305,220	(239,998)	213,629	364,434
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	162,927	-
Transfers out	-	(102,659)	(172,188)	(137,993)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(102,659)</b>	<b>(9,261)</b>	<b>(137,993)</b>
Net Change in Fund Balances	305,220	(342,657)	204,368	226,441
<b>Fund Balances:</b>				
Beginning of year	1,884,677	1,036,297	2,513,319	206,245
<b>End of Year</b>	<b>\$ 2,189,897</b>	<b>\$ 693,640</b>	<b>\$ 2,717,687</b>	<b>\$ 432,686</b>



## CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010

	Special Revenue Funds			
	Storm Drain Maintenance	Ontario Housing Authority	Historic Preservation	NMC Public Services
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,221	4,277,332	-	-
Charges for services	1,238,426	-	25,000	58,650
Use of money and property	59,088	47,667	8,101	91,944
Fines and forfeitures	10,600	-	-	-
Miscellaneous	14,888	-	-	-
<b>Total Revenues</b>	<b>1,329,223</b>	<b>4,324,999</b>	<b>33,101</b>	<b>150,594</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	868,345	8,402,261	-	-
Public works	341,104	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
<b>Total Expenditures</b>	<b>1,209,449</b>	<b>8,402,261</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	119,774	(4,077,262)	33,101	150,594
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	(237,122)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(237,122)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(117,348)	(4,077,262)	33,101	150,594
<b>Fund Balances:</b>				
Beginning of year	2,175,447	12,490,899	271,279	3,013,944
<b>End of Year</b>	<b>\$ 2,058,099</b>	<b>\$ 8,413,637</b>	<b>\$ 304,380</b>	<b>\$ 3,164,538</b>

## CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010

(Continued)

	Special Revenue Funds		Capital Projects Funds	
	CFD No. 10 - Public Services	NMC CFD	Redevelopment Administration	Redevelopment Area #1
<b>Revenues:</b>				
Taxes	\$ 9,570	\$ 199,347	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	75	(2,331)	80,698	188,148
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	534
<b>Total Revenues</b>	<b>9,645</b>	<b>197,016</b>	<b>80,698</b>	<b>188,682</b>
<b>Expenditures:</b>				
Current:				
General government	750	6,019	989,308	6,559,272
Public safety	-	-	-	-
Community development	-	-	1,898,095	365,426
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
<b>Total Expenditures</b>	<b>750</b>	<b>6,019</b>	<b>2,887,403</b>	<b>6,924,698</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,895	190,997	(2,806,705)	(6,736,016)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	3,271,698	10,202,337
Transfers out	(8,895)	(190,997)	-	(1,882,835)
<b>Total Other Financing Sources (Uses)</b>	<b>(8,895)</b>	<b>(190,997)</b>	<b>3,271,698</b>	<b>8,319,502</b>
Net Change in Fund Balances	-	-	464,993	1,583,486
<b>Fund Balances:</b>				
Beginning of year	-	-	2,203,562	19,477,869
<b>End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,668,555</b>	<b>\$ 21,061,355</b>

## CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010

	Capital Projects Funds			
	Redevelopment Area #2	Redevelopment Center City	Redevelopment Cimarron	Redevelopment Guasti
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	110,465	161,652	14,418	6,916
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>110,465</b>	<b>161,652</b>	<b>14,418</b>	<b>6,916</b>
<b>Expenditures:</b>				
Current:				
General government	138,836	568,545	675,621	3,012
Public safety	524,812	-	-	-
Community development	-	1,564,843	2,359	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
<b>Total Expenditures</b>	<b>663,648</b>	<b>2,133,388</b>	<b>677,980</b>	<b>3,012</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(553,183)	(1,971,736)	(663,562)	3,904
<b>Other Financing Sources (Uses):</b>				
Transfers in	652,831	948,773	1,654,376	91,858
Transfers out	(311,109)	(840,080)	(169,241)	(68,433)
<b>Total Other Financing Sources (Uses)</b>	<b>341,722</b>	<b>108,693</b>	<b>1,485,135</b>	<b>23,425</b>
Net Change in Fund Balances	(211,461)	(1,863,043)	821,573	27,329
<b>Fund Balances:</b>				
Beginning of year	5,927,273	14,377,100	1,115,632	84,539
<b>End of Year</b>	<b>\$ 5,715,812</b>	<b>\$ 12,514,057</b>	<b>\$ 1,937,205</b>	<b>\$ 111,868</b>

## CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010

(Continued)

	Capital Projects Funds		Debt Service Funds	
	Combined Low/Moderate Housing	CFDs	Redevelopment Area #2	Redevelopment Center City
<b>Revenues:</b>				
Taxes	\$ 11,100,953	\$ -	\$ 3,907,293	\$ 2,771,852
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	570,176	-	200,330	55,074
Fines and forfeitures	-	-	-	-
Miscellaneous	304,738	-	-	-
<b>Total Revenues</b>	<b>11,975,867</b>	<b>-</b>	<b>4,107,623</b>	<b>2,826,926</b>
<b>Expenditures:</b>				
Current:				
General government	2,228,642	-	60,465	42,670
Public safety	-	-	-	-
Community development	5,306,251	-	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	356,800	-	-	420,000
Interest and fiscal charges	689,153	-	398,718	434,462
Pass-through agreement payments	-	-	1,189,186	471,219
<b>Total Expenditures</b>	<b>8,580,846</b>	<b>-</b>	<b>1,648,369</b>	<b>1,368,351</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,395,021	-	2,459,254	1,458,575
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	504,989
Transfers out	(383,446)	-	(1,157,820)	(948,773)
<b>Total Other Financing Sources (Uses)</b>	<b>(383,446)</b>	<b>-</b>	<b>(1,157,820)</b>	<b>(443,784)</b>
Net Change in Fund Balances	3,011,575	-	1,301,434	1,014,791
<b>Fund Balances:</b>				
Beginning of year	29,269,878	9,065	402,757	2,377,515
<b>End of Year</b>	<b>\$ 32,281,453</b>	<b>\$ 9,065</b>	<b>\$ 1,704,191</b>	<b>\$ 3,392,306</b>

