



---

## **Executive Overview**

# **Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019**

# Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019

A Comprehensive Annual Financial Report (CAFR) is a set of governmental financial statements comprising the financial report of a U.S. governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). A CAFR is compiled by a governmental accounting staff and audited by an external American Institute of Certified Public Accountants (AICPA) certified accounting firm utilizing GASB requirements.

The primary objectives of a financial audit are:

- To express an opinion on the fairness of the financial statements in conformity with generally accepted accounting principles; and
- To determine whether the City has complied with applicable legal requirements in obtaining and expending public funds.

The audit for Fiscal Year 2018-19 was performed in accordance with generally accepted auditing standards by the accounting firm of Lance, Soll & Lunghard, LLP. These standards are required to obtain reasonable assurances that the general purpose financial statements are free from material misstatements. The opinion given in the Report of the Independent Auditors states that the general purpose financial statements present fairly, in all material respects, the financial position of the City of Ontario at June 30, 2019 and the results of the City's operations are in accordance with generally accepted accounting principles.

# Statement of Net Position

## Statement of Net Position as of June 30, 2019

	2019	2018	2017
Current and Other Assets	\$ 1,228,996,074	\$ 1,127,278,640	\$ 1,065,562,842
Capital Assets	1,275,128,825	1,244,895,877	1,221,341,964
Deferred Outflows of Resources	78,136,733	87,512,685	62,557,793
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 2,582,261,632</b>	<b>\$ 2,459,687,202</b>	<b>\$ 2,349,462,599</b>
Current Liabilities	\$ 70,098,804	\$ 59,778,303	\$ 68,783,687
Noncurrent Liabilities	716,704,491	709,204,323	510,229,898
Deferred Inflows of Resources	50,843,569	43,155,245	8,776,475
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 837,646,864</b>	<b>\$ 812,137,871</b>	<b>\$ 587,790,060</b>
Net investment in Capital Assets	\$ 1,144,344,157	\$ 1,112,212,430	\$ 1,084,015,252
Restricted	204,447,913	173,159,525	168,765,887
Unrestricted	395,822,698	362,177,376	508,891,400
<b>Total Net Position</b>	<b>\$ 1,744,614,768</b>	<b>\$ 1,647,549,331</b>	<b>\$ 1,761,672,539</b>

**Assets** - resources owned and controlled by the City that are expected to benefit future operations.

**Deferred Outflows of Resources** - the consumption of net assets applicable to future reporting period. For example, prepaid items and deferred charges.

**Liabilities** - debt or obligations that the City must pay.

**Deferred Inflows of Resources** – the acquisition of net assets applicable to future reporting period. For example, deferred revenue and advance collection.

**Net Investment in Capital Assets** - represent the City's investment in capital assets, less any related outstanding debt used to acquire those assets.

**Net Position** - reflects the City's net worth (Net Position = Assets + Deferred Outflows of Resources - Liabilities - Deferred Inflows of Resources).

# Statement of Activities - Revenues

## Statement of Activities as of June 30, 2019

	2019	2018	2017
Revenues:			
Charges for Services	\$ 236,068,705	\$ 211,400,209	\$ 179,141,648
Operating/Capital Contributions and Grants	72,260,449	80,663,650	100,403,507
Taxes	188,302,753	174,168,715	167,705,909
Motor Vehicle In Lieu – Unrestricted	85,244	91,740	76,099
Use of Money and Property	39,981,183	13,021,759	5,657,782
Other	1,893,524	2,419,853	3,428,836
<b>Total Revenues</b>	<b>\$ 538,591,858</b>	<b>\$ 481,765,926</b>	<b>\$456,413,781</b>

**Charges for Services** - revenues generated from licenses, permits, other fees, fines, forfeitures, and charges paid by the recipients of goods and services offered by the City programs.

**Operating/Capital Contribution and Grants** - grants and contributions from other governments, organizations and individuals that are restricted in some manner.

**Taxes** - property tax, sales tax, transient occupancy tax, business license tax, franchise fee and other taxes.

# Statement of Activities – Expenses and Net Position

## Statement of Activities as of June 30, 2019

	2019	2018	2017
Expenses:			
Governmental Activities			
General Government	\$ 34,587,604	\$ 27,554,284	\$ 36,656,658
Public Safety	178,045,825	178,835,586	136,032,820
Community Development	76,420,858	48,562,452	43,578,638
Public Works	40,398,759	42,308,931	50,703,275
Interest on Long-Term Debt	2,661,754	3,921,536	1,630,517
Business-Type Activities			
Water	52,901,637	41,340,763	41,413,255
Sewer	24,733,369	20,270,716	17,211,364
Integrated Waste	39,475,286	31,337,795	26,663,301
I.T. Fiber	2,027,814	1,770,591	993,456
<b>Total Expenses</b>	<b>\$ 451,252,906</b>	<b>\$ 395,902,654</b>	<b>\$ 354,883,284</b>
Changes In Net Positions	\$ 87,338,952	\$ 85,863,272	\$ 101,530,497
Net Position, July 1	1,647,549,331	1,761,672,539	1,500,269,720
Restatement of Net Position	9,726,485	(199,986,480)	159,872,322
<b>Total Net Position, June 30</b>	<b>\$ 1,744,614,768</b>	<b>\$ 1,647,549,331</b>	<b>\$ 1,761,672,539</b>

**Governmental Activities** – most of the City’s basic services are reported here, including General Government (Elected Officials, Management Services, Financial Services, Human Resources and Economic Development), Public Safety (Police, Fire & Community Improvement), Community Development (Housing, Building, Planning, Engineering, Recreation, Library and Museum), and Public Works (Parks, Streets & Facilities Maintenance). Revenues from property taxes, sales tax, transient occupancy tax (TOT), parking tax, business license tax, etc., finance most of these activities.

