



OREGON DEPARTMENT  
of VETERANS' AFFAIRS

# VETERANS' HOME PROGRAM ANNUAL FINANCIAL REPORT

ENTERPRISE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Annual Financial Report**  
**Veterans' Home Program**  
**Enterprise Fund of the**  
**Oregon Department of Veterans' Affairs**

*An Agency of the State of Oregon*

**For The Fiscal Year Ended**  
**June 30, 2021**



**Kelly Fitzpatrick**  
Director

**Aaron Hunter, CPA**  
Chief Financial Officer

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## *INTRODUCTORY SECTION*

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# Oregon

Kate Brown, Governor

Department of Veterans' Affairs

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November 01, 2021

To the Honorable Governor Kate Brown and Citizens of the State of Oregon:

We are pleased to provide you with the Annual Financial Report of the Oregon Department of Veterans' Affairs (*the "Department"*) Home Program Enterprise fund, for the fiscal year ended June 30, 2021.

This report is organized and presented in five sections. The **Introductory Section** includes this transmittal letter and an organizational chart. The **Financial Section** includes the independent auditor's report, management's discussion and analysis, the financial statements and accompanying notes. The **Other Supplemental Section** includes the Department's Governmental and Fiduciary funds' financial statements for the purposes of additional analysis. The **Statistical Section** includes selected financial and programmatic information, much of which is presented on a multi-year basis. The **Other Reports** section includes the independent auditor's report on compliance and internal control over financial reporting.

Department management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Department has contracted with Merina and Company for the audit of the Department's Enterprise Fund for the year ended June 30, 2021. Their unmodified opinion on the Enterprise Fund financial statements is included in the Financial Section of this report.

Management's discussion and analysis (*MD&A*) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## OREGON ECONOMY

**Recent Trends** – According to excerpts from the September 2021 Oregon Economic and Revenue Forecast from the Oregon Office of Economic Analysis (*OEA*):

### **Economic Summary**

The economic outlook remains bright. Strong household incomes, boosted considerably by federal aid during the pandemic, are the underlying driver. Consumers have no shortage of firepower if they want to and feel safe enough to spend. The key to the outlook remains translating this firepower into actual consumer spending, particularly in the hard-hit service industries. Firms today are trying to staff up as quickly as possible to meet this increasing demand. The actual number of jobs created this year will be the largest on record in Oregon.

### **Outlook**

The state's labor market is now expected to regain all of its lost jobs by next summer, or one quarter sooner than in the previous forecast. While these dynamics remain intact, the risks are weighted toward the downside. Growth in a supply constrained economy is challenging. Firms are struggling with supply chains and a tight labor market. Wages are rising quickly to attract and retain workers. Prices are increasing as demand continues to outstrip supply. On top of this the current delta wave of the pandemic complicates the immediate term outlook. What matters most economically are shutdowns. A modest pullback in consumer spending in a few categories will not lead to mass layoffs. If anything, any slowing in spending today will likely turn into stronger gains in coming quarters.

This cycle is different. The current recovery will be faster, more complete, and more inclusive than recent experiences coming out of the tech and housing bubbles. As some of the pandemic-specific challenges fade, the underlying economy is on solid footing due to the strength of corporate and household balance sheets.

## **MAJOR INITIATIVES**

***Current Service Efforts and Accomplishments*** - Article XI-A of the Oregon Constitution outlines the broad duties of the Department. The primary Oregon Revised Statutes governing the Department are Chapters 406 through 408.

The ***Veterans' Home Program*** provides professional medical, nursing, rehabilitative, social and other support services primarily to veterans and their spouses residing in an Oregon Veterans' Home.

### **Oregon Veterans' Home, The Dalles**

Located in The Dalles, the original Oregon Veterans' Home (OVH), which opened in November 1997, has the capacity to serve 151 residents and had occupancy of approximately 109 residents at June 30, 2021. The Department owns the OVH and has contracted with Veterans Care Centers of Oregon (VCCO), a non-profit organization, to provide the services needed by the residents.

### **Edward C. Allworth Oregon Veterans' Home, Lebanon**

Located in Linn County (Lebanon) and opened in October 2014, the second Veterans' Home is the Edward C. Allworth Oregon Veterans' Home. The Lebanon Veterans' Home has 154 beds and offers the same services as The Dalles Veterans' Home; however, it was built using a "small house model". This type of design is more costly to build and operate, but provides a more home-like setting for the residents. As of June 30, 2021, the occupancy was approximately 137 residents. The Department owns the Lebanon Veterans' Home and has contracted with VCCO to provide the services needed by the residents.

### **Future Plans**

The Oregon Department of Veterans' Affairs is also in the grant application process with the Federal VA seeking funding for a third Veterans' Home, as authorized by Oregon Revised Statute 408.385.

## FINANCIAL INFORMATION

**Enterprise Fund** - The Veterans' Home Program is an enterprise fund which is used to account for the Department's business-type activities.

At June 30, 2021, the Veterans' Home Program had approximately \$88.0 million in assets (*primarily consisting of cash and cash equivalents, receivables, and capital assets*) and approximately \$5.5 million in liabilities (*primarily consisting of short-term payables and obligations arising from securities lending*).

**Cash Management** - All monies collected by the Department are turned over to the State Treasurer, who is responsible for the control of cash and the investment of State funds. On June 30, 2021, the Department's Home Program cash and cash equivalents (*excluding securities lending collateral*) totaled approximately \$24.7 million.

The Oregon Investment Council, of which the State Treasurer is a member, establishes investment policy for all State of Oregon funds. To further Oregon's economic growth, the Council's continuing policy has been to invest locally when investments of comparable yield, quality, and maturity can be found in state without damaging portfolio diversity. Fortunately for Oregonians, State-imposed safeguards minimize the dangers of investing in highly leveraged financial instruments that have been a cause of national concern. The State Treasurer pools all available cash into the Oregon Short-Term Fund from which investments are made in a variety of financial instruments.

**Acknowledgements** - The preparation of this report reflects the combined efforts of the Department's staff. The professionalism, commitment, and effort of the individuals involved are very much appreciated.

Respectfully submitted,



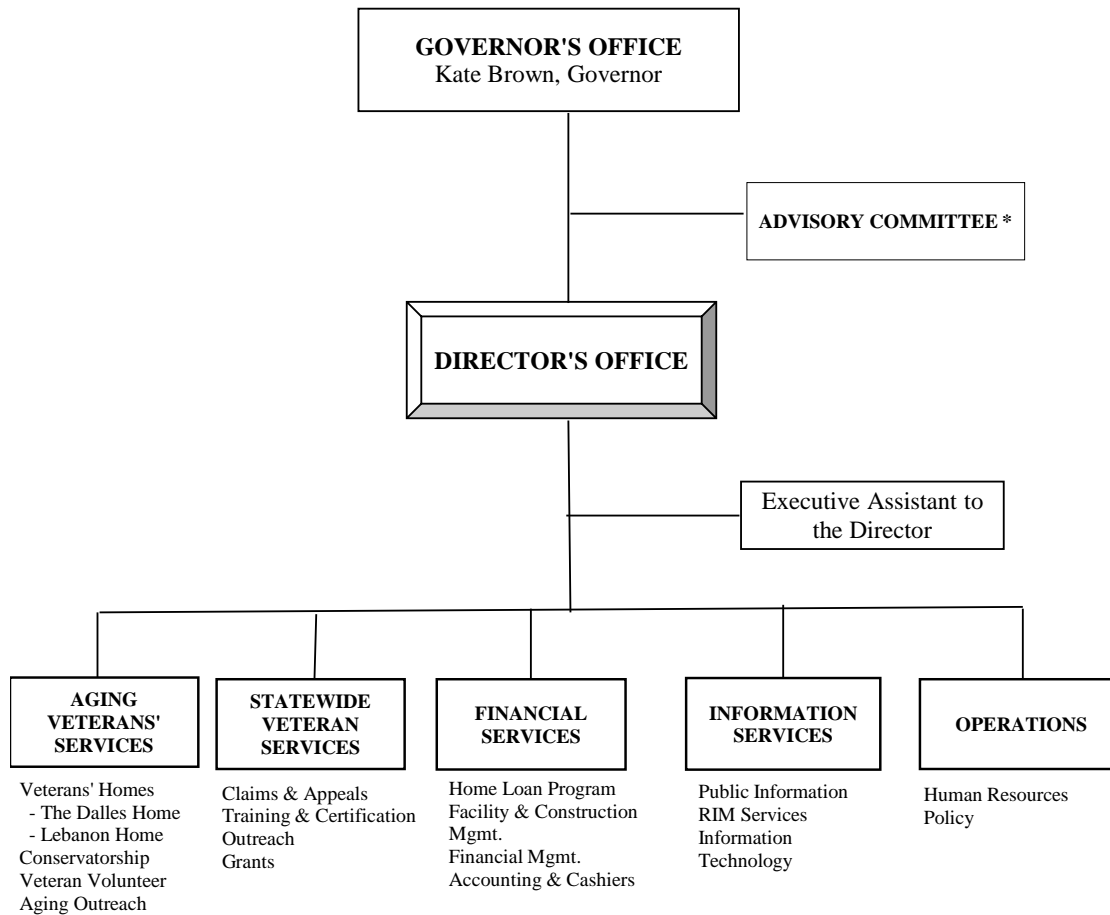
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Kelly Fitzpatrick  
Director



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Aaron Hunter  
Chief Financial Officer



\* The Advisory Committee is a nine-member advisory body appointed by the Governor for four-year terms. The committee advises the Director concerning matters of the operations of the Department and issues affecting veterans and their dependents and survivors who reside in this state.

Advisory Committee Members	Term Expires	Advisory Committee Members	Term Expires
James A Gardner	November 30, 2024	Bob Van Voorhis	April 30, 2023
Christine Gittins	September 30, 2023	Christina V Wood	November 17, 2024
John F Howard	March 15, 2024	Micah J Ashby	November 17, 2024
Reynold L Leno	March 15, 2024	Mayme D Cawvey	November 18, 2024
Nell Stamper	November 30, 2023		





## *FINANCIAL SECTION*

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Kate Brown, Governor of Oregon  
Kelly Fitzpatrick, Director, Oregon Department of Veterans' Affairs

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Veterans' Home Program, an enterprise fund of the State of Oregon, Department of Veterans' Affairs (the Home Program), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Home Program's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Home Program, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Oregon Department of Veterans' Affairs Home Program are intended to present the financial position, and the changes in financial position and cash flows, where applicable, of only the position of the Oregon Department of Veterans' Affairs that is attributable to the transactions of the Home Program. They do not purport to, and do not, present fairly the financial position of the State of Oregon or Oregon Department of Veterans' Affairs as of June 30, 2021, and the changes in their financial position and their cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

The Home Program's 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

### ***Required Supplementary Information***

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and other supplemental, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Reports on Other Legal and Regulatory Requirements**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021 on our consideration of the Home Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Home Program's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Home Program's internal control over financial reporting and compliance.



For Merina+Co  
Tualatin, Oregon  
October 29, 2021

State of Oregon  
Oregon Department of Veterans' Affairs  
Veterans' Home Program  
Management's Discussion and Analysis

This section of the Oregon Department of Veterans' Affairs' (*the "Department"*) Veterans' Home Program Annual Financial Report presents our discussion and analysis of financial performance for the Department's Proprietary Fund during the fiscal year ended June 30, 2021. The selected financial data presented was derived primarily from the financial statements of the Department, which have been audited.

**FINANCIAL HIGHLIGHTS**

- Net position increased from approximately \$80.5 million at June 30, 2020, to approximately \$82.6 million at June 30, 2021, an increase of \$2.1 million, or 2.64%.
- Operating revenues decreased from approximately \$44.0 million at June 30, 2020, to approximately \$39.6 million at June 30, 2021, a decrease of \$4.4 million, or 9.95%.
- Operating expenses increased from approximately \$42.1 million at June 30, 2020, to approximately \$42.2 million at June 30, 2021, an increase of \$58 thousand or 0.14%.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Veterans' Home Program's basic financial statements. The basic financial statements include proprietary fund financial statements and notes to the financial statements. The Veterans' Home Program's basic financial statements do not include department-wide financial statements since only the Veterans' Home Program proprietary fund is audited within this Annual Financial Report. The Department does have a Veterans' Loan Program and a minimal portion of governmental funds that are included in the State of Oregon Annual Comprehensive Financial Report located at <https://www.oregon.gov/das/financial/acctng/pages/pub.aspx>.

The audited Annual Financial Report on the Department's Veterans' Loan Program can be located at: <http://www.oregon.gov/odva/INFO/Pages/AnnualReports.aspx>.

- The Veterans' Home Program's proprietary fund financial statements include a major enterprise fund, which operates similarly to business activities and follow an accrual basis of accounting.
- The notes to the financial statements provide additional information essential to a full understanding of the data provided in the Veterans' Home Program's proprietary fund financial statements.

**OVERVIEW OF THE PROPRIETARY FUNDS FINANCIAL POSITION & OPERATIONS**

Total assets at June 30, 2021 were approximately \$88.0 million, an increase of \$1.9 million from June 30, 2020. The change in assets consists primarily of a \$1.2 million net increase in accounts receivable and construction grants receivable.

Total liabilities at June 30, 2021, were approximately \$5.5 million, a decrease of \$138 thousand from June 30, 2020. The change in liabilities consists primarily of a \$52 thousand decrease in unearned revenue and \$21 thousand decrease in contracts retainage payable.

The Veterans' Home Program's proprietary fund financial position and operations for the past two years are summarized below based on the information included in the basic financial statements.

**Veterans' Home Program - Proprietary Fund  
Statement of Net Position**

	<b>Business Type Activity</b>			
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
<b>Assets:</b>				
Current and Other Assets	\$ 33,109,974	\$ 32,246,134	\$ 863,840	2.68%
Capital Assets	<u>54,907,085</u>	<u>53,829,808</u>	<u>1,077,277</u>	2.00%
<b>Total Assets</b>	<u>\$ 88,017,059</u>	<u>\$ 86,075,942</u>	<u>\$ 1,941,117</u>	2.26%
<b>Deferred Outflows of Resources</b>	<u>\$ 152,695</u>	<u>\$ 109,704</u>	<u>\$ 42,991</u>	39.19%
<b>Liabilities:</b>				
Long Term Liabilities	\$ 480,099	\$ 335,408	\$ 144,691	43.14%
Other Liabilities	<u>5,064,379</u>	<u>5,347,524</u>	<u>(283,145)</u>	-5.29%
<b>Total Liabilities</b>	<u>\$ 5,544,478</u>	<u>\$ 5,682,932</u>	<u>\$ (138,454)</u>	-2.44%
<b>Deferred Inflows of Resources</b>	<u>\$ 12,684</u>	<u>\$ 16,659</u>	<u>\$ (3,975)</u>	-23.86%
<b>Net Position:</b>				
Net Investment in Capital Assets	\$ 54,907,085	\$ 53,829,808	\$ 1,077,277	2.00%
Restricted for OPEB	1,606	3,636	(2,030)	-55.83%
Unrestricted	<u>27,703,901</u>	<u>26,652,611</u>	<u>1,051,290</u>	3.94%
<b>Total Net Position</b>	<u>\$ 82,612,592</u>	<u>\$ 80,486,055</u>	<u>\$ 2,126,537</u>	2.64%

**Cash and Cash Equivalents**

Total cash and cash equivalents decreased by approximately \$72 thousand, or 0.29%, from June 30, 2020 to June 30, 2021.

