

**ONTARIO HOUSING
SUCCESSOR AGENCY**

ONTARIO, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2016

ONTARIO HOUSING SUCCESSOR AGENCY
ONTARIO, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2016

ONTARIO HOUSING SUCCESSOR AGENCY

JUNE 30, 2016

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report	1
Independent Auditors' Report on Compliance with Applicable Requirements and on Internal Control over Compliance	4
Basic Financial Statements	
Statement of Net Position and Governmental Fund Balance Sheet	7
Statement of Activities and Governmental Statement of Revenues, Expenditure and Changes in Fund Balances	8
Notes to Financial Statements	9
Required Supplementary Information	
Budgetary Comparison Schedule	15
Computation of Low and Moderate Excess/Surplus	16



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ontario Housing Authority
City of Ontario, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major governmental fund of the Ontario Housing Successor Agency, (the Housing Successor), a Special Revenue Fund of the City of Ontario, California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Housing Successor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



To the Board of Directors
Ontario Housing Authority
City of Ontario, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major governmental fund of the Ontario Housing Successor, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule of the Ontario Housing Successor be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

We have audited the financial statements of the Ontario Housing Successor as of and for the year ended June 30, 2016, and have issued our report thereon dated December 20, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying report on excess/surplus calculation is presented for purposes of additional analysis only and is not a required part of the financial statements. Such information is the responsibility of management and was derived from the financial statements. The report on excess/surplus calculation has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016 on our consideration of the Housing Successor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal



CPAs AND ADVISORS

To the Board of Directors
Ontario Housing Authority
City of Ontario, California

control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Successor's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Brea, California
December 20, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENT AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors
Ontario Housing Authority
City of Ontario, California

Report on Compliance for the Housing Successor

We have audited the Ontario Housing Successor's (Housing Successor) compliance with the type of compliance requirements described in the California Health and Safety Code sections applicable to California Housing Successor Agencies for the year ending June 30, 2016.

Management's Responsibility

Management is responsible for compliance with the California Health and Safety Code sections applicable to California Housing Successor Agencies.

Auditor's Responsibility

Our responsibility is to express an opinion on the Housing Successor's compliance with the California Health and Safety Code sections applicable to California Housing Successor Agencies. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred above that could have a direct and material effect on Housing Successor occurred. An audit includes examining, on a test basis, evidence about the Housing Successor's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Housing Successor. However, our audit does not provide a legal determination of the Housing Successor's compliance with those requirements.

Opinion

In our opinion, the Housing Successor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Housing Successor for the year ending June 30, 2016.

Other Matters

The results of our auditing procedures disclosed the following instance of noncompliance:

Housing Successor Annual Report

In accordance with Section 65400 of the Government Code, the Housing Successor is required to submit an Annual Progress Report to the governing body, the Office of Planning and Research, and the Department of Housing and Community Development





To the Board of Directors
Ontario Housing Authority
City of Ontario, California

by April 1 following the fiscal year end. It was noted that the Housing Successor's annual report for fiscal year 2014-2015 was submitted on April 11, 2016 to the Office of Planning and Research, and the Department of Housing and Community Development, after its required due date. We recommend that the Housing Successor submit the report on a timely basis.

Management's Response: We agree with your recommendation. Fiscal Services will work closely with the Planning Department to make sure the Housing Successor Annual Report which is attached to the Annual Progress Report is filed on time with the Department of Housing and Community Development.

Report on Internal Control over Compliance

Management of the Housing Successor is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Successor's internal control over compliance with the types of requirements that could have a direct and material effect on the Housing Successor to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal controls over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Successor's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance of California Health and Safety Code sections applicable to California Housing Successor Agencies on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of California Health and Safety Code sections applicable to California Housing Successor Agencies will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Excess/Surplus Calculation

We have audited the financial statements of the governmental activities and the major governmental fund of the Ontario Housing Authority as of and for the year ended June 30, 2016, and have issued our report thereon dated December 20, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying report on excess/surplus calculation is presented for purposes of additional analysis only and is not a required part of the financial statements. Such information is the responsibility of management and was derived from the financial statements. The report on excess/surplus calculation has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance.



To the Board of Directors
Ontario Housing Authority
City of Ontario, California

Housing Successor's Response to Findings

The Housing Successor's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of California Health and Safety Code sections applicable to California Housing Successor Agencies. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lughard, LLP

Brea, California
December 20, 2016

ONTARIO HOUSING SUCCESSOR AGENCY

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
 JUNE 30, 2016

	Governmental Fund	Reclassifications and Eliminations	Statement of Net Position
Assets:			
Cash and investments	\$ 855,146	\$ -	\$ 855,146
Receivables:			
Notes and loans	7,464,841	-	7,464,841
Accrued interest	2,234	-	2,234
Land held for resale	1,081,837	-	1,081,837
Total Assets	\$ 9,404,058	-	9,404,058
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 8,220	-	8,220
Deposits payable	2,895	-	2,895
Total Liabilities	11,115	-	11,115
Deferred Inflows of Resources:			
Unavailable revenues	4,848	(4,848)	-
Total Deferred Inflows of Resources	4,848	(4,848)	-
Fund Balances/Net Position:			
Fund Balances			
Restricted			
Low and moderate housing activities	9,388,095	(9,388,095)	-
Total Fund Balances	9,388,095	(9,388,095)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,404,058		
Net Position:			
Restricted for:			
Affordable Housing		9,388,095	9,392,943
Total Net Position		\$ (4,848)	\$ 9,392,943