## CITY OF ONTARIO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010

	<b>Debt Service Funds</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Redevelopment Cimarron</b>	<b>Redevelopment Guasti</b>	
<b>Revenues:</b>			
Taxes	\$ 1,561,578	\$ 779,747	\$ 21,294,740
Intergovernmental	-	-	17,898,644
Charges for services	-	-	3,640,201
Use of money and property	66,580	59,723	2,679,123
Fines and forfeitures	-	-	10,600
Miscellaneous	-	-	427,051
<b>Total Revenues</b>	<b>1,628,158</b>	<b>839,470</b>	<b>45,950,359</b>
<b>Expenditures:</b>			
Current:			
General government	23,265	15,008	11,311,413
Public safety	-	-	1,073,001
Community development	-	-	32,035,531
Public works	-	-	1,064,817
Debt service:			
Principal retirement	225,000	-	1,001,800
Interest and fiscal charges	84,017	8,004	1,614,354
Pass-through agreement payments	419,049	195,250	2,274,704
<b>Total Expenditures</b>	<b>751,331</b>	<b>218,262</b>	<b>50,375,620</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	876,827	621,208	(4,425,261)
<b>Other Financing Sources (Uses):</b>			
Transfers in	57,797	-	18,547,586
Transfers out	(1,654,376)	(91,858)	(11,071,053)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,596,579)</b>	<b>(91,858)</b>	<b>7,476,533</b>
Net Change in Fund Balances	(719,752)	529,350	3,051,272
<b>Fund Balances:</b>			
Beginning of year	1,708,789	960,548	122,990,045
<b>End of Year</b>	<b>\$ 989,037</b>	<b>\$ 1,489,898</b>	<b>\$ 126,041,317</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 SPECIAL GAS TAX  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$7,156,030	\$ 7,156,030	\$ 7,156,030	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,613,321	2,613,321	3,779,591	1,166,270
Use of money and property	60,000	60,000	137,801	77,801
Miscellaneous	-	-	1	1
Transfers in	1,700,000	1,700,000	1,000,000	(700,000)
<b>Amounts Available for Appropriation</b>	<b>11,529,351</b>	<b>11,529,351</b>	<b>12,073,423</b>	<b>544,072</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	4,168,213	9,221,797	4,969,184	4,252,613
Transfers out	2,465,607	2,465,607	2,489,192	(23,585)
<b>Total Charges to Appropriations</b>	<b>6,633,820</b>	<b>11,687,404</b>	<b>7,458,376</b>	<b>4,229,028</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$4,895,531</b>	<b>\$ (158,053)</b>	<b>\$ 4,615,047</b>	<b>\$ 4,773,100</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 MEASURE I  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$3,767,587	\$ 3,767,587	\$ 3,767,587	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	6,095,550	9,305,807	2,125,367	(7,180,440)
Use of money and property	40,000	40,000	114,190	74,190
Miscellaneous	-	-	45,000	45,000
<b>Amounts Available for Appropriation</b>	<b>9,903,137</b>	<b>13,113,394</b>	<b>6,052,144</b>	<b>(7,061,250)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	6,851,299	12,345,358	1,815,204	10,530,154
<b>Total Charges to Appropriations</b>	<b>6,851,299</b>	<b>12,345,358</b>	<b>1,815,204</b>	<b>10,530,154</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$3,051,838</b>	<b>\$ 768,036</b>	<b>\$ 4,236,940</b>	<b>\$ 3,468,904</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE**  
**PARK IMPACT FEES/ QUIMBY**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$7,997,839	\$ 7,997,839	\$ 7,997,839	\$ -
<b>Resources (Inflows):</b>				
Charges for services	-	-	1,247,878	1,247,878
Use of money and property	150,727	150,727	280,074	129,347
<b>Amounts Available for Appropriation</b>	<b>8,148,566</b>	<b>8,148,566</b>	<b>9,525,791</b>	<b>1,377,225</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	-	1,000,000	-	1,000,000
Public works	-	2,780,206	59,236	2,720,970
Transfers out	351,610	351,610	11,889	339,721
<b>Total Charges to Appropriations</b>	<b>351,610</b>	<b>4,131,816</b>	<b>71,125</b>	<b>4,060,691</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$7,796,956</b>	<b>\$ 4,016,750</b>	<b>\$ 9,454,666</b>	<b>\$ 5,437,916</b>



## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY DEVELOPMENT  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$2,561,955	\$ 2,561,955	\$ 2,561,955	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	10,029,067	9,961,954	6,920,108	(3,041,846)
Use of money and property	75,000	75,000	261,173	186,173
<b>Amounts Available for Appropriation</b>	<b>12,666,022</b>	<b>12,598,909</b>	<b>9,743,236</b>	<b>(2,855,673)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	198,477	198,029	197,462	567
Community development	8,522,361	9,150,622	5,348,763	3,801,859
Public works	476,251	476,156	99,566	376,590
Transfers out	490,978	212,147	212,147	-
<b>Total Charges to Appropriations</b>	<b>9,688,067</b>	<b>10,036,954</b>	<b>5,857,938</b>	<b>4,179,016</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$2,977,955</b>	<b>\$ 2,561,955</b>	<b>\$ 3,885,298</b>	<b>\$ 1,323,343</b>

## CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE  
 ASSET SEIZURE  
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$1,884,677	\$ 1,884,677	\$ 1,884,677	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	593,929	593,929
Use of money and property	-	-	62,018	62,018
<b>Amounts Available for Appropriation</b>	<b>1,884,677</b>	<b>1,884,677</b>	<b>2,540,624</b>	<b>655,947</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	460,857	460,978	350,727	110,251
<b>Total Charges to Appropriations</b>	<b>460,857</b>	<b>460,978</b>	<b>350,727</b>	<b>110,251</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$1,423,820</b>	<b>\$ 1,423,699</b>	<b>\$ 2,189,897</b>	<b>\$ 766,198</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 MOBILE SOURCE AIR POLLUTION  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$1,036,297	\$ 1,036,297	\$ 1,036,297	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	200,000	200,000	196,096	(3,904)
Use of money and property	17,948	17,948	23,145	5,197
<b>Amounts Available for Appropriation</b>	<b>1,254,245</b>	<b>1,254,245</b>	<b>1,255,538</b>	<b>1,293</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	32,302	498,779	459,239	39,540
Transfers out	5,159	15,659	102,659	(87,000)
<b>Total Charges to Appropriations</b>	<b>37,461</b>	<b>514,438</b>	<b>561,898</b>	<b>(47,460)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$1,216,784</b>	<b>\$ 739,807</b>	<b>\$ 693,640</b>	<b>\$ (46,167)</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 SPECIAL ASSESSMENT/FEE DISTRICTS  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$2,513,319	\$ 2,513,319	\$ 2,513,319	\$ -
<b>Resources (Inflows):</b>				
Taxes	947,305	976,264	964,400	(11,864)
Charges for services	75,000	55,000	-	(55,000)
Use of money and property	86,176	86,176	81,998	(4,178)
Miscellaneous	100,000	100,000	61,890	(38,110)
Transfers in	223,665	202,350	162,927	(39,423)
<b>Amounts Available for Appropriation</b>	<b>3,945,465</b>	<b>3,933,109</b>	<b>3,784,534</b>	<b>(148,575)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	502,016	508,259	329,748	178,511
Public works	665,317	631,697	564,911	66,786
Transfers out	168,200	164,060	172,188	(8,128)
<b>Total Charges to Appropriations</b>	<b>1,335,533</b>	<b>1,304,016</b>	<b>1,066,847</b>	<b>237,169</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$2,609,932</b>	<b>\$ 2,629,093</b>	<b>\$ 2,717,687</b>	<b>\$ 88,594</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 BUILDING SAFETY  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 206,245	\$ 206,245	\$ 206,245	\$ -
<b>Resources (Inflows):</b>				
Charges for services	860,000	860,000	1,070,247	210,247
Use of money and property	3,704	3,704	-	(3,704)
Miscellaneous	-	275,000	-	(275,000)
<b>Amounts Available for Appropriation</b>	<b>1,069,949</b>	<b>1,344,949</b>	<b>1,276,492</b>	<b>(68,457)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	935,103	1,210,234	705,813	504,421
Transfers out	107,187	107,187	137,993	(30,806)
<b>Total Charges to Appropriations</b>	<b>1,042,290</b>	<b>1,317,421</b>	<b>843,806</b>	<b>473,615</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 27,659</b>	<b>\$ 27,528</b>	<b>\$ 432,686</b>	<b>\$ 405,158</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 STORM DRAIN MAINTENANCE  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$2,175,447	\$ 2,175,447	\$ 2,175,447	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	6,221	6,221
Charges for services	1,211,500	1,211,500	1,238,426	26,926
Use of money and property	39,972	39,972	59,088	19,116
Fines and forfeitures	1,500	1,500	10,600	9,100
Miscellaneous	-	-	14,888	14,888
<b>Amounts Available for Appropriation</b>	<b>3,428,419</b>	<b>3,428,419</b>	<b>3,504,670</b>	<b>76,251</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	939,303	939,303	868,345	70,958
Public works	422,296	423,392	341,104	82,288
Transfers out	256,626	256,626	237,122	19,504
<b>Total Charges to Appropriations</b>	<b>1,618,225</b>	<b>1,619,321</b>	<b>1,446,571</b>	<b>172,750</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$1,810,194</b>	<b>\$ 1,809,098</b>	<b>\$ 2,058,099</b>	<b>\$ 249,001</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE**  
**ONTARIO HOUSING AUTHORITY**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 12,490,899	\$ 12,490,899	\$ 12,490,899	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	8,364,152	9,002,052	4,277,332	(4,724,720)
Use of money and property	-	-	47,667	47,667
Other debts issued	-	557,966	-	(557,966)
<b>Amounts Available for Appropriation</b>	<b>20,855,051</b>	<b>22,050,917</b>	<b>16,815,898</b>	<b>(5,235,019)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	8,364,152	9,560,018	8,402,261	1,157,757
<b>Total Charges to Appropriations</b>	<b>8,364,152</b>	<b>9,560,018</b>	<b>8,402,261</b>	<b>1,157,757</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 12,490,899</b>	<b>\$ 12,490,899</b>	<b>\$ 8,413,637</b>	<b>\$ (4,077,262)</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE**  
**HISTORIC PRESERVATION**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 271,279	\$ 271,279	\$ 271,279	\$ -
<b>Resources (Inflows):</b>				
Charges for services	-	-	25,000	25,000
Use of money and property	5,235	5,235	8,101	2,866
<b>Amounts Available for Appropriation</b>	<b>276,514</b>	<b>276,514</b>	<b>304,380</b>	<b>27,866</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 276,514</b>	<b>\$ 276,514</b>	<b>\$ 304,380</b>	<b>\$ 27,866</b>



## CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE  
 NMC PUBLIC SERVICES  
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$3,013,944	\$ 3,013,944	\$ 3,013,944	\$ -
<b>Resources (Inflows):</b>				
Charges for services	-	-	58,650	58,650
Use of money and property	57,712	57,712	91,944	34,232
<b>Amounts Available for Appropriation</b>	<b>3,071,656</b>	<b>3,071,656</b>	<b>3,164,538</b>	<b>92,882</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$3,071,656</b>	<b>\$ 3,071,656</b>	<b>\$ 3,164,538</b>	<b>\$ 92,882</b>

## CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE  
 CFD NO. 10 - PUBLIC SERVICES  
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Taxes	9,570	9,570	9,570	-
Use of money and property	-	-	75	75
<b>Amounts Available for Appropriation</b>	<b>9,570</b>	<b>9,570</b>	<b>9,645</b>	<b>75</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	9,292	9,292	750	8,542
Transfers out	-	-	8,895	(8,895)
<b>Total Charges to Appropriations</b>	<b>9,292</b>	<b>9,292</b>	<b>9,645</b>	<b>(353)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 278</b>	<b>\$ 278</b>	<b>\$ -</b>	<b>\$ (278)</b>

## CITY OF ONTARIO

BUDGETARY COMPARISON SCHEDULE  
 NMC CFD  
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Taxes	206,220	201,693	199,347	(2,346)
Use of money and property	-	-	(2,331)	(2,331)
<b>Amounts Available for Appropriation</b>	<b>206,220</b>	<b>201,693</b>	<b>197,016</b>	<b>(4,677)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	17,993	17,993	6,019	11,974
Transfers out	-	183,700	190,997	(7,297)
<b>Total Charges to Appropriations</b>	<b>17,993</b>	<b>201,693</b>	<b>197,016</b>	<b>4,677</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 188,227</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 CAPITAL PROJECTS  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 31,451,441	\$ 31,451,441	\$ 31,451,441	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	52,559,343	55,747,097	5,293,029	(50,454,068)
Charges for services	-	-	261,137	261,137
Use of money and property	14,780	14,780	177,421	162,641
Miscellaneous	-	-	28,641	28,641
Transfers in	-	5,000,000	5,000,000	-
<b>Amounts Available for Appropriation</b>	<b>84,025,564</b>	<b>92,213,318</b>	<b>42,211,669</b>	<b>(50,001,649)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	71,934,148	80,448,882	10,124,790	70,324,092
<b>Total Charges to Appropriations</b>	<b>71,934,148</b>	<b>80,448,882</b>	<b>10,124,790</b>	<b>70,324,092</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 12,091,416</b>	<b>\$ 11,764,436</b>	<b>\$ 32,086,879</b>	<b>\$ 20,322,443</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 IMPACT FEES  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 47,130,865	\$ 47,130,865	\$ 47,130,865	\$ -
<b>Resources (Inflows):</b>				
Charges for services	-	3,433,942	1,918,557	(1,515,385)
Use of money and property	940,534	940,534	1,413,077	472,543
Miscellaneous	-	277,000	22,576	(254,424)
<b>Amounts Available for Appropriation</b>	<b>48,071,399</b>	<b>51,782,341</b>	<b>50,485,075</b>	<b>(1,297,266)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	-	82,450	(82,450)
Community development	19,389,450	23,802,543	2,206,557	21,595,986
Public works	-	2,728,641	13,664	2,714,977
Transfers out	-	5,504,738	5,504,738	-
<b>Total Charges to Appropriations</b>	<b>19,389,450</b>	<b>32,035,922</b>	<b>7,807,409</b>	<b>24,228,513</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 28,681,949</b>	<b>\$ 19,746,419</b>	<b>\$ 42,677,666</b>	<b>\$ 22,931,247</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT ADMINISTRATION  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,203,562	\$ 2,203,562	\$ 2,203,562	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	46,333	46,333	80,698	34,365
Transfers in	3,271,698	3,271,698	3,271,698	-
<b>Amounts Available for Appropriation</b>	<b>5,521,593</b>	<b>5,521,593</b>	<b>5,555,958</b>	<b>34,365</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	1,230,567	1,230,567	989,308	241,259
Community development	1,957,404	2,355,803	1,898,095	457,708
<b>Total Charges to Appropriations</b>	<b>3,187,971</b>	<b>3,586,370</b>	<b>2,887,403</b>	<b>698,967</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,333,622</b>	<b>\$ 1,935,223</b>	<b>\$ 2,668,555</b>	<b>\$ 733,332</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE**  
**REDEVELOPMENT AREA #1 - CAPITAL PROJECTS**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 19,477,869	\$ 19,477,869	\$ 19,477,869	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	39,275	39,275	188,148	148,873
Miscellaneous	-	-	534	534
Other debts issued	2,929,612	2,929,612	-	(2,929,612)
Transfers in	2,000,000	7,117,962	10,202,337	3,084,375
<b>Amounts Available for Appropriation</b>	<b>24,446,756</b>	<b>29,564,718</b>	<b>29,868,888</b>	<b>304,170</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	2,833,141	8,297,387	6,559,272	1,738,115
Community development	300,000	509,310	365,426	143,884
Transfers out	1,882,835	1,882,835	1,882,835	-
<b>Total Charges to Appropriations</b>	<b>5,015,976</b>	<b>10,689,532</b>	<b>8,807,533</b>	<b>1,881,999</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 19,430,780</b>	<b>\$ 18,875,186</b>	<b>\$ 21,061,355</b>	<b>\$ 2,186,169</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE**  
**REDEVELOPMENT AREA #2 - CAPITAL PROJECTS**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 5,927,273	\$ 5,927,273	\$ 5,927,273	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	72,188	72,188	110,465	38,277
Other debts issued	468,575	468,575	-	(468,575)
Transfers in	-	-	652,831	652,831
<b>Amounts Available for Appropriation</b>	<b>6,468,036</b>	<b>6,468,036</b>	<b>6,690,569</b>	<b>222,533</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	452,966	452,966	138,836	314,130
Public safety	-	625,730	524,812	100,918
Transfers out	311,109	311,109	311,109	-
<b>Total Charges to Appropriations</b>	<b>764,075</b>	<b>1,389,805</b>	<b>974,757</b>	<b>415,048</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,703,961</b>	<b>\$ 5,078,231</b>	<b>\$ 5,715,812</b>	<b>\$ 637,581</b>



## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE**  
**REDEVELOPMENT CENTER CITY - CAPITAL PROJECTS**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 14,377,100	\$ 14,377,100	\$ 14,377,100	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	38,000	38,000	161,652	123,652
Other debts issued	1,352,103	1,352,103	-	(1,352,103)
Transfers in	-	-	948,773	948,773
<b>Amounts Available for Appropriation</b>	<b>15,767,203</b>	<b>15,767,203</b>	<b>15,487,525</b>	<b>(279,678)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	1,172,949	1,172,949	568,545	604,404
Community development	1,588,350	2,384,060	1,564,843	819,217
Transfers out	840,080	840,080	840,080	-
<b>Total Charges to Appropriations</b>	<b>3,601,379</b>	<b>4,397,089</b>	<b>2,973,468</b>	<b>1,423,621</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 12,165,824</b>	<b>\$ 11,370,114</b>	<b>\$ 12,514,057</b>	<b>\$ 1,143,943</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE**  
**REDEVELOPMENT CIMARRON - CAPITAL PROJECTS**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 1,115,632	\$ 1,115,632	\$ 1,115,632	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	820	820	14,418	13,598
Other debts issued	200,306	200,306	-	(200,306)
Transfers in	110,000	1,441,000	1,654,376	213,376
<b>Amounts Available for Appropriation</b>	<b>1,426,758</b>	<b>2,757,758</b>	<b>2,784,426</b>	<b>26,668</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	191,815	1,522,815	675,621	847,194
Community development	-	-	2,359	(2,359)
Transfers out	169,241	169,241	169,241	-
<b>Total Charges to Appropriations</b>	<b>361,056</b>	<b>1,692,056</b>	<b>847,221</b>	<b>844,835</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,065,702</b>	<b>\$ 1,065,702</b>	<b>\$ 1,937,205</b>	<b>\$ 871,503</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT GUASTI - CAPITAL PROJECTS  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 84,539	\$ 84,539	\$ 84,539	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	1,647	1,647	6,916	5,269
Other debts issued	80,041	80,041	-	(80,041)
Transfers in	45,000	45,000	91,858	46,858
<b>Amounts Available for Appropriation</b>	<b>211,227</b>	<b>211,227</b>	<b>183,313</b>	<b>(27,914)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	76,608	76,608	3,012	73,596
Transfers out	68,433	68,433	68,433	-
<b>Total Charges to Appropriations</b>	<b>145,041</b>	<b>145,041</b>	<b>71,445</b>	<b>73,596</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 66,186</b>	<b>\$ 66,186</b>	<b>\$ 111,868</b>	<b>\$ 45,682</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 COMBINED LOW/MODERATE HOUSING  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 29,269,878	\$ 29,269,878	\$ 29,269,878	\$ -
<b>Resources (Inflows):</b>				
Taxes	8,424,106	8,424,106	11,100,953	2,676,847
Use of money and property	391,723	391,723	570,176	178,453
Miscellaneous	-	-	304,738	304,738
<b>Amounts Available for Appropriation</b>	<b>38,085,707</b>	<b>38,085,707</b>	<b>41,245,745</b>	<b>3,160,038</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	3,018,208	3,018,208	2,228,642	789,566
Community development	11,098,760	11,153,640	5,306,251	5,847,389
Debt service:				
Principal retirement	356,800	356,800	356,800	-
Interest and fiscal charges	689,154	689,154	689,153	1
Transfers out	383,900	383,900	383,446	454
<b>Total Charges to Appropriations</b>	<b>15,546,822</b>	<b>15,601,702</b>	<b>8,964,292</b>	<b>6,637,410</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 22,538,885</b>	<b>\$ 22,484,005</b>	<b>\$ 32,281,453</b>	<b>\$ 9,797,448</b>