**Accounts Receivable**

Total accounts receivable related to resident care decreased by approximately \$1.9 million, or 27.29%, from June 30, 2020 to June 30, 2021. The decrease in accounts receivable is related to receipt of Federal VA per diem payments from the prior year that were delayed due to COVID-19 related closures and extended processing time in fiscal year 2020.

**Net Position**

Total Net Position increased by approximately \$2.1 million in fiscal year 2021. The increase in net position is primarily attributable to a 3.1 million increase in construction rebate & grant receivables due to expected reimbursement from the Federal VA for construction activities related to the State Veteran Home Per Diem Program. This is offset by a decrease in resident care receivables of \$1.9 million.

The results of operations for the Veterans' Home Program's proprietary funds are presented in the following table:

**Veterans' Home Program - Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Net Position**

	<b>Business Type Activities</b>			
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
<b>Revenues:</b>				
Resident Revenue (Net)	\$ 39,386,702	\$ 43,403,557	\$ (4,016,855)	-9.25%
Investment Income	204,306	526,207	(321,901)	-61.17%
Other Income	7,167	43,261	(36,094)	-83.43%
<b>Total Revenues</b>	<b>\$ 39,598,175</b>	<b>\$ 43,973,025</b>	<b>(4,374,850)</b>	<b>-9.95%</b>
<b>Expenses:</b>				
Salaries and Other Payroll	\$ 601,259	\$ 422,456	\$ 178,803	42.32%
Securities Lending Investment Expense	137	3,679	(3,542)	-96.28%
Services and Supplies	284,536	462,900	(178,364)	-38.53%
Veterans' Home Operations	39,248,377	39,196,192	52,185	0.13%
Bond Interest	19,859	-	19,859	100.00%
Depreciation	2,023,770	2,034,706	(10,936)	-0.54%
<b>Total Expenses</b>	<b>\$ 42,177,938</b>	<b>\$ 42,119,933</b>	<b>\$ 58,005</b>	<b>0.14%</b>
<b>Operating Income (Loss)</b>	<b>\$ (2,579,763)</b>	<b>\$ 1,853,092</b>	<b>\$ (4,432,855)</b>	<b>-239.21%</b>
<b>Nonoperating Revenue (Expenses)</b>				
Interest Expense - Pension Related Debt	\$ (1,587)	\$ (1,784)	\$ 197	-11.04%
CARES Provider Relief Federal Funds	1,056,474	1,091,342	(34,868)	-3.19%
CRF Federal Funds	366,877	-	366,877	100.00%
<b>Total Nonoperating Revenue (Expenses)</b>	<b>\$ 1,421,764</b>	<b>\$ 1,089,558</b>	<b>\$ 332,206</b>	
<b>Income (Loss) before Transfers and Contributions</b>	<b>\$ (1,157,999)</b>	<b>\$ 2,942,650</b>	<b>\$ (4,100,649)</b>	<b>-139.35%</b>
<b>Transfers and Contributions</b>				
Net Transfers from Veterans' Home Trust Fund	\$ 262,515	\$ 48,050	\$ 214,465	446.34%
Net Transfers to Dept. of Admin Services	(14,260)	(15,336)	1,076	-7.02%
Net Transfers from Article XI-Q Bond Proceeds	19,849	-	19,849	100.00%
Net Transfers to Vets Services CRF Fund	(65,273)	-	(65,273)	-100.00%
Net Transfers to Loan Program CRF Fund	(85,817)	-	(85,817)	-100.00%
Gain (Loss) on Disposition of Assets	(1,651)	-	(1,651)	-100.00%
Capital Contributions	3,169,173	-	3,169,173	100.00%
<b>Total Transfers and Contributions</b>	<b>\$ 3,284,536</b>	<b>\$ 32,714</b>	<b>\$ 3,251,822</b>	<b>9940.15%</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 2,126,537</b>	<b>\$ 2,975,364</b>	<b>\$ (848,827)</b>	<b>-28.53%</b>
<b>Net Position – Beginning</b>	<b>\$ 80,486,055</b>	<b>\$ 77,510,691</b>	<b>\$ 2,975,364</b>	<b>3.84%</b>
<b>Net Position – Ending</b>	<b>\$ 82,612,592</b>	<b>\$ 80,486,055</b>	<b>\$ 2,126,537</b>	<b>2.64%</b>

The Veterans' Home Program's proprietary fund operating revenue is generated principally from resident-related revenues, including monies from the Federal VA, Medicare, Medicaid and resident private pay. In fiscal year 2021, revenue generated through the Veterans' Home Program's proprietary fund totaled approximately \$39.6 million, of which approximately 99% is from resident-related revenue. Expenses of the Veterans' Home Program's proprietary fund consist primarily of operational expenses. The total expenses for proprietary fund activities

totaled approximately \$42.2 million in fiscal year 2021, of which approximately 95% is related to services provided to residents at the Veterans' Homes.

**Requests for Information**

This financial report is designed to provide a general overview of the Department's Veterans' Home Program finances. Questions or requests for additional financial information should be addressed to the Chief Financial Officer, Oregon Department of Veterans' Affairs, 700 Summer Street N.E., Salem, Oregon 97301.



Oregon Department of Veterans' Affairs  
Veterans' Home Program  
Statement of Net Position  
Proprietary Funds  
June 30, 2021

	<b>Business-Type Activity - Enterprise Fund</b>
	<i>Veterans' Home Program</i>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 24,368,963
Cash and Cash Equivalents - Restricted	358,385
Securities Lending Cash Collateral	75,625
Resident Care Receivable	5,114,924
Construction Rebates and Grants	3,163,099
<b>Total Current Assets</b>	<b>\$ 33,080,996</b>
<b>Noncurrent Assets</b>	
Resident Care Receivable (Net)	\$ 27,372
Net OPEB Asset - RHIA Plan	1,606
Capital Assets:	
Building, Property and Equipment	62,210,618
Improvements Other than Buildings	2,318,645
Land	4,648,018
Construction in Progress	1,502,765
Works of Art and Historical Treasures	137,018
Accumulated Depreciation	(15,909,979)
<b>Total Noncurrent Assets</b>	<b>\$ 54,936,063</b>
<b>Total Assets</b>	<b>\$ 88,017,059</b>
<b>Deferred Outflows of Resources</b>	
Pension Related	\$ 150,507
OPEB Related	2,188
<b>Total Deferred Outflows of Resources</b>	<b>\$ 152,695</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 4,058,083
Due to Other Funds	141,423
Unearned Revenue	724,424
Obligations under Securities Lending	75,625
Pension Related Debt	2,512
Compensated Absences Payable	4,843
Contracts Payable - Retainage	57,469
<b>Total Current Liabilities</b>	<b>\$ 5,064,379</b>
<b>Noncurrent Liabilities</b>	
Pension Related Debt	\$ 17,690
Net Pension Liability	447,205
Compensated Absences Payable	2,608
Net OPEB Liability - RHIA & RHIPA Plans	726
Total OPEB Liability - PEBB Plan	11,870
<b>Total Noncurrent Liabilities</b>	<b>\$ 480,099</b>
<b>Total Liabilities</b>	<b>\$ 5,544,478</b>
<b>Deferred Inflows of Resources</b>	
Pension Related	\$ 10,160
OPEB Related	2,524
<b>Total Deferred Inflows of Resources</b>	<b>\$ 12,684</b>
<b>Net Position</b>	
Net Investment in Capital Assets	\$ 54,907,085
Restricted for OPEB	1,606
Unrestricted	27,703,901
<b>Total Net Position</b>	<b>\$ 82,612,592</b>

The accompanying notes are an integral part of the financial statements.

Oregon Department of Veterans' Affairs  
Veterans' Home Program  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2021

	<b>Business-Type Activity - Enterprise Fund</b>
	<i>Veterans' Home Program</i>
<b><u>Operating Revenues</u></b>	
Resident Revenue (Net)	\$ 39,386,702
Investment Income	204,306
Other Income	7,167
<b><i>Total Operating Revenues</i></b>	<b>\$ 39,598,175</b>
<b><u>Operating Expenses</u></b>	
Salaries and Other Payroll	\$ 601,259
Securities Lending Investment Expense	137
Services and Supplies	284,536
Veterans' Home Operations	39,248,377
Bond Interest	19,859
Depreciation	2,023,770
<b><i>Total Operating Expenses</i></b>	<b>\$ 42,177,938</b>
<b>Operating Income (Loss)</b>	<b>\$ (2,579,763)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>	
Interest Expense - Pension Related Debt	\$ (1,587)
CARES Provider Relief Federal Funds	1,056,474
CRF Federal Funds	366,877
<b><i>Total Nonoperating Revenues (Expenses)</i></b>	<b>\$ 1,421,764</b>
<b>Income (Loss) before Transfers and Contributions</b>	<b>\$ (1,157,999)</b>
<b>Transfers and Contributions</b>	
Net Transfers from Veterans' Home Trust Fund	\$ 262,515
Net Transfers from Article XI-Q Bond Proceeds	19,849
Net Transfers to Vets Services CRF Fund	(65,273)
Net Transfers to Loan Program CRF Fund	(85,817)
Net Transfers to Dept. of Administrative Services	(14,260)
Gain (Loss) on Disposition of Assets	(1,651)
Capital Contributions	3,169,173
<b><i>Total Transfers and Contributions</i></b>	<b>\$ 3,284,536</b>
<b><i>Increase (Decrease) in Net Position</i></b>	<b>\$ 2,126,537</b>
<b>Net Position - Beginning</b>	<b>\$ 80,486,055</b>
<b>Net Position - Ending</b>	<b>\$ 82,612,592</b>

*The accompanying notes are an integral part of the financial statements.*

Oregon Department of Veterans' Affairs  
Veterans' Home Program  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2021

	<b>Business-Type Activity - Enterprise Fund</b>
	<i>Veterans' Home Program</i>
<b>Cash Flows from Operating Activities:</b>	
Receipts from Customers	\$ 41,264,677
Payments to Employees for Services	(373,654)
Payments to Suppliers	(38,179,035)
Payments to Other Funds for Services	(1,430,372)
Other Receipts (Payments)	7,168
Net Cash Provided (Used) in Operating Activities	<u>1,288,784</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Principal Payments on Pension-Related Debt	(2,725)
Interest Payments on Pension-Related Debt	(1,587)
CARES Provider Relief Federal Funds	1,272,260
Transfers from Other Funds	282,364
Transfers to Other Funds	(14,260)
Net Cash Provided (Used) in Noncapital Financing Activities	<u>1,536,052</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition of Capital Assets	(3,101,047)
Net Cash Provided (Used) in Capital and Related Financing Activities	<u>(3,101,047)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest on Investments and Cash Balances	204,169
Investment Income from Securities Lending	137
Investment Expense from Securities Lending	(137)
Net Cash Provided (Used) in Investing Activities	<u>204,169</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(72,042)
Cash and Cash Equivalents - Beginning	<u>24,799,390</u>
Cash and Cash Equivalents - Ending	<u>\$ 24,727,348</u>
<b>Reconciled to Statement of Net Position:</b>	
Cash and Cash Equivalents - Current	\$ 24,368,963
Cash and Cash Equivalents - Current, Restricted	358,385
Cash and Cash Equivalents - Ending (shown above)	<u>\$ 24,727,348</u>

The accompanying notes are an integral part of the financial statements. (Continued on next page)

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	<b>Business-Type Activity - Enterprise Fund</b>
	<i>Veterans' Home Program</i>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income	\$ (2,579,763)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization of Capital Assets	2,023,770
Interest Received on Investments Reported as Operating Revenue	(204,306)
Securities Lending Investment Expense	137
Net Changes in Assets and Liabilities:	
Accounts and Interest Receivable	1,930,063
Accounts Payable	40,365
Contracts Payable - Retainage	(21,171)
Due to Other Funds	49,939
Unearned Revenue	(52,087)
Compensated Absences Payable	(1,192)
Net Pension Liability	146,491
Net OPEB Asset - RHIA Plan	2,031
Net OPEB Liability - RHIPA Plan	(903)
Total OPEB Liability	2,376
Net Changes in Deferred Outflows of Resources	
Related to Pensions	(41,960)
Related to OPEB	(1,031)
Net Changes in Deferred Inflow of Resources	
Related to Pensions	(4,176)
Related to OPEB	201
Total Adjustments	<u>3,868,547</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 1,288,784</u></u>

*The accompanying notes are an integral part of the financial statements.*

***Oregon Department of Veterans' Affairs  
Veterans' Home Program  
Proprietary Fund  
Notes to the Financial Statements  
June 30, 2021***

**1. Summary of Significant Accounting Policies**

**Reporting Entity**

The Department is a part of the State of Oregon reporting entity. The Department operates under the provisions of the Oregon Constitution Article XI-A and primarily Oregon Revised Statutes (ORS) chapters 406, 407, and 408. The Department's Director is appointed by the Governor with input from the Advisory Committee and is subject to confirmation by the Oregon Senate. The Director must be a veteran chosen on the basis of his or her executive and administrative ability. The Advisory Committee is a nine-member board, appointed by the Governor that acts in an advisory capacity to the Director concerning all matters upon which the Director requests counsel. The State Legislature has significant ability to influence funding, approve the Department's budget, and pass laws governing the Department.

In 1993 the Legislative Assembly authorized the Department to provide nursing and memory care to veterans and their spouses through an Oregon Veterans' Home. Opened in 1997, the first Oregon Veterans' Home was located in The Dalles. The facility has 151 beds and offers care in a home-like environment, complementing the philosophy of personal independence to some of Oregon's most vulnerable veterans.

In 1995, the Legislative Assembly authorized a second Oregon Veterans' Home. Opened in October 2014, the second Oregon Veterans' Home is located in Lebanon and has 154 beds. Constructed as a small-home design, the Lebanon Veterans' Home provides nursing and memory care residents with private rooms in a community-like atmosphere.

The *Veterans' Home Program* is classified as a proprietary fund activity. The basic financial statements and notes presented herein include only the proprietary fund activity of the Veterans' Home Program.

**Measurement Focus of Accounting and Basis of Presentation**

The accounts of the Department are organized on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording assets, liabilities, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or restrictions.

The Veterans' Home Program is accounted for as a Proprietary fund. The focus of Proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to private-sector business. Proprietary funds are presented using the accrual basis of accounting and the flow of economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses are recognized when the liabilities are incurred.

The basic financial statements and notes presented have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

**Budgetary Process**

The Oregon Legislature approves budgets for a biennial period. Operating expenses are subject to limitation. Limitations lapse at the end of the biennium. For budgetary purposes, these

transactions are recognized when received or paid in cash as opposed to when they are susceptible to accrual.