ONTARIO HOUSING SUCCESSOR AGENCY

STATEMENT OF ACTIVITIES AND GOVERNMENTAL STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2016

	<u>Governmental Fund</u>	<u>Reclassifications and Eliminations</u>	<u>Statement of Activities</u>
Revenues:			
Use of money and property	\$ 188,435	\$ (2,211)	\$ 186,224
Total Revenues	188,435	(2,211)	186,224
Expenditures:			
Current:			
Community development	57,261	-	57,261
Total Expenditures	57,261	-	57,261
Excess (Deficiency) of Revenues Over/(Under) Expenditures	131,174	(2,211)	128,963
Fund Balances/Net Position:			
Beginning of year	9,256,921	7,059	9,263,980
End of Year	\$ 9,388,095	\$ 4,848	\$ 9,392,943

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The Ontario Redevelopment Agency (the Agency) was activated on November 1, 1971, pursuant to the State of California Health and Safety Code, Section 33000 et seq., entitled Community Redevelopment Law (CLR). Sections 33334.2 and 33334.3 require the Agency to use not less than 20 percent of taxes allocated to the Agency pursuant to Section 33670 of the CRL for the purpose of increasing, improving, and preserving the community's supply of low and moderate income housing ("Low and Moderate Income Housing Fund"). The Agency has continuously utilized its Low and Moderate Income Housing Fund for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost.

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government.

On January 10, 2012, and in accordance with California Health and Safety Code Section 34176, the City Council as part of City resolution number 2012-002 designated the Ontario Housing Authority (the "Authority") to receive all of the housing assets, rights, powers, duties, obligations, liabilities and functions previously performed by the Agency's Low and Moderate Income Housing Fund, including enforcement of affordability covenants and performance of related activities pursuant to applicable provisions of the CRL. As such, the assets, liabilities, deferred inflows and outflows, net position and activities of the former redevelopment agency's Low and Moderate Income Housing Fund are now reported as a special revenue fund of the Ontario Housing Authority.

The attached basic financial statements contain information relative only to the Ontario Housing Successor Agency Fund (the "Housing Successor"), a separate special revenue fund of the Ontario Housing Authority.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all activities of the Housing Successor. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

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

1. Cash and Investments

The Housing Successor'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. Investments are reported at fair value. The Housing Successor pools its cash and investments with the Authority and the City of Ontario.

2. Receivables and Payables

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

3. Land Held for Resale

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

4. Deferred inflow of resource

The balance sheet of the governmental fund is reporting deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The item, unavailable revenue, is reported in the governmental funds balance sheet for grant receivable that will be recognized as an inflow of resources in the period when the amounts become available.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

5. Fund Balance

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

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

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

Amounts that are constrained by the Authority's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The Commissioners of the Authority has delegated the authority to assign amounts to be used for specific purposes to the Executive Director or the Finance Director of the City of Ontario for the purpose of reporting these amounts in the annual financial statements.

Fund Balance Flow Assumptions

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position

The net position reported on the Statement of Net Position in the government-wide financial statements consists of the following three categories:

Investment in Capital Assets - This amount consists of capital assets, net of accumulated depreciation.

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

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

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Net Position Flow Assumption

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

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

Budgetary Data

General Budget Policies

The Governing Board approves each year's budget submitted by the Executive Director prior to the beginning of the new fiscal year. The Board conducts public meetings prior to its adoption. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Supplemental appropriations, when required during the period, are also approved by the Board. Intradepartmental budget changes are approved by the Executive Director. In most cases, expenditures may not exceed appropriations at the departmental level. At fiscal year-end, all operating budget appropriations lapse. During the year, several supplementary appropriations were necessary.

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

III. DETAILED NOTES ON FUNDS

Note 3: Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	<u>\$ 855,146</u>
---	-------------------

The Housing Successor's cash and investments are pooled with the Ontario Housing Authority and the City of Ontario's cash and investments in order to generate optimum interest income. The City has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This pronouncement is an amendment to GASB Statement No. 3. GASB No. 40 establishes and modifies disclosure requirements related to deposit and investment risks. The information required by GASB Statement No. 40 related to authorized investments, credit risk, etc., is available in the annual report of the City.