## CITY OF MALIBU

**BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT AREA #1 - DEBT SERVICE  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 17,300,998	\$ 17,300,998	\$ 17,300,998	\$ -
<b>Resources (Inflows):</b>				
Taxes	26,496,401	26,496,401	35,383,340	8,886,939
Use of money and property	544,583	544,583	571,252	26,669
Transfers in	325,651	325,651	325,649	(2)
<b>Amounts Available for Appropriation</b>	<b>44,667,633</b>	<b>44,667,633</b>	<b>53,581,239</b>	<b>8,913,606</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	3,962,662	4,862,662	4,429,308	433,354
Debt service:				
Principal retirement	4,905,449	4,905,449	3,530,500	1,374,949
Interest and fiscal charges	8,762,685	10,314,277	8,183,858	2,130,419
Pass-through agreement payments	2,235,634	2,235,634	3,557,996	(1,322,362)
Transfers out	2,000,000	7,117,962	10,202,337	(3,084,375)
Payment to Educational Revenue				
Augmentation Fund	-	16,394,862	16,394,862	-
<b>Total Charges to Appropriations</b>	<b>21,866,430</b>	<b>45,830,846</b>	<b>46,298,861</b>	<b>(468,015)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 22,801,203</b>	<b>\$ (1,163,213)</b>	<b>\$ 7,282,378</b>	<b>\$ 8,445,591</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT AREA #2 - DEBT SERVICE  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 402,757	\$ 402,757	\$ 402,757	\$ -
<b>Resources (Inflows):</b>				
Taxes	3,612,311	3,612,311	3,907,293	294,982
Use of money and property	88,050	88,050	200,330	112,280
<b>Amounts Available for Appropriation</b>	<b>4,103,118</b>	<b>4,103,118</b>	<b>4,510,380</b>	<b>407,262</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	72,246	72,246	60,465	11,781
Debt service:				
Principal retirement	517,483	517,483	-	517,483
Interest and fiscal charges	1,198,718	398,718	398,718	-
Pass-through agreement payments	903,078	903,078	1,189,186	(286,108)
Transfers out	504,989	504,989	1,157,820	(652,831)
<b>Total Charges to Appropriations</b>	<b>3,196,514</b>	<b>2,396,514</b>	<b>2,806,189</b>	<b>(409,675)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 906,604</b>	<b>\$ 1,706,604</b>	<b>\$ 1,704,191</b>	<b>\$ (2,413)</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT CENTER CITY - DEBT SERVICE  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,377,515	\$ 2,377,515	\$ 2,377,515	\$ -
<b>Resources (Inflows):</b>				
Taxes	2,019,958	2,019,958	2,771,852	751,894
Use of money and property	24,066	24,066	55,074	31,008
Transfers in	504,989	504,989	504,989	-
<b>Amounts Available for Appropriation</b>	<b>4,926,528</b>	<b>4,926,528</b>	<b>5,709,430</b>	<b>782,902</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	40,399	40,399	42,670	(2,271)
Debt service:				
Principal retirement	1,521,731	1,521,731	420,000	1,101,731
Interest and fiscal charges	684,835	684,835	434,462	250,373
Pass-through agreement payments	220,933	220,933	471,219	(250,286)
Transfers out	-	-	948,773	(948,773)
<b>Total Charges to Appropriations</b>	<b>2,467,898</b>	<b>2,467,898</b>	<b>2,317,124</b>	<b>150,774</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,458,630</b>	<b>\$ 2,458,630</b>	<b>\$ 3,392,306</b>	<b>\$ 933,676</b>

## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT CIMARRON - DEBT SERVICE  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,708,789	\$ 1,708,789	\$ 1,708,789	\$ -
<b>Resources (Inflows):</b>				
Taxes	1,192,726	1,192,726	1,561,578	368,852
Use of money and property	57,888	57,888	66,580	8,692
Transfers in	58,249	58,249	57,797	(452)
<b>Amounts Available for Appropriation</b>	<b>3,017,652</b>	<b>3,017,652</b>	<b>3,394,744</b>	<b>377,092</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	23,854	23,854	23,265	589
Debt service:				
Principal retirement	278,421	278,421	225,000	53,421
Interest and fiscal charges	230,904	230,904	84,017	146,887
Pass-through agreement payments	335,454	335,454	419,049	(83,595)
Transfers out	110,000	1,441,000	1,654,376	(213,376)
<b>Total Charges to Appropriations</b>	<b>978,633</b>	<b>2,309,633</b>	<b>2,405,707</b>	<b>(96,074)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,039,019</b>	<b>\$ 708,019</b>	<b>\$ 989,037</b>	<b>\$ 281,018</b>



## CITY OF ONTARIO

**BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT GUASTI - DEBT SERVICE  
 YEAR ENDED JUNE 30, 2010**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 960,548	\$ 960,548	\$ 960,548	\$ -
<b>Resources (Inflows):</b>				
Taxes	375,030	375,030	779,747	404,717
Use of money and property	29,935	29,935	59,723	29,788
<b>Amounts Available for Appropriation</b>	<b>1,365,513</b>	<b>1,365,513</b>	<b>1,800,018</b>	<b>434,505</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	7,501	7,501	15,008	(7,507)
Debt service:				
Principal retirement	80,041	80,041	-	80,041
Interest and fiscal charges	8,004	8,004	8,004	-
Pass-through agreement payments	117,197	117,197	195,250	(78,053)
Transfers out	45,000	45,000	91,858	(46,858)
<b>Total Charges to Appropriations</b>	<b>257,743</b>	<b>257,743</b>	<b>310,120</b>	<b>(52,377)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,107,770</b>	<b>\$ 1,107,770</b>	<b>\$ 1,489,898</b>	<b>\$ 382,128</b>

## CITY OF ONTARIO

**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2010**

	<b>Equipment Services</b>	<b>Self Insurance</b>	<b>Information Technology</b>	<b>Total</b>
<b>Assets:</b>				
Current:				
Cash and investments	\$ 27,972,155	\$ 22,959,163	\$ 22,847,411	\$ 73,778,729
Receivables:				
Accounts	553,736	-	82	553,818
Accrued interest	104,950	-	85,635	190,585
Prepaid costs	295	-	56,795	57,090
Inventories	401,505	-	-	401,505
<b>Total Current Assets</b>	<b>29,032,641</b>	<b>22,959,163</b>	<b>22,989,923</b>	<b>74,981,727</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	16,476,193	-	1,027,486	17,503,679
<b>Total Noncurrent Assets</b>	<b>16,476,193</b>	<b>-</b>	<b>1,027,486</b>	<b>17,503,679</b>
<b>Total Assets</b>	<b>\$ 45,508,834</b>	<b>\$ 22,959,163</b>	<b>\$ 24,017,409</b>	<b>\$ 92,485,406</b>
<b>Liabilities and Net Assets:</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ 327,561	\$ 233,710	\$ 148,912	\$ 710,183
Accrued liabilities	65,530	9,298	85,878	160,706
Accrued compensated absences	16,000	3,000	23,000	42,000
Accrued claims and judgments	-	4,247,000	-	4,247,000
<b>Total Current Liabilities</b>	<b>409,091</b>	<b>4,493,008</b>	<b>257,790</b>	<b>5,159,889</b>
Noncurrent:				
Accrued compensated absences	112,990	27,446	249,763	390,199
Accrued claims and judgments	-	9,189,086	-	9,189,086
<b>Total Noncurrent Liabilities</b>	<b>112,990</b>	<b>9,216,532</b>	<b>249,763</b>	<b>9,579,285</b>
<b>Total Liabilities</b>	<b>522,081</b>	<b>13,709,540</b>	<b>507,553</b>	<b>14,739,174</b>
<b>Net Assets:</b>				
Invested in capital assets	16,476,193	-	1,027,486	17,503,679
Unrestricted	28,510,560	9,249,623	22,482,370	60,242,553
<b>Total Net Assets</b>	<b>44,986,753</b>	<b>9,249,623</b>	<b>23,509,856</b>	<b>77,746,232</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 45,508,834</b>	<b>\$ 22,959,163</b>	<b>\$ 24,017,409</b>	<b>\$ 92,485,406</b>