**Business-Type Activities** – the City charges a fee to customers to recover all or most of the cost of certain services it provides. The City’s water, sewer, integrated waste, and Information Technology (IT) fiber operations are reported in this category.

# General Fund Available Resources

## General Fund Reserves as of June 30, 2019

	2019	2018	2017
Nonspendable	\$ 46,472,802	\$ 46,318,442	\$ 33,893,841
Restricted	438,872	430,484	424,497
Committed	415,884	21,066,012	28,877,191
Assigned	84,063,218	47,410,303	52,081,697
<b>Total Fund Balance</b>	<b>\$ 131,390,776</b>	<b>\$ 115,225,241</b>	<b>\$ 115,277,226</b>

**General Fund** - includes the following funds: General Fund, General Fund Grants, Facility Maintenance and General Fund Trust.

**Nonspendable** – portion of resources that cannot be spent because of their type. For example, inventories, prepaid costs and receivables.

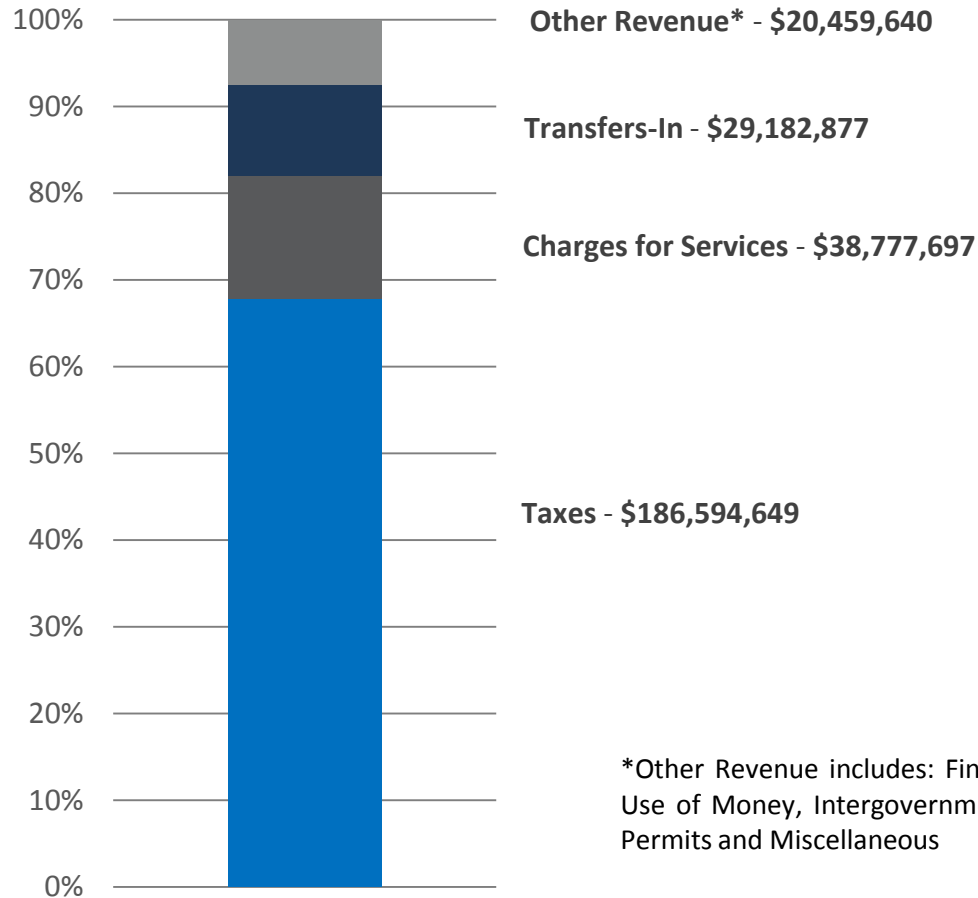
**Restricted** – limitations imposed by grantors, laws or regulations. For example, projects funded by CDBG or bonds.

**Committed** – limitation imposed at the highest level of decision making that requires formal action at the same level to remove. For example, compensated absences and city facilities projects.