ONTARIO HOUSING SUCCESSOR AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 4: Contracts and Notes Receivable

Contracts and notes receivable as of June 30, 2016, totaled \$7,464,841 and consist of the following:

In order to assist those individuals and families who are the most in need, the former Ontario Redevelopment Agency's Combined Low and Moderate Housing Fund provided down payment assistance and deferred repayment loans to low and moderate income residents for the acquisition and rehabilitation of single-family homes, condominiums or townhouses located within the Ontario HUD Revitalization Target Area. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2016, was: \$ 2,420,312

On June 7, 1994, the former Ontario Redevelopment Agency's Combined Low and Moderate Housing Fund loaned \$43,000 to a developer to finance the purchase of low and moderate income property located outside of redevelopment project areas. The note is non-interest bearing and was due in full on March 7, 1995. A new note was negotiated on November 11, 1996, and will mature on October 31, 2026. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2016, was: 43,000

On June 7, 1994, the former Ontario Redevelopment Agency's Combined Low and Moderate Housing Fund loaned \$39,000 to a developer to finance the purchase of low and moderate income property located outside of redevelopment project areas. The note is non-interest bearing and was due in full on March 7, 1995. A new note was negotiated on November 8, 1996, and will mature on October 31, 2026. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2016, was: 39,000

On March 16, 1993, the former Ontario Redevelopment Agency accepted a note receivable of \$112,000 from a developer as consideration for housing located outside of the redevelopment areas. The note is non-interest bearing and is due and payable upon the sale or transfer of property. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The unpaid principal balance at June 30, 2016, was: 77,000

On October 4, 1994, the former Redevelopment Agency loaned a developer, Cichon, \$135,030 to finance the cost of rehabilitation and construction of a low and moderate income residence located in the Center City Project Area. On December 5, 1995, the Agency loaned an additional \$4,647, bringing the total amount to \$139,677. During the fiscal year ended June 30, 2000, the Agency advanced an additional \$254. The note is a 25-year amortized loan and bears interest at 5% annually. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2016, was: 44,909

ONTARIO HOUSING SUCCESSOR AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 4: Contracts and Notes Receivable (Continued)

On May 29, 1997, the former Ontario Redevelopment Agency agreed to loan up to \$2,656,200 to Ontario Housing Investors, L.P. to finance development of residential improvements to the Ground Lease premises as defined in a disposition and development agreement dated March 19, 1996. The note bears interest at the rate of 3% per annum. The note is due and payable either: (a) on the first day of the first full calendar month following the date of the last disbursement of the agency loan proceeds, or (b) on the first day of the 15th full calendar month following the date of recordation of the Agency Loan Deed and Trust in the Official Records of the county. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2016, was:

\$ 4,070,627

On March 2, 2010, the former Ontario Redevelopment Agency conveyed the property known as the Mission and Oakland site to the Ontario Housing Authority for a purchase price of \$557,966. The Agency provided a loan to the Housing Authority which is due and payable upon demand with an annual simple interest rate of 6%. The receivable balance at June 30, 2016, was:

769,993

Total Contracts and Notes

\$ 7,464,841

Note 5: Land Held for Resale

Land held for resale of \$1,081,837 in the Housing Successor is recorded at cost as of June 30, 2016.

ONTARIO HOUSING SUCCESSOR AGENCY

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,256,921	\$ 9,256,921	\$ 9,256,921	\$ -
Resources (Inflows):				
Use of money and property	157,055	157,055	188,435	31,380
Amounts Available for Appropriations	9,413,976	9,413,976	9,445,356	31,380
Charges to Appropriations (Outflow):				
Community development	17,634,688	17,634,688	57,261	17,577,427
Total Charges to Appropriations	17,634,688	17,634,688	57,261	17,577,427
Budgetary Fund Balance, June 30	\$ (8,220,712)	\$ (8,220,712)	\$ 9,388,095	\$ 17,608,807

ONTARIO HOUSING SUCCESSOR AGENCY

COMPUTATION OF LOW AND MODERATE
INCOME HOUSING FUND
EXCESS/SURPLUS

	Low and Moderate Housing Funds All Project Area July 1, 2015	Low and Moderate Housing Funds All Project Area June 30, 2016
Opening Fund Balance	\$ 9,256,921	\$ 9,388,095
Less Unavailable Amounts:		
Land held for resale	\$ (1,081,837)	\$ (1,081,837)
Loans receivable	(7,398,473)	(7,464,841)
	<u>(8,480,310)</u>	<u>(8,546,678)</u>
Available Low and Moderate Income Housing Funds	776,611	841,417
Limitation (greater of \$1,000,000 or four years deposits)		
Aggregate amounts deposited for last four years:		
2015 - 2016		\$ 174,635
2014 - 2015	\$ 286,346	286,346
2013 - 2014	297,443	297,443
2012 - 2013	332,387	332,387
2011 - 2012	878,157	N/A
Total	<u>\$ 1,794,333</u>	<u>\$ 1,090,811</u>
Base Limitation	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Greater amount	<u>\$ 1,794,333</u>	<u>\$ 1,090,811</u>
Computed Excess/Surplus	<u>None</u>	<u>None</u>