## CITY OF ONTARIO

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2010**

	<b>Equipment Services</b>	<b>Self Insurance</b>	<b>Information Technology</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Sales and service charges	\$ 11,630,690	\$ 8,966,527	\$ 9,109,315	\$ 29,706,532
Miscellaneous	221,329	-	637	221,966
<b>Total Operating Revenues</b>	<b>11,852,019</b>	<b>8,966,527</b>	<b>9,109,952</b>	<b>29,928,498</b>
<b>Operating Expenses:</b>				
Administration and general	2,567,278	2,317,764	3,223,013	8,108,055
Material and supplies	2,231,641	-	2,414,407	4,646,048
Claims expense	-	5,720,744	-	5,720,744
Depreciation expense	3,269,360	-	454,487	3,723,847
<b>Total Operating Expenses</b>	<b>8,068,279</b>	<b>8,038,508</b>	<b>6,091,907</b>	<b>22,198,694</b>
Operating Income (Loss)	3,783,740	928,019	3,018,045	7,729,804
<b>Nonoperating Revenues (Expenses):</b>				
Intergovernmental	125,000	-	-	125,000
Interest revenue	823,078	-	652,177	1,475,255
<b>Total Nonoperating Revenues (Expenses)</b>	<b>948,078</b>	<b>-</b>	<b>652,177</b>	<b>1,600,255</b>
Income (Loss) Before Transfers	4,731,818	928,019	3,670,222	9,330,059
Transfers in	-	-	250,000	250,000
Transfers out	-	-	(1,000,000)	(1,000,000)
Changes in Net Assets	4,731,818	928,019	2,920,222	8,580,059
<b>Net Assets:</b>				
Beginning of Year	40,254,935	8,321,604	20,589,634	69,166,173
<b>End of Fiscal Year</b>	<b>\$ 44,986,753</b>	<b>\$ 9,249,623</b>	<b>\$ 23,509,856</b>	<b>\$ 77,746,232</b>

## CITY OF ONTARIO

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2010**

	<b>Equipment Services</b>	<b>Self Insurance</b>	<b>Information Technology</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 11,337,061	\$ 9,966,527	\$ 9,111,027	\$ 30,414,615
Cash paid to supplies for goods and services	(2,036,400)	(4,217,200)	(2,545,205)	(8,798,805)
Cash paid to employees for services	(2,567,848)	(2,316,237)	(3,155,672)	(8,039,757)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>6,732,813</b>	<b>3,433,090</b>	<b>3,410,150</b>	<b>13,576,053</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers in	-	-	250,000	250,000
Cash transfers out	-	-	(1,000,000)	(1,000,000)
Grants subsidy	125,000	-	-	125,000
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>125,000</b>	<b>-</b>	<b>(750,000)</b>	<b>(625,000)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(1,444,179)	-	(245,085)	(1,689,264)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,444,179)</b>	<b>-</b>	<b>(245,085)</b>	<b>(1,689,264)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	841,991	-	679,127	1,521,118
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>841,991</b>	<b>-</b>	<b>679,127</b>	<b>1,521,118</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>6,255,625</b>	<b>3,433,090</b>	<b>3,094,192</b>	<b>12,782,907</b>
Cash and Cash Equivalents at Beginning of Year	21,716,530	19,526,073	19,753,219	60,995,822
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 27,972,155</b>	<b>\$ 22,959,163</b>	<b>\$ 22,847,411</b>	<b>\$ 73,778,729</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 3,783,740	\$ 928,019	\$ 3,018,045	\$ 7,729,804
Depreciation	3,269,360	-	454,487	3,723,847
(Increase) decrease in accounts receivable	(514,958)	1,000,000	1,075	486,117
(Increase) decrease in prepaid expense	(295)	-	(46,493)	(46,788)
(Increase) decrease in inventories	49,295	-	-	49,295
Increase (decrease) in accounts payable	146,241	(378,393)	(84,305)	(316,457)
Increase (decrease) in accrued liabilities	6,124	1,429	8,949	16,502
Increase (decrease) in claims and judgments	-	1,881,937	-	1,881,937
Increase (decrease) in compensated absences	(6,694)	98	58,392	51,796
<b>Total Adjustments</b>	<b>2,949,073</b>	<b>2,505,071</b>	<b>392,105</b>	<b>5,846,249</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 6,732,813</b>	<b>\$ 3,433,090</b>	<b>\$ 3,410,150</b>	<b>\$ 13,576,053</b>

**Non-Cash Investing, Capital, and Financing Activities:**

During fiscal year 2009-2010, there was no noncash investing, capital or financing activities.

## CITY OF ONTARIO

**COMBINING BALANCE SHEET**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2010**

	<b>Redevelopment Financing Authority</b>	<b>West End Communication s Authority</b>	<b>Assessment District 106 Bond Redemption</b>	<b>Sanitary Collection Treatment</b>
<b>Assets:</b>				
Cash and investments	\$ 7,271	\$ 951,599	\$ 855,877	\$ 1,854,789
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	28	3,673	3,362	-
Deposits	-	-	-	-
Other investments	249,691,522	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	835,128	-	446,864	-
<b>Total Assets</b>	<b>\$ 250,533,949</b>	<b>\$ 955,272</b>	<b>\$ 1,306,103</b>	<b>\$ 1,854,789</b>
Accounts payable	\$ -	\$ -	\$ -	\$ 1,011,554
Due to other governments	250,533,949	955,272	-	843,235
Due to bondholders	-	-	1,306,103	-
Available for other post employment benefits	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 250,533,949</b>	<b>\$ 955,272</b>	<b>\$ 1,306,103</b>	<b>\$ 1,854,789</b>

## CITY OF ONTARIO

**COMBINING BALANCE SHEET**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2010**

(Continued)

	<b>Reassessment Bond Redemption</b>	<b>Assessment District 100A Bond Redemption</b>	<b>Assessment District 100C Bond Redemption</b>	<b>Assessment District 103 Bond Redemption</b>
<b>Assets:</b>				
Cash and investments	\$ 545,564	\$ -	\$ 427,383	\$ 171,263
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	2,107	-	1,651	661
Deposits	-	-	-	-
Other investments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	416,823	-
<b>Total Assets</b>	<b>\$ 547,671</b>	<b>\$ -</b>	<b>\$ 845,857</b>	<b>\$ 171,924</b>
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Due to bondholders	547,671	-	845,857	171,924
Available for other post employment benefits	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 547,671</b>	<b>\$ -</b>	<b>\$ 845,857</b>	<b>\$ 171,924</b>

## CITY OF ONTARIO

**COMBINING BALANCE SHEET**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2010**

	Assessment District 104 Bond Redemption	Assessment District 108 Bond Redemption	Assessment District 107 Bond Redemption	West End Fire and Emergency Response Commission
<b>Assets:</b>				
Cash and investments	\$ 46,766	\$ 914,953	\$ 125,538	\$ 348,122
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	208	3,592	485	1,406
Deposits	-	-	-	18,331
Other investments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	1,368,161	1,326,752	-
<b>Total Assets</b>	<b>\$ 46,974</b>	<b>\$ 2,286,706</b>	<b>\$ 1,452,775</b>	<b>\$ 367,859</b>
Accounts payable	\$ -	\$ -	\$ -	\$ 18,964
Due to other governments	-	-	-	348,895
Due to bondholders	46,974	2,286,706	1,452,775	-
Available for other post employment benefits	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 46,974</b>	<b>\$ 2,286,706</b>	<b>\$ 1,452,775</b>	<b>\$ 367,859</b>