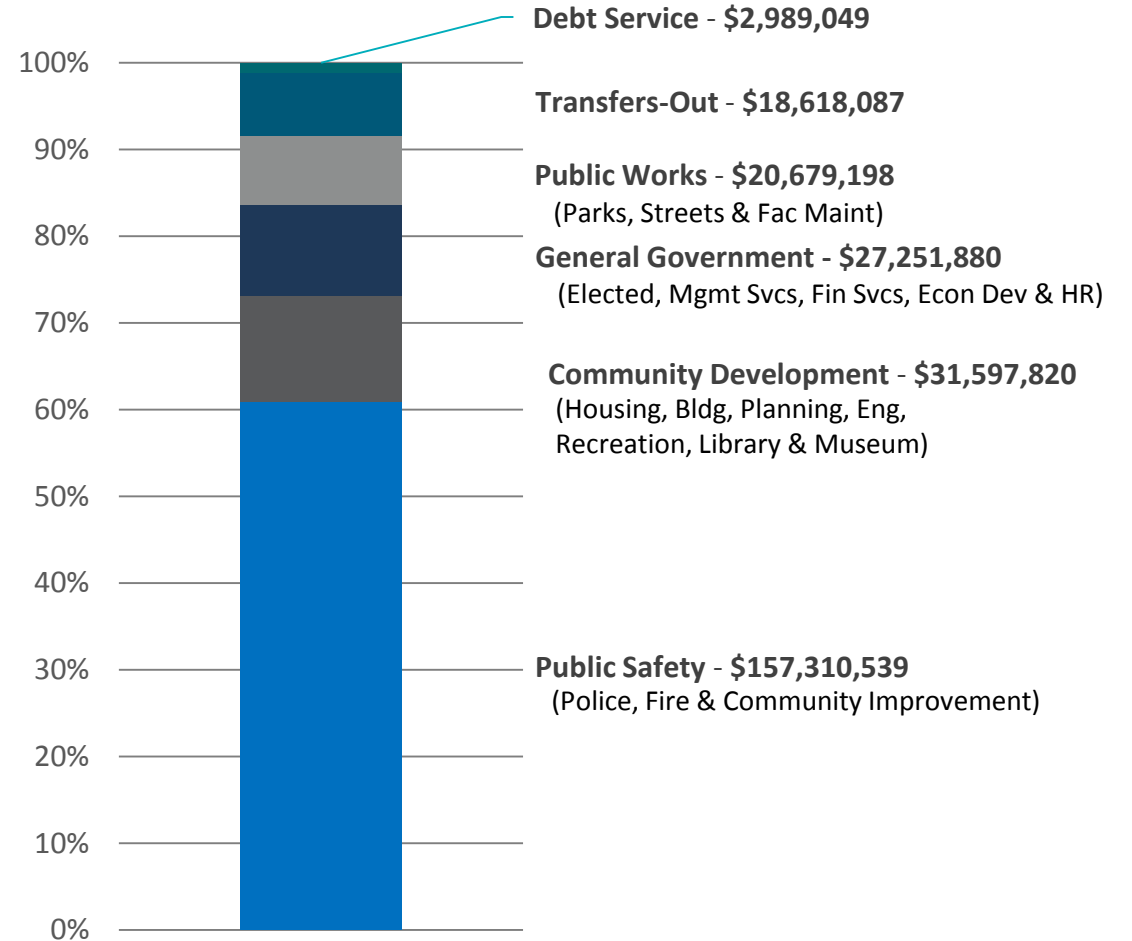
**Assigned** – intended use established by the highest level of decision making body designated for that purpose. For example, the 18 percent Stabilization Plan and equipment replacement.

# General Fund Revenues vs. Expenditures

Revenues - \$275,014,863



Expenditures by Type - \$258,446,573



# General Fund Revenues

General Fund Revenues as of June 30, 2019			
	2019	2018	2017
Revenue By Source:			
Property Tax	61,707,945	\$ 55,636,371	\$ 52,975,647
Sales Tax	94,486,731	87,910,014	86,168,797
Transient Occupancy Tax	14,945,483	14,586,233	13,886,637
Other Taxes	15,454,490	15,472,802	14,235,877
Licenses & Permits	5,067,374	4,887,991	4,384,727
Intergovernmental	3,132,474	4,540,398	5,170,893
Charges for Services	38,777,697	30,768,155	9,960,386
Use of Money & Property	7,072,112	1,758,523	1,063,385
Fines & Forfeitures	1,185,028	1,007,271	1,136,159
Miscellaneous	4,002,652	7,445,883	5,776,786
Transfers from Other Funds	29,182,877	35,308,019	32,183,311
<b>Total Revenues By Source</b>	<b>\$275,014,863</b>	<b>\$ 259,321,660</b>	<b>\$ 226,942,605</b>



# General Fund Expenditures by Function

## General Fund Expenditures as of June 30, 2019

	2019	2018	2017
Expenditures By Function:			
General Government	\$ 27,251,880	\$ 23,517,450	\$ 24,500,521
Public Safety	157,310,539	156,245,698	134,053,016
Community Development	31,597,820	30,683,188	28,940,209
Public Works	20,679,198	19,337,803	18,105,811
Debt Service	2,989,049	4,289,158	3,222,190
Transfers to Other Funds	18,618,087	25,300,348	25,859,833
<b>Total Revenues By Source</b>	<b>\$ 258,446,573</b>	<b>\$ 259,373,645</b>	<b>\$ 234,681,580</b>