### **Cash and Cash Equivalents**

Cash and Cash Equivalents include: cash on hand and cash held by the State Treasury in the Oregon Short-Term Fund (*OSTF*). All monies held in the OSTF are considered to be cash equivalents, which is a cash and investment pool having characteristics of a demand deposit account. Investment income is derived from interest earned in the OSTF.

### **Securities Lending Cash Collateral**

The State Treasurer participates in securities lending with a portion of the OSTF. The Department's share of the cash collateral received from broker-dealers is disclosed in the Statement of Net Position as Securities Lending Cash Collateral.

### **Receivables**

Receivables are shown net of an allowance for uncollectible accounts. Receivables included are amounts due that represent revenues earned or accrued in the current period. Types included in this classification pertain to resident-care related and other miscellaneous receivables.

### **Capital Assets**

Capital assets are recorded at cost. Depreciation is calculated using the straight-line method. Gain or loss on the sale of an asset is determined by taking the difference between the carrying value (*cost less depreciation*) and the sale price. The Veterans' Home buildings are depreciated over the estimated useful life (*40 years*). Building-related assets are capitalized and then depreciated over the remaining estimated life of the building. Furniture, equipment, depreciable works of art, land improvements, and data processing hardware and software costing \$5,000 or more are capitalized and then depreciated over a useful life of five years (*10 years for art work and land improvements*).

### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefits and refunds are recognized in the month they are due and payable. Investments are reported at fair value.

### **Compensated Absences Payable**

Accumulated vacation leave and compensatory time (*comp time*) leave is recorded as an expense and a liability of those funds as the benefits accrue to the employees. No liability is recorded for unpaid accumulated sick pay benefits as the state does not pay any amounts when employees separate from state service.

### **Invested in Capital Assets**

This is the Capital Asset component of Net Position (*equity*) net of accumulated depreciation.

### **Operating Revenues and Expenses**

Operating revenues include charges for resident-related care as well as earnings on cash. Administrative expenses, such as veterans' home operations, services and supplies, and

depreciation related to capital assets, are considered operating expenses. All revenues and expenses not meeting this definition would be reported as nonoperating revenues and expenses.

## 2. Deposits and Investments

### Deposits

Cash and cash equivalents for the Veterans' Home Program as of June 30, 2021, are included in the table below:

	TOTAL June 30, 2021
Book Balance - Cash & Cash Equivalents	
Current unrestricted	\$ 24,368,963
Current restricted	\$ 358,385
Combined Book Balance	<u>\$ 24,727,348</u>
Bank Balance - Cash & Cash Equivalents	<u>\$ 24,679,029</u>

As of June 30, 2021, the *Veterans' Home Program* had a combined total of \$24,679,029 held in demand accounts with the State Treasurer and invested in the Oregon Short-Term Fund (OSTF). The OSTF is a cash and investment pool that is available for use by all state funds and eligible local governments. State Treasurer demand deposit accounts and time certificates of deposit investments of the OSTF held in state banks are insured up to the Federal Deposit Insurance (FDIC) amount of \$250,000 for the combined total of all savings deposits. Where interest-bearing balances exceed the FDIC insured amount, the balances are covered by collateral held in a multiple financial institution collateral pool administered by the Oregon Office of the State Treasurer in the Public Funds Collateralization Program (PFCP). Because the pool operates as a demand deposit account, each fund type's portion of this pool is classified on the Statement of Net Position as Cash and Cash Equivalents.

Earnings on the OSTF are allocated based on daily account balances and a variable interest rate determined periodically by the State Treasurer. Securities in the OSTF are primarily held by the State Treasurer's agent in the name of the State of Oregon. Additional information about the OSTF can be found at <https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/pages/default.aspx> or by writing to the Oregon State Treasury, 350 Winter St NE Suite 100, Salem, OR 97301-3896.

### Securities Lending

In accordance with State of Oregon investment policies, state agencies may participate in securities lending. The Department is currently involved in securities lending only with cash balances invested in the Oregon Short-Term Fund (OSTF). As of June 30, 2021, the amount of the fair value of all securities on loan from OSTF allocated to the Veterans' Home Program was \$338,940. OSTF securities on loan in total included U.S. Treasury securities (63.18%), U.S. Agency securities (17.62%) and domestic fixed income securities (19.20%). The amount allocated to the Veterans' Home Program of the fair value of all investments made with the cash collateral

received for those securities on loan was \$75,625. The amount of total collateral received for the securities on loan from OSTF allocated to the Department's Home Program was \$75,628. Additional information about the OSTF and securities lending can be found in the OSTF financial statements at: <https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/pages/default.aspx>.

### **Investment Income**

The following table details the components of Investment Income for the year ended June 30, 2021:

	TOTAL <u>June 30, 2021</u>
Investment Income: Accrual Basis	\$ 204,169
Securities Lending Revenue	137
Investment Income	<u>\$ 204,306</u>

### **3. Resident-Care Receivables**

The following table provides detail on the balances of the resident-care receivables by payor category for the fiscal year ended June 30, 2021:

	TOTAL <u>June 30, 2021</u>
Federal VA	\$ 3,798,880
Medicare Related	281,811
Medicaid Related	905,798
Resident Private Pay	155,807
Total Resident-Care Receivables	<u>\$ 5,142,296</u>

### **4. Capital Assets**

The following table provides detail on the balances and activities of the Department's capital assets for the year ended June 30, 2021:



	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 4,648,018	\$ -	\$ -	\$ 4,648,018
Construction in Progress	1,908,066	2,905,437	(3,310,738)	1,502,765
Works of Art & Historical Treasures	107,018	-	-	107,018
Total Capital Assets Not Being Depreciated	\$ 6,663,102	\$ 2,905,437	\$ (3,310,738)	\$ 6,257,801
<b>Capital Assets Being Depreciated:</b>				
Buildings, Property & Equipment	\$ 58,905,674	\$ 3,496,819	\$ (191,875)	\$ 62,210,618
Improvements Other than Buildings	2,313,910	11,180	(6,445)	2,318,645
Works of Art & Historical Treasures	30,000	-	-	30,000
Total Capital Assets Being Depreciated	\$ 61,249,584	\$ 3,507,999	\$ (198,320)	\$ 64,559,263
<b>Less Accumulated Depreciation:</b>				
Buildings, Property & Equipment	\$ (13,438,645)	\$ (1,793,199)	\$ 190,224	\$ (15,041,620)
Improvements Other than Buildings	(614,233)	(230,571)	6,445	(838,359)
Works of Art & Historical Treasures	(30,000)	-	-	(30,000)
Total Accumulated Depreciation	\$ (14,082,878)	\$ (2,023,770)	\$ 196,669	\$ (15,909,979)
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 47,166,706</b>	<b>\$ 1,484,229</b>	<b>\$ (1,651)</b>	<b>\$ 48,649,284</b>
<b>Total Capital Assets, Net</b>	<b>\$ 53,829,808</b>	<b>\$ 4,389,666</b>	<b>\$ (3,312,389)</b>	<b>\$ 54,907,085</b>

Depreciation expense for year-ended June 30, 2021 was \$2,023,770.

## 5. Changes in Long-Term Liabilities

The following table provides detail on the long-term liability activity as of June 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Net Pension Liability	\$ 300,713	\$ 146,492	\$ -	\$ 447,205	\$ -
Pension-Related Debt	22,928	-	(2,726)	20,202	2,512
Compensated Absences Payable	8,643	-	(1,192)	7,451	4,843
Net OPEB Liability - RHIPA Plan	1,629	-	(903)	726	-
Total OPEB Liability - PEBB Plan	9,494	2,376	-	11,870	-
Total Long-Term Liabilities	<u>\$ 343,407</u>	<u>\$ 148,868</u>	<u>\$ (4,821)</u>	<u>\$ 487,454</u>	<u>\$ 7,355</u>

## 6. Interfund Transactions

At June 30, 2021, there was an outstanding interfund payable of \$141,423 for services performed by Department employees related to the operation of the Veterans' Home Program. The balance is shown as a "Due to Other Funds" on the Statement of Net Position

## **7. Employee Retirement Plan**

### **Plan Description**

As part of the State of Oregon, the Public Employees Retirement System (PERS) provides defined benefit and defined contribution retirement plans to the Department's Home Program employees. PERS is a cost-sharing multiple-employer defined benefit pension plan. All benefits of PERS are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP), established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. The Individual Account Program (IAP) is a defined contribution plan. Beginning January 1, 2004, all member contributions are deposited into the members IAP account. The pension plans provide pension benefits, death benefits and disability benefits.

PERS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

### **Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The rates in effect for the fiscal year ended June 30, 2021 for state agencies general service members were 20.76% for Tier One/Tier Two and 14.48% for OPSRP. The IAP member contribution as set by statute is 6% and is currently paid by the employee.

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the State of Oregon reported a liability of \$6.26 billion for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the State's proportion was 28.7%, which increased from the 28.6% proportion measured as of June 30, 2019.

As part of the State of Oregon, the Home Program was allocated a percentage (0.0020%) of the State's proportionate share in the plan as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 19,682	\$ -
Changes in assumptions	24,000	841
Net difference between projected and actual earnings on investments	52,585	-
Changes in proportion and differences between contributions and proportionate share of contributions	14,390	9,319
Subtotal	110,657	10,160
Net deferred Outflow (Inflow) of Resources before contributions subsequent to measurement date		100,497
Contributions subsequent to measurement date	39,849	
Net Deferred Outflow (Inflow) of Resources		\$ 140,346

### **Pension-Related Debt**

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the State and community colleges were pooled together in the State and Community College Pool (SCCP), while local government employers participated in the Local Government Rate Pool (LGRP). These two pools combined to form the SLGRP effective January 1, 2002. The unfunded actuarial liability (UAL) attributable to the SCCP at the time the SLGRP was formed is maintained separately from the SLGRP and is reduced by contributions and increased for interest charges at the assumed interest rate. The pre-SLGRP liability is essentially a debt owed to the SLGRP by the SCCP employers. The balance of the pre-SLGRP pooled liability attributable to the State is being amortized over the period ending December 31, 2027.

## **8. Risk Financing**

The State of Oregon administers property and casualty insurance programs covering State government through its Central Services Fund (*Insurance Fund*). The Insurance Fund services claims for direct physical loss or damage to State property; tort liability claims brought against the State, its officers, employees, or agents; worker's compensation; employee dishonesty; and faithful performance coverage for certain key positions required by law to be covered, and other key positions.

As a state agency, the Department participates in the Insurance Fund. The cost of servicing insurance claims and payments is covered by charging an assessment to each State entity based on its share of services provided in a prior period. The total statewide assessment for the cost of servicing is based on independent biennial actuarial forecasts and administrative expenses, less any available fund balance in the Insurance Fund from the prior biennium.

Risk Management Division of the Department of Administrative Services is the State's manager for self-insurance, insurance and risk control. Risk Management Division investigates, evaluates and resolves claims for damage to state property and for loss or injury to the public arising out of state activities. Division staff consult with and advise state agencies on claim related loss control issues. State agencies are responsible for informing Risk Management Division in a timely fashion when they become aware that property or liability damage has occurred.

During the fiscal year ended June 30, 2021 there were no significant reductions in insurance coverage in any risk category. Also, for the past ten fiscal years *(July 1, 2011 through June 30, 2021)* there have been no claims that exceeded the Department's property or liability coverage.

## **9. Allowances in Veterans' Home Program**

Revenues are reported net of discounts and allowances in the accompanying financial statements. The amounts netted against Resident Related Revenues are \$401,353 for fiscal year 2021.

## **10. Subsequent Events**

On July 7, 2021, the Department received \$2,837,047 from the Federal VA State Veterans Home Program. These funds were provided through the American Rescue Plan Act to ensure residents continue to receive high quality care throughout the COVID-19 pandemic.



## ***OTHER SUPPLEMENTAL SECTION***

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Oregon Department of Veterans' Affairs  
Veterans' Home Program  
Combining Statement of Net Position - *Unaudited*  
Proprietary Funds  
June 30, 2021

	<b>Business-Type Activities - Enterprise Funds</b>		
	<i>The Dalles Veterans' Home</i>	<i>Lebanon Veterans' Home</i>	<i>Total</i>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 11,937,437	\$ 12,431,526	\$ 24,368,963
Cash and Cash Equivalents - Restricted	193,690	164,695	358,385
Securities Lending Cash Collateral	37,101	38,524	75,625
Resident Care Receivable	2,079,048	3,035,876	5,114,924
Construction Related Receivable	2,186,301	-	2,186,301
<b>Total Current Assets</b>	<b>\$ 16,433,577</b>	<b>\$ 16,647,419</b>	<b>\$ 33,080,996</b>
<b>Noncurrent Assets</b>			
Resident Care Receivable (Net)	\$ 19,958	\$ 7,414	\$ 27,372
Net OPEB Asset - RHIA & RHIPA Plans	803	803	1,606
Capital Assets:			
Building, Property and Equipment	26,787,741	35,422,877	62,210,618
Improvements Other than Buildings	538,964	1,779,681	2,318,645
Land	600,073	4,047,945	4,648,018
Construction in Progress	-	1,502,765	1,502,765
Works of Art and Historical Treasures	89,998	47,020	137,018
Accumulated Depreciation	(9,536,814)	(6,373,165)	(15,909,979)
<b>Total Noncurrent Assets</b>	<b>\$ 18,500,723</b>	<b>\$ 36,435,340</b>	<b>\$ 54,936,063</b>
<b>Total Assets</b>	<b>\$ 34,934,300</b>	<b>\$ 53,082,759</b>	<b>\$ 88,017,059</b>
<b>Deferred Outflows of Resources</b>			
Pension Related	\$ 116,283	\$ 34,224	\$ 150,507
OPEB Related	2,498	(310)	2,188
<b>Total Deferred Outflows of Resources</b>	<b>\$ 118,781</b>	<b>\$ 33,914</b>	<b>\$ 152,695</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 1,528,728	\$ 2,529,355	\$ 4,058,083
Due to Other Funds	69,395	72,028	141,423
Unearned Revenue	313,355	411,069	724,424
Contracts Payable - Retainage	-	57,469	57,469
Obligations under Securities Lending	37,101	38,524	75,625
Pension Related Debt	2,512	-	2,512
Compensated Absences Payable	4,843	-	4,843
<b>Total Current Liabilities</b>	<b>\$ 1,955,934</b>	<b>\$ 3,108,445</b>	<b>\$ 5,064,379</b>
<b>Noncurrent Liabilities</b>			
Pension Related Debt	\$ 17,690	\$ -	\$ 17,690
Net Pension Liability	241,965	205,240	447,205
Compensated Absences Payable	2,608	-	2,608
Net OPEB Liability - RHIA & RHIPA Plans	363	363	726
Total OPEB Liability - PEBB Plan	5,935	5,935	11,870
<b>Total Noncurrent Liabilities</b>	<b>\$ 268,561</b>	<b>\$ 211,538</b>	<b>\$ 480,099</b>
<b>Total Liabilities</b>	<b>\$ 2,224,495</b>	<b>\$ 3,319,983</b>	<b>\$ 5,544,478</b>
<b>Deferred Inflows of Resources</b>			
Pension Related	\$ 4,991	\$ 5,169	\$ 10,160
OPEB Related	1,262	1,262	2,524
<b>Total Deferred Inflows of Resources</b>	<b>\$ 6,253</b>	<b>\$ 6,431</b>	<b>\$ 12,684</b>
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 18,479,962	\$ 36,427,123	\$ 54,907,085
Restricted for OPEB	803	803	1,606
Unrestricted	14,341,568	13,362,333	27,703,901
<b>Total Net Position</b>	<b>\$ 32,822,333</b>	<b>\$ 49,790,259</b>	<b>\$ 82,612,592</b>