## CITY OF ONTARIO

**COMBINING BALANCE SHEET**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2010**

	Community Facility District No.5 Debt Service	Community Facility District No. 13 Debt Service	Other Post Employment Benefits	Total
<b>Assets:</b>				
Cash and investments	\$ 1,897,557	\$ 309,408	\$ 25,754,900	\$ 34,210,990
Receivables:				
Accounts	-	-	691,086	691,086
Taxes	7,724	-	-	7,724
Accrued interest	7,425	1,195	93,456	119,249
Deposits	-	-	2,010,852	2,029,183
Other investments	-	-	16,313,300	266,004,822
Restricted assets:				
Cash and investments with fiscal agents	985,610	341,468	-	5,720,806
<b>Total Assets</b>	<b>\$ 2,898,316</b>	<b>\$ 652,071</b>	<b>\$ 44,863,594</b>	<b>\$ 308,783,860</b>
Accounts payable	\$ -	\$ -	\$ 5,427	\$ 1,035,945
Due to other governments	-	-	-	252,681,351
Due to bondholders	2,898,316	652,071	-	10,208,397
Available for other post employment benefits	-	-	44,858,167	44,858,167
<b>Total Liabilities</b>	<b>\$ 2,898,316</b>	<b>\$ 652,071</b>	<b>\$ 44,863,594</b>	<b>\$ 308,783,860</b>



## CITY OF ONTARIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2010**

(Continued)

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b><u>Redevelopment Financing Authority</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 416,298	\$ 30,476,143	\$ 30,885,170	\$ 7,271
Receivables:				
Accrued interest	2,434	325	2,731	28
Other investments	206,335,694	52,110,941	8,755,113	249,691,522
Restricted assets:				
Cash and investments with fiscal agents	2,311,578	7,770,211	9,246,661	835,128
Accrued interest	297	-	297	-
<b>Total Assets</b>	<b>\$ 209,066,301</b>	<b>\$ 90,357,620</b>	<b>\$ 48,889,972</b>	<b>\$ 250,533,949</b>
<b>Liabilities:</b>				
Due to other governments	\$ 209,066,301	\$ 90,357,620	\$ 48,889,972	\$ 250,533,949
<b>Total Liabilities</b>	<b>\$ 209,066,301</b>	<b>\$ 90,357,620</b>	<b>\$ 48,889,972</b>	<b>\$ 250,533,949</b>
<b><u>West End Communications Authority</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 922,182	\$ 44,304	\$ 14,887	\$ 951,599
Receivables:				
Accrued interest	5,391	3,673	5,391	3,673
<b>Total Assets</b>	<b>\$ 927,573</b>	<b>\$ 47,977</b>	<b>\$ 20,278</b>	<b>\$ 955,272</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 18,964	\$ 18,964	\$ -
Due to other governments	927,573	29,013	1,314	955,272
<b>Total Liabilities</b>	<b>\$ 927,573</b>	<b>\$ 47,977</b>	<b>\$ 20,278</b>	<b>\$ 955,272</b>
<b><u>Assessment District 106 Bond Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 830,961	\$ 483,451	\$ 458,535	\$ 855,877
Receivables:				
Taxes	2,048	-	2,048	-
Accrued interest	4,958	3,362	4,958	3,362
Restricted assets:				
Cash and investments with fiscal agents	446,864	-	-	446,864
<b>Total Assets</b>	<b>\$ 1,284,831</b>	<b>\$ 486,813</b>	<b>\$ 465,541</b>	<b>\$ 1,306,103</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 1,284,831	\$ 486,813	\$ 465,541	\$ 1,306,103
<b>Total Liabilities</b>	<b>\$ 1,284,831</b>	<b>\$ 486,813</b>	<b>\$ 465,541</b>	<b>\$ 1,306,103</b>

## CITY OF ONTARIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b><u>Sanitary Collection Treatment</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 921,436	\$ 1,321,741	\$ 388,388	\$ 1,854,789
<b>Total Assets</b>	<b>\$ 921,436</b>	<b>\$ 1,321,741</b>	<b>\$ 388,388</b>	<b>\$ 1,854,789</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 1,011,554	\$ -	\$ 1,011,554
Due to other governments	921,436	310,187	388,388	843,235
<b>Total Liabilities</b>	<b>\$ 921,436</b>	<b>\$ 1,321,741</b>	<b>\$ 388,388</b>	<b>\$ 1,854,789</b>
<b><u>Reassessment Bond Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 527,222	\$ 333,553	\$ 315,211	\$ 545,564
Receivables:				
Taxes	382	-	382	-
Accrued interest	3,082	2,107	3,082	2,107
<b>Total Assets</b>	<b>\$ 530,686</b>	<b>\$ 335,660</b>	<b>\$ 318,675</b>	<b>\$ 547,671</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 530,686	\$ 335,660	\$ 318,675	\$ 547,671
<b>Total Liabilities</b>	<b>\$ 530,686</b>	<b>\$ 335,660</b>	<b>\$ 318,675</b>	<b>\$ 547,671</b>
<b><u>Assessment District 100A Bond Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 2,622	\$ 4,562	\$ 7,184	\$ -
<b>Total Assets</b>	<b>\$ 2,622</b>	<b>\$ 4,562</b>	<b>\$ 7,184</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 2,622	\$ 4,562	\$ 7,184	\$ -
<b>Total Liabilities</b>	<b>\$ 2,622</b>	<b>\$ 4,562</b>	<b>\$ 7,184</b>	<b>\$ -</b>
<b><u>Assessment District 100C Bond Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 703,074	\$ 132,615	\$ 408,306	\$ 427,383
Receivables:				
Accrued interest	4,110	1,651	4,110	1,651
Restricted assets:				
Cash and investments with fiscal agents	418,099	105	1,381	416,823
Accrued interest	70	-	70	-
<b>Total Assets</b>	<b>\$ 1,125,353</b>	<b>\$ 134,371</b>	<b>\$ 413,867</b>	<b>\$ 845,857</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 1,125,353	\$ 134,371	\$ 413,867	\$ 845,857
<b>Total Liabilities</b>	<b>\$ 1,125,353</b>	<b>\$ 134,371</b>	<b>\$ 413,867</b>	<b>\$ 845,857</b>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2010

(Continued)