Oregon Department of Veterans' Affairs  
Veterans' Home Program  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - *Unaudited*  
Proprietary Funds  
For the Year Ended June 30, 2021

	<b>Business-Type Activities - Enterprise Funds</b>		
	<i>The Dalles Veterans' Home</i>	<i>Lebanon Veterans' Home</i>	<i>Total</i>
<b>Operating Revenues</b>			
Resident Revenue (Net)	\$ 16,899,223	\$ 22,487,479	\$ 39,386,702
Investment Income	95,791	108,515	204,306
Other Income	100	7,067	7,167
<b>Total Operating Revenues</b>	<u>\$ 16,995,114</u>	<u>\$ 22,603,061</u>	<u>\$ 39,598,175</u>
<b>Operating Expenses</b>			
Salaries and Other Payroll	\$ 391,752	\$ 209,507	\$ 601,259
Bond Interest	6,752	13,107	19,859
Securities Lending Investment Expense	67	70	137
Services and Supplies	(7,604)	292,140	284,536
Veterans' Home Operations	17,427,156	21,821,221	39,248,377
Depreciation	871,568	1,152,202	2,023,770
<b>Total Operating Expenses</b>	<u>\$ 18,689,691</u>	<u>\$ 23,488,247</u>	<u>\$ 42,177,938</u>
<b>Operating Income (Loss)</b>	<u>\$ (1,694,577)</u>	<u>\$ (885,186)</u>	<u>\$ (2,579,763)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Expense - Pension Related Debt	\$ (1,587)	\$ -	\$ (1,587)
CARES Provider Relief / CRF - Federal Funds	995,310	428,041	1,423,351
<b>Total Nonoperating Revenues (Expenses)</b>	<u>\$ 993,723</u>	<u>\$ 428,041</u>	<u>\$ 1,421,764</u>
<b>Income (Loss) before Transfers and Contributions</b>	<u>\$ (700,854)</u>	<u>\$ (457,145)</u>	<u>\$ (1,157,999)</u>
<b>Transfers and Contributions</b>			
Net Transfers from Veterans' Home Trust Fund	\$ 118,367	\$ 144,148	\$ 262,515
Net Transfers from Article XI-Q Bond Proceeds	6,749	13,100	19,849
Net Transfers to Dept. of Administrative Services	(10,788)	(3,472)	(14,260)
Net Transfers to Vets Services/Loan Program CRF Fund	(151,090)	-	(151,090)
Gain (Loss) on Disposition of Assets	-	(1,651)	(1,651)
Capital Contributions	2,186,301	982,872	3,169,173
<b>Total Transfers and Contributions</b>	<u>\$ 2,149,539</u>	<u>\$ 1,134,997</u>	<u>\$ 3,284,536</u>
<b>Increase (Decrease) in Net Position</b>	<u>\$ 1,448,685</u>	<u>\$ 677,852</u>	<u>\$ 2,126,537</u>
<b>Net Position - Beginning</b>	<u>\$ 34,623,648</u>	<u>\$ 45,862,407</u>	<u>\$ 80,486,055</u>
<b>Net Position - Ending</b>	<u><u>\$ 36,072,333</u></u>	<u><u>\$ 46,540,259</u></u>	<u><u>\$ 82,612,592</u></u>

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## Governmental Funds

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### General Fund

The General Fund accounts for general governmental operations that are financed by legislatively approved appropriations funded from general revenues. For the Department, general government activities are related to services to veterans. Specifically, general fund dollars cover a portion of the cost for claims and appeals, outreach, conservatorship and other services to veterans. In addition, the General Fund makes available emergency assistance to certain veterans, as well as financial assistance and training to County Veterans' Service Offices and National Veterans' Organizations.

In November 2016, Oregon voters passed an amendment (Measure 96) to Oregon's constitution, which dedicated 1.5% of net lottery proceeds for services to veterans. The Department began receiving legislatively approved lottery appropriations for the 2017-2019 biennium. This type of lottery appropriation is a governmental activity that is not budgeted as General Fund, yet it does not meet the accounting requirements to be reported in other Generally Accepted Accounting Principle (GAAP) funds.

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Veterans' Trust Accounts - The Department accepts donations that can be used to operate the Oregon Veterans' Homes and to provide its residents with amenities to enhance their quality of life. The fund is composed of donations and interest earnings. In addition, the Department maintains other veteran-related trust accounts.

Oregon Department of Veterans' Affairs  
Combined Balance Sheet - *Unaudited*  
**Governmental Funds**  
June 30, 2021

	<u>General Fund</u>	<u>General Fund</u> Lottery	<u>Special Revenue Fund</u> Veterans' Home Trust
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ -	\$ 4,448,299	\$ 4,446,909
Receivables:			
Due from State General Fund	157,191	-	-
Due from Other Funds	124,442	-	10,628
Due from State Lottery Funds	-	3,051,662	-
Federal Grants	-	-	-
Prepaid Items	1,836	-	-
Total Current Assets	<u>283,469</u>	<u>7,499,961</u>	<u>4,457,537</u>
<b>Total Assets</b>	<u>\$ 283,469</u>	<u>\$ 7,499,961</u>	<u>\$ 4,457,537</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 261,519	\$ 932,502	\$ -
Due to Other Funds	<u>19,670</u>	<u>530,208</u>	<u>-</u>
Total Current Liabilities	<u>281,189</u>	<u>1,462,710</u>	<u>-</u>
<b>Total Liabilities</b>	<u>\$ 281,189</u>	<u>\$ 1,462,710</u>	<u>\$ -</u>
<b>Fund Balances</b>			
Nonspendable Fund Balance - Prepaids	\$ 1,836	\$ -	\$ -
Assigned fund Balance	444	-	-
Restricted Fund Balance - Donor/Other External Party	<u>-</u>	<u>6,037,251</u>	<u>4,457,537</u>
<b>Total Fund Balances</b>	<u>\$ 2,280</u>	<u>\$ 6,037,251</u>	<u>\$ 4,457,537</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 283,469</u>	<u>\$ 7,499,961</u>	<u>\$ 4,457,537</u>

<b>Special Revenue Fund</b>	<b>Governmental Funds</b>
<u>Other Veterans' Trust Accounts</u>	<u>Total</u>
\$ 635,785	\$ 9,530,993
-	157,191
-	135,070
-	3,051,662
172,155	172,155
-	1,836
<u>807,940</u>	<u>13,048,907</u>
 \$ <u>807,940</u>	 \$ <u>13,048,907</u>

\$ 47,954	\$ 1,241,975
<u>153,766</u>	<u>703,644</u>
201,720	1,945,619
 \$ <u>201,720</u>	 \$ <u>1,945,619</u>

\$ -	\$ 1,836
-	444
<u>606,220</u>	<u>11,101,008</u>
 \$ <u>606,220</u>	 \$ <u>11,103,288</u>
 \$ <u>807,940</u>	 \$ <u>13,048,907</u>

Oregon Department of Veterans' Affairs

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - *Unaudited*

**Governmental Funds**

For The Fiscal Year Ended June 30, 2021

	<u>General Fund</u>	<u>General Fund</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
		Vet Home Const Bonds	Lottery	Veterans' Home Trust
<b>Revenues</b>				
Federal Revenue	\$ -	\$ -	\$ (58,505)	\$ -
Donations	-	-	-	573,451
Interest Income	-	46	37,325	33,887
Other Income	-	-	15,297	-
<b>Total Revenues</b>	-	46	(5,883)	607,338
<b>Expenditures</b>				
Veterans' Services				
Salaries and Other Payroll	2,228,616	-	2,400,039	-
Services and Supplies	119,780	-	1,754,803	-
Bond Costs	48,350	-	-	-
State Treasury Charges	-	-	-	-
Trust Fund Distributions	-	-	-	-
Rural Transportation Grants	-	-	-	-
Special Payments	1,041,545	-	4,211,953	-
<b>Total Expenditures</b>	3,438,291	-	8,366,795	-
<b>Other Financing Sources (Uses)</b>				
State Appropriations	3,438,291	-	-	-
Transfer In from DMV	-	-	-	113,106
Transfer in from DAS	-	-	8,849,413	-
Transfer in from OHA	-	-	300,000	-
Transfer Out to ODOT	-	-	(500,000)	-
Transfer Out to Counties	-	-	-	-
Transfer Out to Veterans' Home	-	(19,849)	-	(262,515)
<b>Total Other Financing Sources (Uses)</b>	3,438,291	(19,849)	8,649,413	(149,409)
<b>Net Change in Fund Balance</b>	-	(19,803)	276,735	457,929
<b>Beginning Fund Balance</b>	132	19,803	5,702,455	3,999,608
Prior Period Adjustment	444	-	58,061	-
<b>Beginning Fund Balance, Restated</b>	576	19,803	5,760,516	3,999,608
Change in Reserve for Prepaid Items	1,704	-	-	-
<b>Ending Fund Balance</b>	\$ 2,280	\$ -	\$ 6,037,251	\$ 4,457,537

<u>Special Revenue Fund</u>	<u>Governmental Funds</u>
Other Veterans' Trust Accounts	Total
\$ 886,453	\$ 827,948
159,288	732,739
2,731	73,989
-	15,297
<u>1,048,472</u>	<u>1,649,973</u>
306,992	4,935,647
-	1,874,583
-	48,350
1,185	1,185
3,743	3,743
11,121	11,121
-	5,253,498
<u>323,041</u>	<u>12,128,127</u>
-	3,438,291
-	113,106
-	8,849,413
-	300,000
-	(500,000)
(454,004)	(454,004)
-	(282,364)
<u>(454,004)</u>	<u>11,464,442</u>
<u>271,427</u>	<u>986,288</u>
334,793	10,056,791
-	58,505
<u>334,793</u>	<u>10,115,296</u>
-	1,704
<u>\$ 606,220</u>	<u>\$ 11,103,288</u>

Oregon Department of Veterans' Affairs  
Schedule of Legislative Authorization (Non-GAAP Budgetary Basis) - *Unaudited*  
Compared to Actual Expenditures Subject to Budget  
**Governmental Fund**  
For The Biennium Ending June 30, 2021  
As of June 30, 2021

	General Fund				
	2019-2021 Original Budget	2019-2021 Final Budget	First Year Actual June 30, 2020	Second Year Actual June 30, 2021	Variance Favorable/ (Unfavorable)
General Fund:					
Veterans' Services Division - Appropriation	\$ <u>7,974,857</u>	\$ <u>7,589,959</u>	\$ <u>3,181,050</u>	\$ <u>3,451,397</u>	\$ <u>957,512</u>
 Total General Fund	\$ <u>7,974,857</u>	\$ <u>7,589,959</u>	\$ <u>3,181,050</u>	\$ <u>3,451,397</u>	\$ <u>957,512</u>

## Fiduciary Fund

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### Private Purpose Trust Fund

Private Purpose Trust Funds, a type of Fiduciary Fund, account for trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

Conservatorship Private Purpose Trust Fund – As of June 30, 2021, the Department acts as conservator of estates of approximately 124 veterans, survivors, and minor or helpless children of veterans who the court has determined are unable to manage their own financial affairs. Revenue sources include Social Security monies, U.S. Department of Veterans' Affairs benefits, investment income, and other sources of income. Additionally, as of June 30, 2021, the Department acts as representative payee – a more limited financial management position than conservator – for 82 clients upon assignment by the U.S. Department of Veterans' Affairs.

# Oregon Department of Veterans' Affairs

Statement of Net Position - *Unaudited*

## ***Fiduciary Fund***

June 30, 2021

	<b><u>Private Purpose Trust Fund</u></b>	
	<b><u>Conservatorship Program</u></b>	
<b><u>Assets</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$	23,779,885
Investments		2,389,215
Receivables:		
Other		-
Accrued Interest		11,982
Total Current Assets	\$	<u>26,181,082</u>
<b><u>Noncurrent Assets</u></b>		
Conservatorship Real Property	\$	3,217,702
Conservatorship Personal Property		456,612
Total Noncurrent Assets	\$	<u>3,674,314</u>
<b>Total Assets</b>	\$	<u><u>29,855,396</u></u>
<b><u>Liabilities</u></b>		
<b><u>Current Liabilities</u></b>		
Mortgages on Conservatorship Real Property	\$	<u>28,452</u>
Total Current Liabilities	\$	<u>28,452</u>
<b><u>Noncurrent Liabilities</u></b>		
Mortgages on Conservatorship Real Property	\$	<u>985,871</u>
Total Noncurrent Liabilities	\$	<u>985,871</u>
<b>Total Liabilities</b>	\$	<u>1,014,323</u>
<b><u>Net Position</u></b>		
<b>Net Position Held in Trust for Individuals</b>	\$	<u>28,841,073</u>
<b>Total Net Position</b>	\$	<u><u>28,841,073</u></u>



Oregon Department of Veterans' Affairs  
Statement of Changes in Net Position  
**Fiduciary Fund**

For The Fiscal Year Ended June 30, 2021

	<u>Private Purpose Trust Fund</u>
	<u>Conservatorship Program</u>
<b>Additions</b>	
<b><u>Contributions:</u></b>	
Veterans' Benefits	\$ 11,104,906
<b><u>Investment Income:</u></b>	
Interest Income	\$ 187,184
Valuation Changes and Redemptions of Investments	<u>352,918</u>
<b>Total Additions</b>	<b>\$ <u>11,645,008</u></b>
<b><u>Deductions</u></b>	
Veterans' Services: Beneficiary Care	\$ <u>9,129,175</u>
<b>Total Deductions</b>	<b>\$ <u>9,129,175</u></b>
<b>Net Increase/ (Decrease)</b>	<b>\$ <u>2,515,833</u></b>
<b>Change in Net Position</b>	<b>\$ <u><u>2,515,833</u></u></b>
<b>Beginning Net Position</b>	<b>\$ 26,325,240</b>
<b>Ending Net Position</b>	<b>\$ <u><u>28,841,073</u></u></b>

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## *STATISTICAL SECTION*

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Oregon Department of Veterans' Affairs  
Assets, Liabilities, and Net Position - *Unaudited*  
Veterans' Home Program (The Dalles Veterans' Home only)  
For The Fiscal Years Ended 2012 - 2021

<b>Assets</b>	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 11,937,437	\$ 11,805,517	\$ 11,942,400	\$ 8,459,192	\$ 9,822,719
Cash and Cash Equivalents - Restricted	193,690	424,339	-	-	-
Securities Lending Cash Collateral	37,101	182,836	379,072	195,218	75,898
Resident Care Receivable	2,079,048	3,164,446	1,392,102	1,669,935	2,269,120
Construction Rebates and Grant Receivable	2,186,301	-	-	586,310	533,593
Other Receivable	-	-	-	-	6,132
Due from Other Funds	-	-	-	-	-
<b>Total Current Assets</b>	<b>\$ 16,433,577</b>	<b>\$ 15,577,138</b>	<b>\$ 13,713,574</b>	<b>\$ 10,910,655</b>	<b>\$ 12,707,462</b>
<b>Noncurrent Assets</b>					
Cash and Cash Equivalents - Restricted	\$ -	\$ -	\$ -	\$ 4,291	\$ -
Resident Care Receivable (Net)	19,958	20,278	43,522	52,020	205,835
Net Pension Asset	-	-	-	-	-
Net OPEB Asset - RHIA Plan	803	1,818	1,234	492	-
Capital Assets:					
Building, Property and Equipment	26,787,741	23,459,266	23,446,962	17,645,105	16,468,082
Improvements Other than Buildings	538,964	534,228	534,228	497,231	497,231
Land	600,073	600,073	600,073	600,073	600,073
Construction in Progress	-	1,723,471	126,597	5,646,455	816,941
Works of Art and Historical Treasures	89,998	89,998	89,998	89,998	89,998
Accumulated Depreciation	(9,536,814)	(8,791,329)	(7,971,063)	(7,179,435)	(6,663,252)
<b>Total Noncurrent Assets</b>	<b>\$ 18,500,723</b>	<b>\$ 17,637,803</b>	<b>\$ 16,871,551</b>	<b>\$ 17,356,230</b>	<b>\$ 12,014,908</b>
<b>Total Assets</b>	<b>\$ 34,934,300</b>	<b>\$ 33,214,941</b>	<b>\$ 30,585,125</b>	<b>\$ 28,266,885</b>	<b>\$ 24,722,370</b>
<b>Deferred Outflows of Resources</b>					
Pension Related	\$ 116,283	\$ 89,573	\$ 83,672	\$ 79,809	\$ 121,707
OPEB Related	2,498	1,714	1,982	1,612	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 118,781</b>	<b>\$ 91,287</b>	<b>\$ 85,654</b>	<b>\$ 81,421</b>	<b>\$ 121,707</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 35,053,081</b>	<b>\$ 33,306,228</b>	<b>\$ 30,670,779</b>	<b>\$ 28,348,306</b>	<b>\$ 24,844,077</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 1,528,728	\$ 1,882,049	\$ 1,434,166	\$ 1,813,229	\$ 1,501,887
Due to Other Funds	69,395	45,467	22,125	22,914	48,932
Contracts Payable - Retainage	-	78,640	-	252,903	-
Deposit Liabilities	-	-	-	-	-
Unearned Revenue	313,355	528,095	62,085	135,621	129,234
Obligations Under Securities Lending	37,101	182,836	379,072	195,218	75,898
Pension-Related Debt	2,512	2,381	2,295	1,600	1,400
Compensated Absences Payable	4,843	3,136	1,618	11,122	10,941
<b>Total Current Liabilities</b>	<b>\$ 1,955,934</b>	<b>\$ 2,722,604</b>	<b>\$ 1,901,361</b>	<b>\$ 2,432,607</b>	<b>\$ 1,768,292</b>
<b>Noncurrent Liabilities</b>					
Pension-Related Debt	\$ 17,690	\$ 20,547	\$ 22,956	\$ 25,666	\$ 27,507
Net Pension Liability	241,965	173,937	172,198	170,981	216,336
Contracts Payable - Retainage	-	-	-	-	17,310
Compensated Absences Payable	2,608	1,689	833	5,989	5,891
Net OPEB Liability - RHIPA Plan	363	815	1,334	1,780	-
Total OPEB Liability - PEBB Plan	5,935	4,747	5,872	7,079	-
Other Post Employment Benefits Obligation (Net)	-	-	-	-	1,366
<b>Total Noncurrent Liabilities</b>	<b>\$ 268,561</b>	<b>\$ 201,735</b>	<b>\$ 203,193</b>	<b>\$ 211,495</b>	<b>\$ 268,410</b>
<b>Total Liabilities</b>	<b>\$ 2,224,495</b>	<b>\$ 2,924,339</b>	<b>\$ 2,104,554</b>	<b>\$ 2,644,102</b>	<b>\$ 2,036,702</b>
<b>Deferred Inflows of Resources</b>					
Pension Related	\$ 4,991	\$ 7,079	\$ 8,085	\$ 1,086	\$ 1,650
OPEB Related	1,262	1,162	562	402	-
<b>Total Deferred Inflows of Resources</b>	<b>\$ 6,253</b>	<b>\$ 8,241</b>	<b>\$ 8,647</b>	<b>\$ 1,488</b>	<b>\$ 1,650</b>
<b>Net Position</b>					
Net Investment in Capital Assets	\$ 18,479,962	\$ 17,615,707	\$ 16,826,795	\$ 17,299,427	\$ 11,809,073
Expendable, Restricted for Capital Construction	-	-	-	337,698	516,283
Restricted for OPEB	803	1,818	1,234	492	-
Unrestricted	14,341,568	12,756,123	11,729,549	8,065,099	10,480,369
<b>Total Net Position</b>	<b>\$ 32,822,333</b>	<b>\$ 30,373,648</b>	<b>\$ 28,557,578</b>	<b>\$ 25,702,716</b>	<b>\$ 22,805,725</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 35,053,081</b>	<b>\$ 33,306,228</b>	<b>\$ 30,670,779</b>	<b>\$ 28,348,306</b>	<b>\$ 24,844,077</b>

	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
\$	8,710,369	\$ 9,845,403	\$ 7,969,206	\$ 6,435,934	\$ 5,809,130
	-	-	-	-	-
	347,504	591,146	519,927	427,682	607,557
	1,419,079	1,570,711	1,481,895	2,282,144	1,566,269
	-	-	-	-	-
	-	8,312	100,495	-	-
	-	5,416	9,241	8,560	-
\$	<u>10,476,952</u>	<u>\$ 12,020,988</u>	<u>\$ 10,080,764</u>	<u>\$ 9,154,320</u>	<u>\$ 7,982,956</u>
\$	-	\$ 175,305	\$ -	\$ -	\$ -
	70,349	87,382	58,823	134,885	14,369
	-	29,002	-	-	-
	-	-	-	-	-
	16,360,991	15,905,374	15,732,349	15,732,349	15,507,603
	497,231	13,695	13,695	13,695	13,695
	600,073	600,073	600,073	600,073	600,073
	-	641,460	39,163	-	-
	89,998	89,998	89,998	89,998	70,000
	(6,156,026)	(5,691,993)	(5,294,125)	(4,895,076)	(4,497,806)
\$	<u>11,462,616</u>	<u>\$ 11,850,296</u>	<u>\$ 11,239,976</u>	<u>\$ 11,675,924</u>	<u>\$ 11,707,934</u>
\$	<u>21,939,568</u>	<u>\$ 23,871,284</u>	<u>\$ 21,320,740</u>	<u>\$ 20,830,244</u>	<u>\$ 19,690,890</u>
\$	37,470	\$ 10,734	\$ -	\$ -	\$ -
	-	-	-	-	-
\$	<u>37,470</u>	<u>\$ 10,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	<u>21,977,038</u>	<u>\$ 23,882,018</u>	<u>\$ 21,320,740</u>	<u>\$ 20,830,244</u>	<u>\$ 19,690,890</u>
\$	1,218,963	\$ 1,269,740	\$ 1,258,941	\$ 1,389,624	\$ 1,316,836
	54,487	94,617	81,173	71,798	68,285
	-	-	-	-	-
	-	2,812	-	-	-
	125,308	72,282	33,108	23,835	124,746
	347,504	591,146	519,927	427,682	607,557
	1,000	1,200	900	700	-
	18,592	18,085	5,326	3,994	3,046
\$	<u>1,765,854</u>	<u>\$ 2,049,882</u>	<u>\$ 1,899,375</u>	<u>\$ 1,917,633</u>	<u>\$ 2,120,470</u>
\$	29,266	\$ 30,104	\$ 31,790	\$ 32,853	\$ -
	145,338	-	-	-	-
	-	-	-	-	-
	10,012	9,317	2,744	2,151	1,569
	-	-	-	-	-
	-	-	-	-	-
	1,926	2,880	2,377	2,162	1,112
\$	<u>186,542</u>	<u>\$ 42,301</u>	<u>\$ 36,911</u>	<u>\$ 37,166</u>	<u>\$ 2,681</u>
\$	<u>1,952,396</u>	<u>\$ 2,092,183</u>	<u>\$ 1,936,286</u>	<u>\$ 1,954,799</u>	<u>\$ 2,123,151</u>
\$	35,387	\$ 55,962	\$ -	\$ -	\$ -
	-	-	-	-	-
\$	<u>35,387</u>	<u>\$ 55,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	11,392,267	\$ 11,558,607	\$ 11,181,153	\$ 11,541,039	\$ 11,693,565
	-	183,617	-	-	-
	-	-	-	-	-
	8,596,988	9,991,649	8,203,301	7,334,406	5,874,174
\$	<u>19,989,255</u>	<u>\$ 21,733,873</u>	<u>\$ 19,384,454</u>	<u>\$ 18,875,445</u>	<u>\$ 17,567,739</u>
\$	<u>21,977,038</u>	<u>\$ 23,882,018</u>	<u>\$ 21,320,740</u>	<u>\$ 20,830,244</u>	<u>\$ 19,690,890</u>

Oregon Department of Veterans' Affairs  
Statement of Revenues, Expenses and Changes In Net Position - *Unaudited*  
Veterans' Home Program (The Dalles Veterans' Home only)  
For The Fiscal Years Ended 2012 - 2021

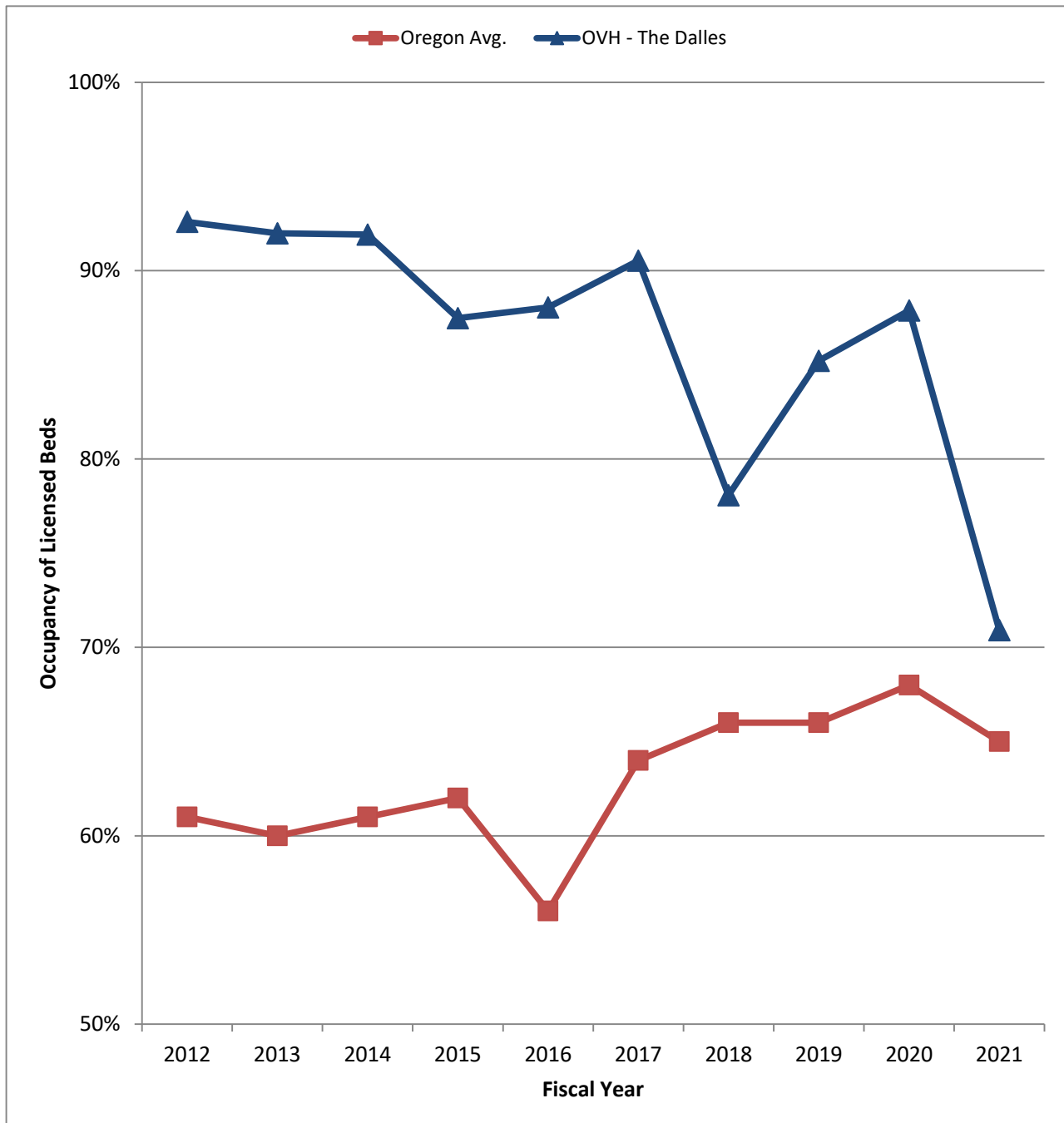
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Operating Revenues</b>					
Resident Revenue (Net) (1)	\$ 16,899,223	\$ 19,917,723	\$ 18,353,276	\$ 16,241,511	\$ 17,923,496
Investment Income	95,791	258,482	218,829	126,916	102,051
Other Fees and Charges	100	12,334	50,678	44,528	43,562
<b>Total Operating Revenues</b>	<b>\$ 16,995,114</b>	<b>\$ 20,188,539</b>	<b>\$ 18,622,783</b>	<b>\$ 16,412,955</b>	<b>\$ 18,069,109</b>
<b>Operating Expenses</b>					
Salaries and Other Payroll	\$ 391,752	\$ 287,486	\$ 205,483	\$ 285,456	\$ 222,440
Bond Interest	6,752	-	-	-	-
Securities Lending Investment Expense	67	1,814	3,534	745	244
Services and Supplies	(7,604)	334,268	554,870	649,105	153,784
Veterans' Home Operations	17,427,156	18,259,508	16,455,390	14,876,540	14,918,488
Depreciation	871,568	879,848	806,014	516,183	507,225
<b>Total Operating Expenses</b>	<b>\$ 18,689,691</b>	<b>\$ 19,762,924</b>	<b>\$ 18,025,291</b>	<b>\$ 16,328,029</b>	<b>\$ 15,802,181</b>
<b>Operating Income (Loss)</b>	<b>\$ (1,694,577)</b>	<b>\$ 425,615</b>	<b>\$ 597,492</b>	<b>\$ 84,926</b>	<b>\$ 2,266,928</b>
<b>Non-operating Revenues (Expenses)</b>					
Interest Expense - Pension Related	\$ (1,587)	\$ (1,784)	\$ (1,734)	\$ (1,796)	\$ (2,069)
CARES Provider Relief \ CRF Federal Funds	995,310	382,189	-	-	-
<b>Total Non-operating Revenues (Expenses)</b>	<b>\$ 993,723</b>	<b>\$ 380,405</b>	<b>\$ (1,734)</b>	<b>\$ (1,796)</b>	<b>\$ (2,069)</b>
<b>Income (Loss) before Transfers and Contributions</b>	<b>(700,854)</b>	<b>806,020</b>	<b>595,758</b>	<b>83,130</b>	<b>2,264,859</b>
<b>Transfers and Contributions</b>					
Net Transfers from Veterans' Home Trust Fund	\$ 118,367	\$ 20,884	\$ 117,696	\$ 36,938	\$ 28,501
Net Transfers to Lebanon Veterans' Home	-	5,250,000	1,000,000	-	-
Net Transfers from Article XI-Q Bond Proceeds	6,749	-	1,150,000	-	-
Net Transfers to Dept. of Administrative Services	(10,788)	(10,834)	(8,592)	(10,894)	(10,483)
Net Transfers to Vets Services/Loan Program CRF Fund	(151,090)	-	-	-	-
Gain (Loss) on Disposition of Asset	-	-	-	-	-
Capital Contributions	2,186,301	-	-	2,769,297	533,593
<b>Total Transfers and Contributions</b>	<b>\$ 2,149,539</b>	<b>\$ 5,260,050</b>	<b>\$ 2,259,104</b>	<b>\$ 2,795,341</b>	<b>\$ 551,611</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 1,448,685</b>	<b>\$ 6,066,070</b>	<b>\$ 2,854,862</b>	<b>\$ 2,878,471</b>	<b>\$ 2,816,470</b>
<b>Net Position</b>					
Beginning Net Position	\$ 34,623,648	\$ 28,557,578	\$ 25,702,716	\$ 22,805,725	\$ 19,989,255
Prior Period Adjustment	-	-	-	26,120	-
Cumulative Effect of Change in Accounting Principle	-	-	-	(7,600)	-
<b>Beginning Net Position, Restated</b>	<b>\$ 34,623,648</b>	<b>\$ 28,557,578</b>	<b>\$ 25,702,716</b>	<b>\$ 22,824,245</b>	<b>\$ 19,989,255</b>
<b>Ending Net Position</b>	<b>\$ 36,072,333</b>	<b>\$ 34,623,648</b>	<b>\$ 28,557,578</b>	<b>\$ 25,702,716</b>	<b>\$ 22,805,725</b>