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b><u>Assessment District 103 Bond Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 97,833	\$ 74,975	\$ 1,545	\$ 171,263
Receivables:				
Accrued interest	572	661	572	661
Restricted assets:				
Cash and investments with fiscal agents	1,314,261	333	1,314,594	-
Accrued interest	222	-	222	-
<b>Total Assets</b>	<b>\$ 1,412,888</b>	<b>\$ 75,969</b>	<b>\$ 1,316,933</b>	<b>\$ 171,924</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 1,412,888	\$ 75,969	\$ 1,316,933	\$ 171,924
<b>Total Liabilities</b>	<b>\$ 1,412,888</b>	<b>\$ 75,969</b>	<b>\$ 1,316,933</b>	<b>\$ 171,924</b>
<b><u>Assessment District 104 Bond Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 27,440	\$ 26,930	\$ 7,604	\$ 46,766
Receivables:				
Accrued interest	195	208	195	208
Restricted assets:				
Cash and investments with fiscal agents	324,639	82	324,721	-
Accrued interest	55	-	55	-
<b>Total Assets</b>	<b>\$ 352,329</b>	<b>\$ 27,220</b>	<b>\$ 332,575</b>	<b>\$ 46,974</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 352,329	\$ 27,220	\$ 332,575	\$ 46,974
<b>Total Liabilities</b>	<b>\$ 352,329</b>	<b>\$ 27,220</b>	<b>\$ 332,575</b>	<b>\$ 46,974</b>
<b><u>Assessment District 108 Bond Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 957,493	\$ 1,215,365	\$ 1,257,905	\$ 914,953
Receivables:				
Accrued interest	5,663	3,592	5,663	3,592
Restricted assets:				
Cash and investments with fiscal agents	1,368,160	1	-	1,368,161
<b>Total Assets</b>	<b>\$ 2,331,316</b>	<b>\$ 1,218,958</b>	<b>\$ 1,263,568</b>	<b>\$ 2,286,706</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 2,331,316	\$ 1,218,958	\$ 1,263,568	\$ 2,286,706
<b>Total Liabilities</b>	<b>\$ 2,331,316</b>	<b>\$ 1,218,958</b>	<b>\$ 1,263,568</b>	<b>\$ 2,286,706</b>

## CITY OF ONTARIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2010**

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b><u>Assessment District 107 Bond Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,342,896	\$ 45,853	\$ 1,263,211	\$ 125,538
Receivables:				
Taxes	235	-	235	-
Accrued interest	7,844	485	7,844	485
Restricted assets:				
Cash and investments with fiscal agents	1,375,019	348	48,615	1,326,752
Accrued interest	232	-	232	-
<b>Total Assets</b>	<b>\$ 2,726,226</b>	<b>\$ 46,686</b>	<b>\$ 1,320,137</b>	<b>\$ 1,452,775</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 2,726,226	\$ 46,686	\$ 1,320,137	\$ 1,452,775
<b>Total Liabilities</b>	<b>\$ 2,726,226</b>	<b>\$ 46,686</b>	<b>\$ 1,320,137</b>	<b>\$ 1,452,775</b>
<b><u>West End Fire and Emergency Response Commission</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 340,337	\$ 67,391	\$ 59,606	\$ 348,122
Receivables:				
Accrued interest	2,058	1,406	2,058	1,406
Deposits	-	18,331		18,331
<b>Total Assets</b>	<b>\$ 342,395</b>	<b>\$ 87,128</b>	<b>\$ 61,664</b>	<b>\$ 367,859</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,883	\$ 61,182	\$ 44,101	\$ 18,964
Due to other governments	340,512	25,946	17,563	348,895
<b>Total Liabilities</b>	<b>\$ 342,395</b>	<b>\$ 87,128</b>	<b>\$ 61,664</b>	<b>\$ 367,859</b>
<b><u>Community Facility District No.5 Debt Service</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,915,025	\$ 1,022,681	\$ 1,040,149	\$ 1,897,557
Receivables:				
Taxes	5,170	7,724	5,170	7,724
Accrued interest	11,262	7,425	11,262	7,425
Restricted assets:				
Cash and investments with fiscal agents	985,610	62,511	62,511	985,610
<b>Total Assets</b>	<b>\$ 2,917,067</b>	<b>\$ 1,100,341</b>	<b>\$ 1,119,092</b>	<b>\$ 2,898,316</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 2,917,067	\$ 1,100,341	\$ 1,119,092	\$ 2,898,316
<b>Total Liabilities</b>	<b>\$ 2,917,067</b>	<b>\$ 1,100,341</b>	<b>\$ 1,119,092</b>	<b>\$ 2,898,316</b>

## CITY OF ONTARIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2010**

(Continued)

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b><u>Community Facility District No. 13 Debt Service</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 255,958	\$ 400,202	\$ 346,752	\$ 309,408
Receivables:				
Accrued interest	1,496	1,195	1,496	1,195
Restricted assets:				
Cash and investments with fiscal agents	341,467	1	-	341,468
<b>Total Assets</b>	<b>\$ 598,921</b>	<b>\$ 401,398</b>	<b>\$ 348,248</b>	<b>\$ 652,071</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 598,921	\$ 401,398	\$ 348,248	\$ 652,071
<b>Total Liabilities</b>	<b>\$ 598,921</b>	<b>\$ 401,398</b>	<b>\$ 348,248</b>	<b>\$ 652,071</b>
<b><u>Other Post Employment Benefits</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 18,199,475	\$ 10,404,209	\$ 2,848,784	\$ 25,754,900
Receivables:				
Accounts	-	691,086	-	691,086
Accrued interest	104,420	93,456	104,420	93,456
Deposits	2,011,380	1,486	2,014	2,010,852
Other investments	17,004,386	-	691,086	16,313,300
<b>Total Assets</b>	<b>\$ 37,319,661</b>	<b>\$ 11,190,237</b>	<b>\$ 3,646,304</b>	<b>\$ 44,863,594</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 5,427	\$ -	\$ 5,427
Available for other post employment benefits	37,319,661	11,184,810	3,646,304	44,858,167
<b>Total Liabilities</b>	<b>\$ 37,319,661</b>	<b>\$ 11,190,237</b>	<b>\$ 3,646,304</b>	<b>\$ 44,863,594</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 27,460,252	\$ 46,053,975	\$ 39,303,237	\$ 34,210,990
Receivables:				
Accounts	-	691,086	-	691,086
Taxes	7,835	7,724	7,835	7,724
Accrued interest	153,485	119,546	153,782	119,249
Deposits	2,011,380	19,817	2,014	2,029,183
Other investments	223,340,080	52,110,941	9,446,199	266,004,822
Restricted assets:				
Cash and investments with fiscal agents	8,885,697	7,833,592	10,998,483	5,720,806
Accrued interest	876	-	876	-
<b>Total Assets</b>	<b>\$ 261,859,605</b>	<b>\$ 106,836,681</b>	<b>\$ 59,912,426</b>	<b>\$ 308,783,860</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,883	\$ 1,097,127	\$ 63,065	\$ 1,035,945
Due to other governments	211,255,822	90,722,766	49,297,237	252,681,351
Due to bondholders	13,282,239	3,831,978	6,905,820	10,208,397
Available for other post employment benefits	37,319,661	11,184,810	3,646,304	44,858,167
<b>Total Liabilities</b>	<b>\$ 261,859,605</b>	<b>\$ 106,836,681</b>	<b>\$ 59,912,426</b>	<b>\$ 308,783,860</b>