(1) Resident Revenue is shown net of any related bad debt expense.

June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
\$ 16,308,920	\$ 15,855,020	\$ 16,216,313	\$ 14,263,736	\$ 13,677,396
52,249	46,467	45,590	35,394	27,712
23,854	21,119	20,968	28,303	2,048
<u>\$ 16,385,023</u>	<u>\$ 15,922,606</u>	<u>\$ 16,282,871</u>	<u>\$ 14,327,433</u>	<u>\$ 13,707,156</u>
\$ 434,715	\$ 225,034	\$ 138,129	\$ 133,068	\$ 230,801
-	-	-	-	-
1,260	706	488	1,210	1,345
134,037	173,227	165,230	160,526	82,462
13,379,228	13,431,203	12,679,264	12,407,376	11,603,548
464,034	408,468	399,050	397,270	317,534
<u>\$ 14,413,274</u>	<u>\$ 14,238,638</u>	<u>\$ 13,382,161</u>	<u>\$ 13,099,450</u>	<u>\$ 12,235,690</u>
<u>\$ 1,971,749</u>	<u>\$ 1,683,968</u>	<u>\$ 2,900,710</u>	<u>\$ 1,227,983</u>	<u>\$ 1,471,466</u>
\$ (2,053)	\$ (2,123)	\$ (2,119)	\$ (2,218)	\$ -
-	-	-	-	-
<u>\$ (2,053)</u>	<u>\$ (2,123)</u>	<u>\$ (2,119)</u>	<u>\$ (2,218)</u>	<u>\$ -</u>
1,969,696	1,681,845	2,898,591	1,225,765	1,471,466
\$ 18,972	\$ 384,311	\$ 15,509	\$ 13,534	\$ 177,700
(3,750,000)	-	(2,500,000)	-	-
-	-	-	-	-
(13,292)	(10,935)	(5,586)	(4,979)	(9,278)
-	-	-	-	-
-	4,262	-	-	-
30,006	342,726	100,495	107,687	1,066,147
<u>\$ (3,714,314)</u>	<u>\$ 720,364</u>	<u>\$ (2,389,582)</u>	<u>\$ 116,242</u>	<u>\$ 1,234,569</u>
\$ (1,744,618)	\$ 2,402,209	\$ 509,009	\$ 1,342,007	\$ 2,706,035
\$ 21,733,873	\$ 19,384,454	\$ 18,875,445	\$ 17,567,739	\$ 14,861,704
-	162	-	(34,301)	-
-	(52,952)	-	-	-
<u>\$ 21,733,873</u>	<u>\$ 19,331,664</u>	<u>\$ 18,875,445</u>	<u>\$ 17,533,438</u>	<u>\$ 14,861,704</u>
<u>\$ 19,989,255</u>	<u>\$ 21,733,873</u>	<u>\$ 19,384,454</u>	<u>\$ 18,875,445</u>	<u>\$ 17,567,739</u>

**Oregon Department of Veterans' Affairs**  
**Veterans' Home Program**  
*Unaudited*

**Average Occupancy Rate - The Dalles**



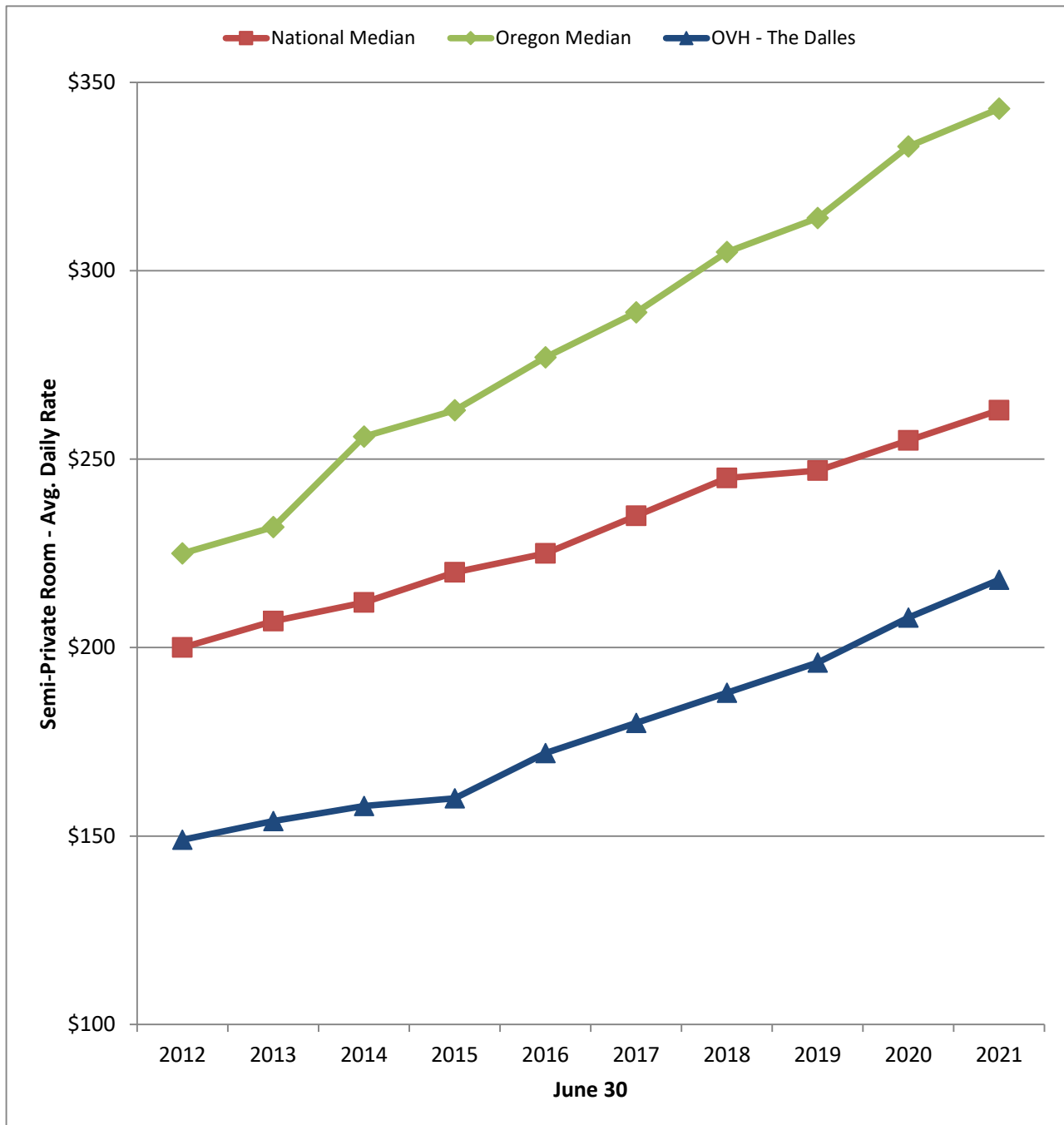
Note: Census was reduced in fiscal year 2018 related to an interior building remodel/refresh of the Oregon Veterans' Home in The Dalles.

Source: Statistical Reports of the Oregon Department of Veterans' Affairs.



**Oregon Department of Veterans' Affairs**  
**Veterans' Home Program**  
*Unaudited*

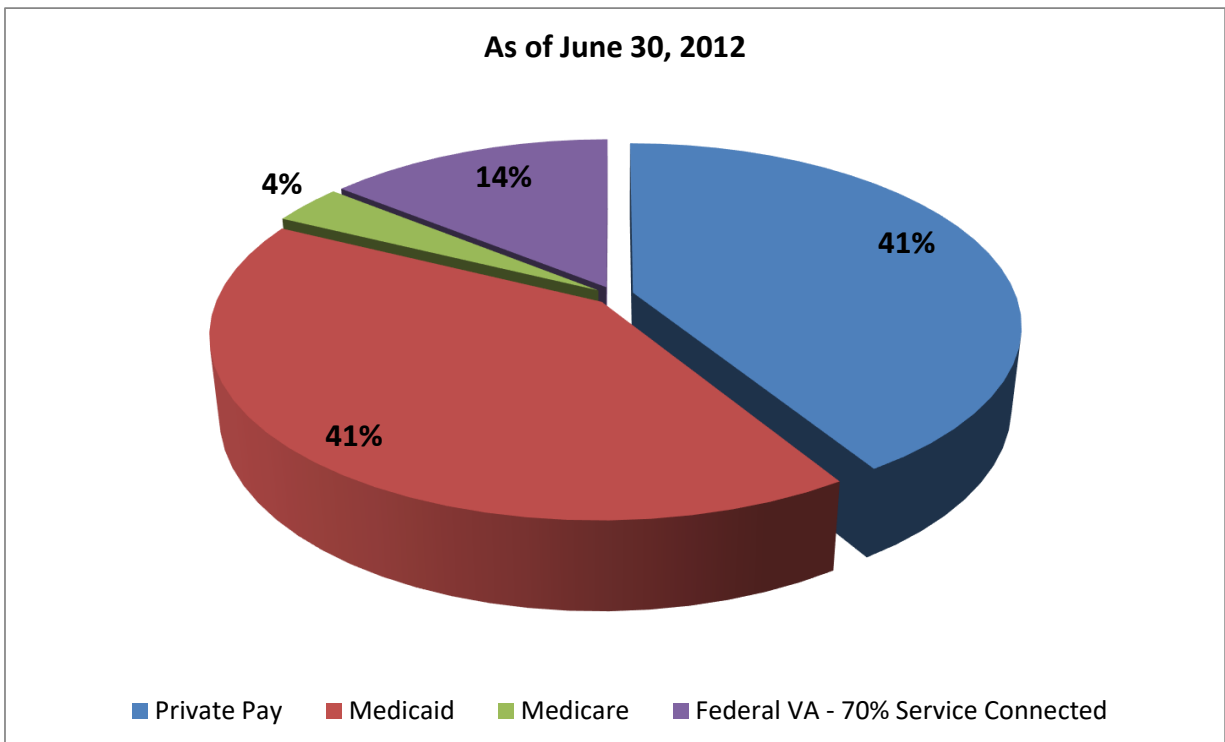
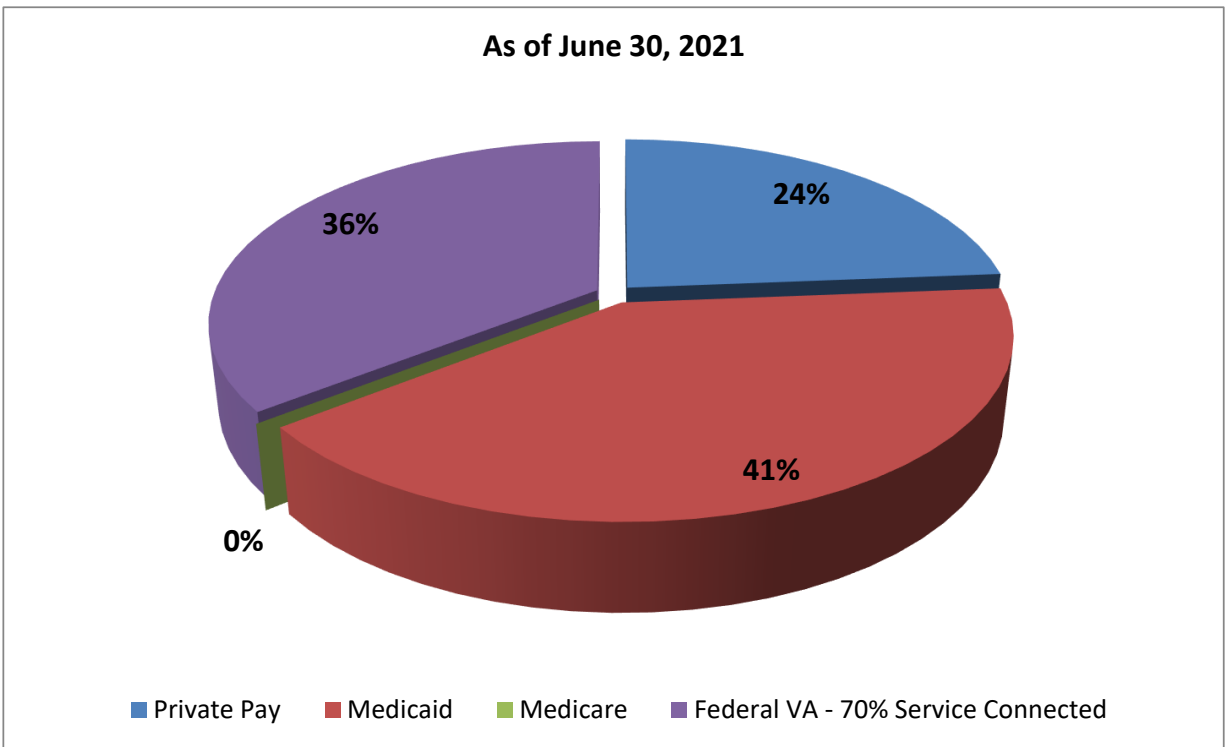
**Resident Semi-Private Room Rates - The Dalles**



Source: Genworth Financial Reports and Statistical Reports of the Oregon Department of Veterans' Affairs.

**Oregon Department of Veterans' Affairs  
Veterans' Home Program - *Unaudited***

**Payor Type Categories - The Dalles  
Current Year and Nine Years Ago**

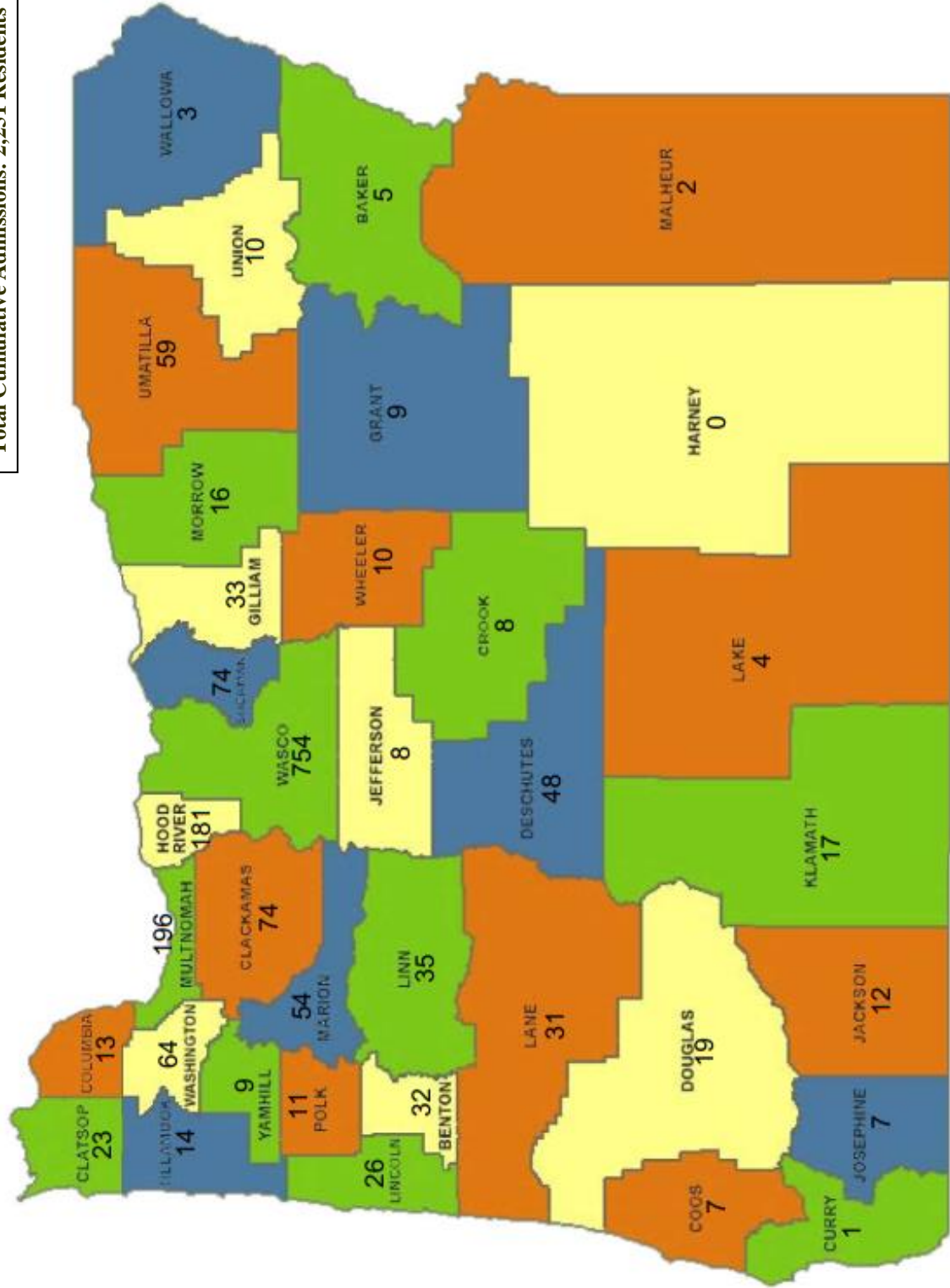


**Source: Statistical Reports of the Oregon Department of Veterans' Affairs.**

Oregon Department of Veterans' Affairs  
Veterans' Home Program

Cumulative Resident Admissions by County – The Dalles  
November 1, 1997 through June 30, 2021

Out of State Admissions: 382 Residents  
Total Cumulative Admissions: 2,251 Residents



Source: Statistical Reports of the Oregon Department of Veterans' Affairs

Oregon Department of Veterans' Affairs  
Assets, Liabilities, and Net Position - *Unaudited*  
Veterans' Home Program (Lebanon Veterans' Home only)  
For The Fiscal Years Ended 2012 - 2021

<b>Assets</b>	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	\$ 12,431,526	\$ 12,378,931	\$ 12,148,438	\$ 10,693,221
Cash and Cash Equivalents - Restricted	164,695	190,603	-	-
Securities Lending Cash Collateral	38,524	187,914	385,611	246,649
Resident Care Receivable	3,035,876	3,886,771	1,754,707	1,735,082
Construction Related Receivable	976,798	-	-	-
Due from Other Funds	-	-	-	-
<b>Total Current Assets</b>	<b>\$ 16,647,419</b>	<b>\$ 16,644,219</b>	<b>\$ 14,288,756</b>	<b>\$ 12,674,952</b>
<b><u>Noncurrent Assets</u></b>				
Cash and Cash Equivalents - Restricted	\$ -	\$ -	\$ -	\$ -
Resident Care Receivable (Net)	7,414	863	2,217	10,942
Loan Receivable	-	-	-	-
Net OPEB Asset - RHIA Plan	803	1,818	1,234	492
Capital Assets:				
Building, Property and Equipment	35,422,877	35,446,408	35,278,775	34,655,402
Improvements Other than Buildings	1,779,681	1,779,682	1,779,682	788,469
Land	4,047,945	4,047,945	4,047,945	4,047,945
Construction in Progress	1,502,765	184,595	20,671	72,809
Works of Art and Historical Treasures	47,020	47,020	47,020	47,020
Accumulated Depreciation	(6,373,165)	(5,291,549)	(4,136,691)	(3,110,878)
<b>Total Noncurrent Assets</b>	<b>\$ 36,435,340</b>	<b>\$ 36,216,782</b>	<b>\$ 37,040,853</b>	<b>\$ 36,512,201</b>
<b>Total Assets</b>	<b>\$ 53,082,759</b>	<b>\$ 52,861,001</b>	<b>\$ 51,329,609</b>	<b>\$ 49,187,153</b>
<b><u>Deferred Outflows of Resources</u></b>				
Pension Related	\$ 34,224	\$ 18,974	\$ 24,349	\$ 23,517
OPEB Related	(310)	(557)	176	528
<b>Total Deferred Outflows of Resources</b>	<b>\$ 33,914</b>	<b>\$ 18,417</b>	<b>\$ 24,525</b>	<b>\$ 24,045</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>53,116,673</b>	<b>52,879,418</b>	<b>51,354,134</b>	<b>49,211,198</b>
<b><u>Liabilities</u></b>				
<b><u>Current Liabilities</u></b>				
Accounts Payable	\$ 2,529,355	\$ 2,140,091	\$ 1,810,141	\$ 1,627,078
Due to Other Funds	72,028	46,017	17,942	21,020
Contracts Payable - Retainage	57,469	-	-	-
Unearned Revenue	411,069	248,416	50,663	113,867
Obligations Under Securities Lending	38,524	187,914	385,611	246,649
Compensated Absences Payable	-	2,482	1,292	2,156
<b>Total Current Liabilities</b>	<b>\$ 3,108,445</b>	<b>\$ 2,624,920</b>	<b>\$ 2,265,649</b>	<b>\$ 2,010,770</b>
<b><u>Noncurrent Liabilities</u></b>				
Net Pension Liability	\$ 205,240	\$ 126,776	\$ 118,673	\$ 110,466
Contracts Payable - Retainage	-	-	-	-
Compensated Absences Payable	-	1,336	666	1,161
Net OPEB Liability - RHIPA Plan	363	814	1,333	1,780
Total OPEB Liability - PEBB Plans	5,935	4,747	5,873	7,079
Other Post Employment Benefits Obligation (Net)	-	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>\$ 211,538</b>	<b>\$ 133,673</b>	<b>\$ 126,545</b>	<b>\$ 120,486</b>
<b>Total Liabilities</b>	<b>\$ 3,319,983</b>	<b>\$ 2,758,593</b>	<b>\$ 2,392,194</b>	<b>\$ 2,131,256</b>
<b><u>Deferred Inflows of Resources</u></b>				
Pension Related	\$ 5,169	\$ 7,257	\$ 8,264	\$ 1,265
OPEB Related	1,262	1,161	563	401
<b>Total Deferred Inflows of Resources</b>	<b>\$ 6,431</b>	<b>\$ 8,418</b>	<b>\$ 8,827</b>	<b>\$ 1,666</b>
<b><u>Net Position</u></b>				
Net Investment in Capital Assets	\$ 36,427,123	\$ 36,214,101	\$ 37,037,402	\$ 36,500,767
Expendable, Restricted for Capital Construction	-	-	-	-
Restricted for OPEB	803	1,818	1,234	492
Unrestricted	13,362,333	13,896,488	11,914,477	10,577,017
<b>Total Net Position</b>	<b>\$ 49,790,259</b>	<b>\$ 50,112,407</b>	<b>\$ 48,953,113</b>	<b>\$ 47,078,276</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 53,116,673</b>	<b>\$ 52,879,418</b>	<b>\$ 51,354,134</b>	<b>\$ 49,211,198</b>

June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
\$ 6,630,232	\$ 4,147,274	\$ 588,088	\$ 2,496,571	\$ -	\$ -
-	-	-	-	-	-
51,230	182,323	94,875	353,877	512,271	1,283,694
2,808,512	2,405,952	1,129,788	-	-	-
-	222,869	23,578	2,603,198	-	-
-	2,568	-	-	-	-
<u>\$ 9,489,974</u>	<u>\$ 6,960,986</u>	<u>\$ 1,836,329</u>	<u>\$ 5,453,646</u>	<u>\$ 512,271</u>	<u>\$ 1,283,694</u>
\$ -	\$ 422,760	\$ 1,008,516	\$ 2,927,534	\$ 6,805,940	\$ 10,254,538
23,420	10,412	-	-	-	-
-	-	-	65,947	-	-
-	-	-	-	-	-
34,480,483	34,299,802	34,100,562	-	-	-
788,469	-	-	-	-	-
4,047,945	4,047,945	3,652,186	3,619,901	2,910,424	1,500,000
-	289,741	-	29,414,900	4,105,576	458,006
47,020	-	-	-	-	-
(2,178,927)	(1,360,694)	(528,143)	-	-	-
<u>\$ 37,208,410</u>	<u>\$ 37,709,966</u>	<u>\$ 38,233,121</u>	<u>\$ 36,028,282</u>	<u>\$ 13,821,940</u>	<u>\$ 12,212,544</u>
<u>\$ 46,698,384</u>	<u>\$ 44,670,952</u>	<u>\$ 40,069,450</u>	<u>\$ 41,481,928</u>	<u>\$ 14,334,211</u>	<u>\$ 13,496,238</u>
\$ 73,497	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ 73,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>46,771,881</u>	<u>44,670,952</u>	<u>40,069,450</u>	<u>41,481,928</u>	<u>14,334,211</u>	<u>13,496,238</u>
\$ 1,452,053	\$ 1,539,116	\$ 893,019	\$ 1,788,550	\$ 1,607,981	\$ 226,027
38,340	53,620	20,880	62,656	8,560	-
-	6,395	-	1,326,525	-	-
39,460	20,659	20,299	-	-	-
51,230	182,323	94,875	353,877	512,271	1,283,694
2,118	2,976	1,977	-	-	-
<u>\$ 1,583,201</u>	<u>\$ 1,805,089</u>	<u>\$ 1,031,050</u>	<u>\$ 3,531,608</u>	<u>\$ 2,128,812</u>	<u>\$ 1,509,721</u>
\$ 149,756	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	167,981	-
1,141	1,602	1,018	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
810	-	-	-	-	-
<u>\$ 151,707</u>	<u>\$ 1,602</u>	<u>\$ 1,018</u>	<u>\$ -</u>	<u>\$ 167,981</u>	<u>\$ -</u>
<u>\$ 1,734,908</u>	<u>\$ 1,806,691</u>	<u>\$ 1,032,068</u>	<u>\$ 3,531,608</u>	<u>\$ 2,296,793</u>	<u>\$ 1,509,721</u>
\$ 1,829	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ 1,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 37,184,990	\$ 37,276,794	\$ 37,224,605	\$ 33,034,801	\$ 7,016,000	\$ 1,958,006
-	639,234	1,032,094	2,459,241	5,021,418	10,028,511
-	-	-	-	-	-
<u>7,850,154</u>	<u>4,948,233</u>	<u>780,683</u>	<u>2,456,278</u>	<u>-</u>	<u>-</u>
<u>\$ 45,035,144</u>	<u>\$ 42,864,261</u>	<u>\$ 39,037,382</u>	<u>\$ 37,950,320</u>	<u>\$ 12,037,418</u>	<u>\$ 11,986,517</u>
<u>\$ 46,771,881</u>	<u>\$ 44,670,952</u>	<u>\$ 40,069,450</u>	<u>\$ 41,481,928</u>	<u>\$ 14,334,211</u>	<u>\$ 13,496,238</u>

Oregon Department of Veterans' Affairs  
Statement of Revenues, Expenses and Changes In Net Position - *Unaudited*  
Veterans' Home Program (Lebanon Veterans' Home only)  
For The Fiscal Years Ended 2012 - 2021

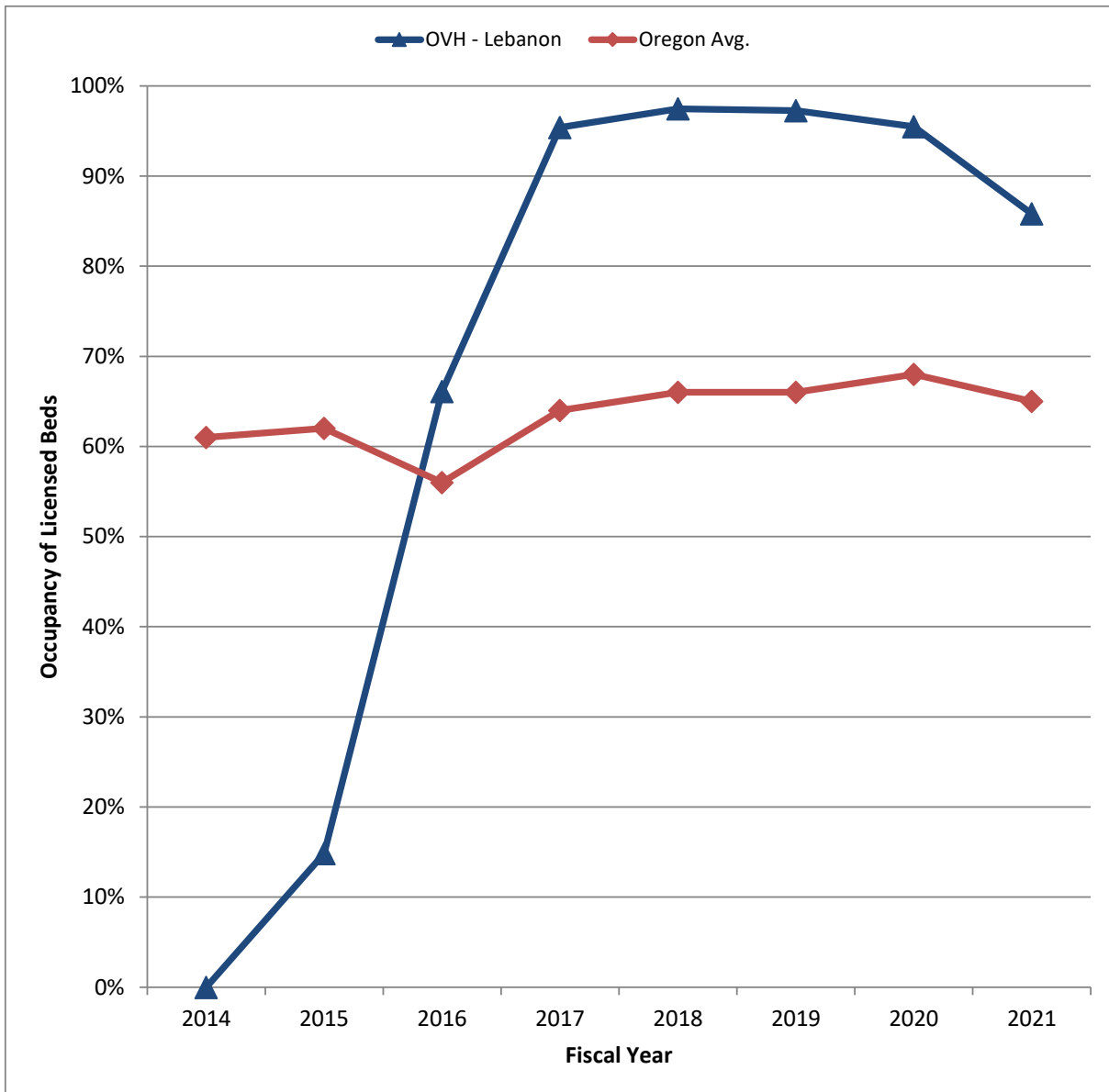
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Operating Revenues</b>				
Resident Revenue (Net) (1)	\$ 22,487,479	\$ 23,485,834	\$ 23,026,264	\$ 22,334,907
Investment Income	108,515	267,725	250,021	148,693
Other Income	7,067	30,927	50,576	64,784
<b>Total Operating Revenues</b>	<b>\$ 22,603,061</b>	<b>\$ 23,784,486</b>	<b>\$ 23,326,861</b>	<b>\$ 22,548,384</b>
<b>Operating Expenses</b>				
Salaries and Other Payroll Expenses	\$ 209,507	\$ 134,970	\$ 121,819	\$ 120,190
Bond Interest	13,107	-	-	-
Securities Lending Investment Expense	70	1,865	3,596	941
Services and Supplies	292,140	128,632	428,359	75,808
Veterans' Home Operations	21,821,221	20,936,684	19,874,182	19,408,470
Depreciation Expense	1,152,202	1,154,858	1,025,812	931,952
<b>Total Operating Expenses</b>	<b>\$ 23,488,247</b>	<b>\$ 22,357,009</b>	<b>\$ 21,453,768</b>	<b>\$ 20,537,361</b>
<b>Operating Income (Loss)</b>	<b>\$ (885,186)</b>	<b>\$ 1,427,477</b>	<b>\$ 1,873,093</b>	<b>\$ 2,011,023</b>
<b>Non-operating Revenues (Expenses)</b>				
CARES Provider Relief Federal Funds	\$ 428,041	\$ 709,153	\$ -	\$ -
<b>Total Non-operating Revenues (Expenses)</b>	<b>\$ 428,041</b>	<b>\$ 709,153</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Income (Loss) before Transfers and Contributions</b>	<b>(457,145)</b>	<b>2,136,630</b>	<b>1,873,093</b>	<b>2,011,023</b>
<b>Transfers and Contributions</b>				
Net Transfers from Veterans' Home Trust Fund	\$ 144,148	\$ 27,166	\$ 10,044	\$ 24,671
Net Transfers to Dept. of Administrative Services	(3,472)	(4,502)	(4,322)	(3,917)
Net Transfers from General Fund	-	-	-	-
Net Transfers from The Dalles Veterans' Home	-	(5,250,000)	(1,000,000)	-
Net Transfers from Article XI-Q Bond Proceeds	13,100	-	996,022	-
Gain (Loss) on Disposition of Assets	(1,651)	-	-	-
Capital Contributions	982,872	-	-	-
<b>Total Transfers and Contributions</b>	<b>\$ 1,134,997</b>	<b>\$ (5,227,336)</b>	<b>\$ 1,744</b>	<b>\$ 20,754</b>
<b>Change in Net Position</b>	<b>\$ 677,852</b>	<b>\$ (3,090,706)</b>	<b>\$ 1,874,837</b>	<b>\$ 2,031,777</b>
<b>Net Position</b>				
Beginning Net Position	\$ 45,862,407	\$ 48,953,113	\$ 47,078,276	\$ 45,035,144
Prior Period Adjustment	-	-	-	19,510
Cumulative Effect of Change in Accounting Principle	-	-	-	(8,155)
<b>Beginning Net Position, Restated</b>	<b>\$ 45,862,407</b>	<b>\$ 48,953,113</b>	<b>\$ 47,078,276</b>	<b>\$ 45,046,499</b>
<b>Ending Net Position</b>	<b>\$ 46,540,259</b>	<b>\$ 45,862,407</b>	<b>\$ 48,953,113</b>	<b>\$ 47,078,276</b>

(1) Resident Revenue is shown net of any related bad debt expense.

<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
\$ 21,463,876	\$ 14,653,681	\$ 1,986,766	\$ -	\$ -	\$ -
62,723	17,086	15,395	33,165	52,586	57,713
68,191	48,519	14,690	112,893	-	-
<u>\$ 21,594,790</u>	<u>\$ 14,719,286</u>	<u>\$ 2,016,851</u>	<u>\$ 146,058</u>	<u>\$ 52,586</u>	<u>\$ 57,713</u>
\$ 208,253	\$ 130,300	\$ 92,784	\$ -	\$ -	\$ -
-	-	-	-	-	-
164	661	113	414	1,685	2,842
129,020	419,826	1,673,996	903,293	-	-
18,641,867	13,828,148	3,554,189	45,971	-	-
874,580	832,551	528,143	-	-	-
<u>\$ 19,853,884</u>	<u>\$ 15,211,486</u>	<u>\$ 5,849,225</u>	<u>\$ 949,678</u>	<u>\$ 1,685</u>	<u>\$ 2,842</u>
<u>\$ 1,740,906</u>	<u>\$ (492,200)</u>	<u>\$ (3,832,374)</u>	<u>\$ (803,620)</u>	<u>\$ 50,901</u>	<u>\$ 54,871</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,740,906	(492,200)	(3,832,374)	(803,620)	50,901	54,871
\$ 45,271	\$ 64,513	\$ -	\$ -	\$ -	\$ -
(4,327)	(4,978)	(2,984)	-	-	-
-	-	-	4,000,000	-	-
-	3,750,000	-	2,500,000	-	-
-	-	-	-	-	-
(52,712)	-	-	-	-	-
441,745	509,544	5,035,313	20,216,522	-	-
<u>\$ 429,977</u>	<u>\$ 4,319,079</u>	<u>\$ 5,032,329</u>	<u>\$ 26,716,522</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 2,170,883</u>	<u>\$ 3,826,879</u>	<u>\$ 1,199,955</u>	<u>\$ 25,912,902</u>	<u>\$ 50,901</u>	<u>\$ 54,871</u>
\$ 42,864,261	\$ 39,037,382	\$ 37,950,320	\$ 12,037,418	\$ 11,986,517	\$ 11,931,646
-	-	(112,893)	-	-	-
-	-	-	-	-	-
\$ 42,864,261	\$ 39,037,382	\$ 37,837,427	\$ 12,037,418	\$ 11,986,517	\$ 11,931,646
<u>\$ 45,035,144</u>	<u>\$ 42,864,261</u>	<u>\$ 39,037,382</u>	<u>\$ 37,950,320</u>	<u>\$ 12,037,418</u>	<u>\$ 11,986,517</u>

**Oregon Department of Veterans' Affairs  
Veterans' Home Program  
*Unaudited***

**Average Occupancy Rate - Lebanon**



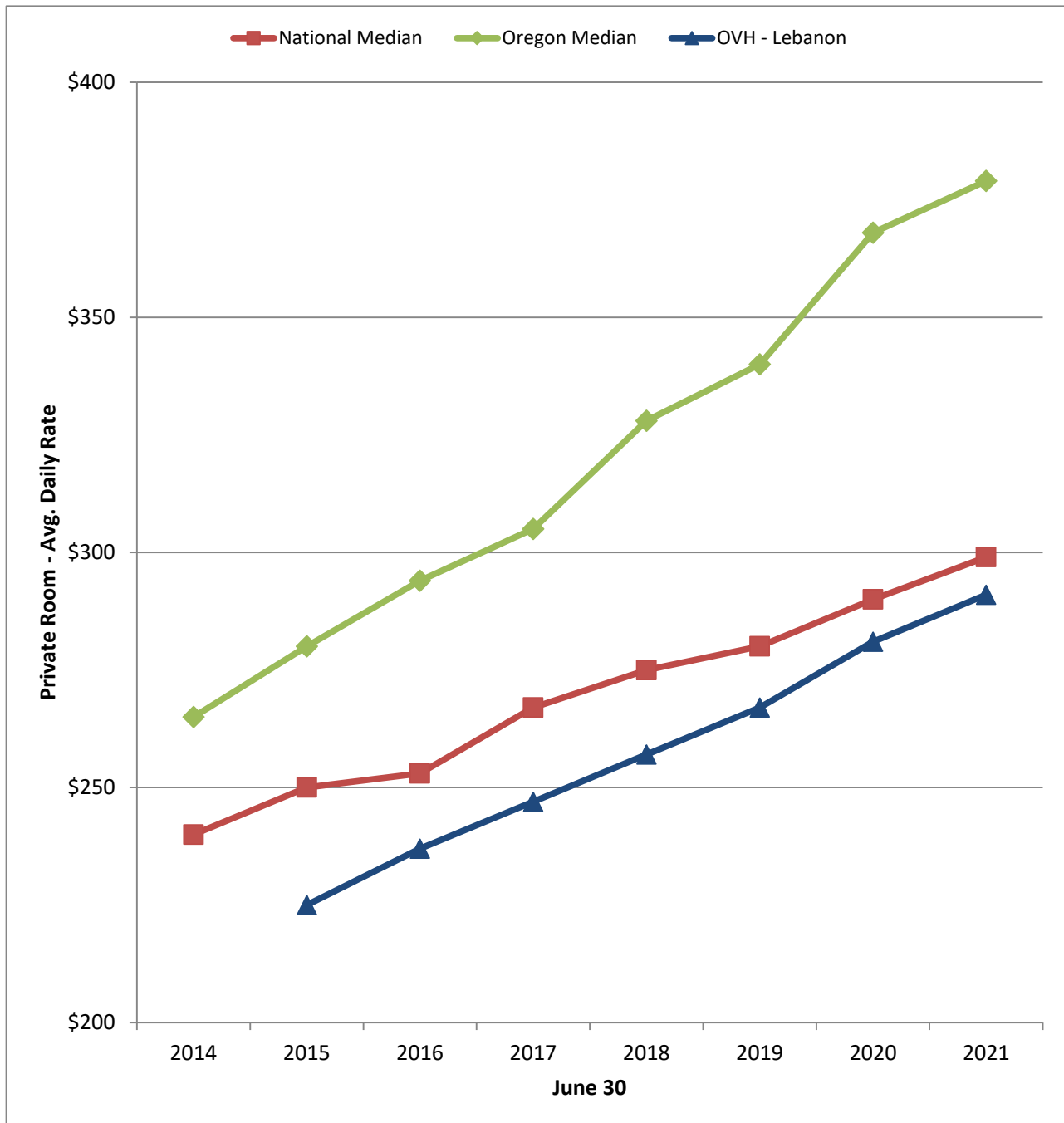
**Note: The Lebanon Veterans' Home was opened in October 2014.**

**Source: Statistical Reports of the Oregon Department of Veterans' Affairs.**



**Oregon Department of Veterans' Affairs**  
**Veterans' Home Program**  
*Unaudited*

**Resident Private Room Rates - Lebanon**



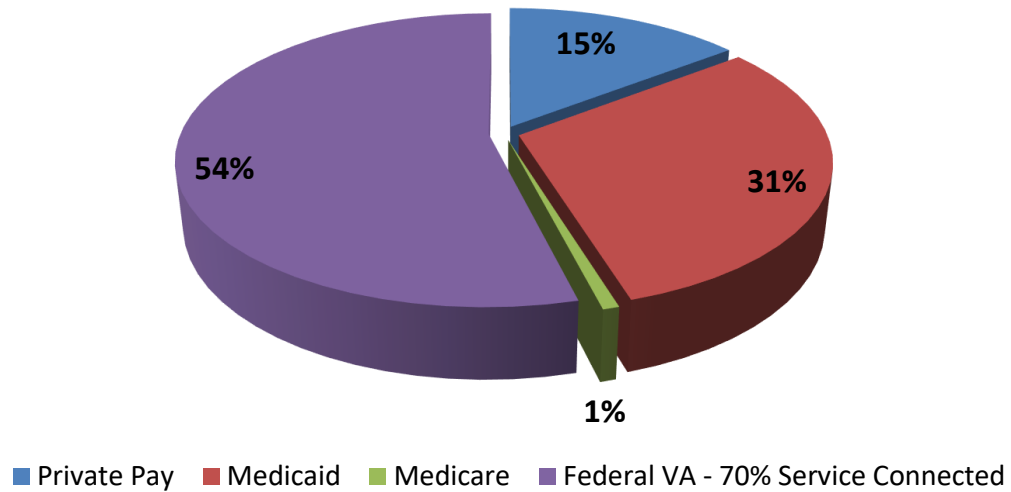
**Note:** The Lebanon Veterans' Home was opened in October 2014.

**Source:** Genworth Financial Reports and Statistical Reports of the Oregon Department of Veterans' Affairs.

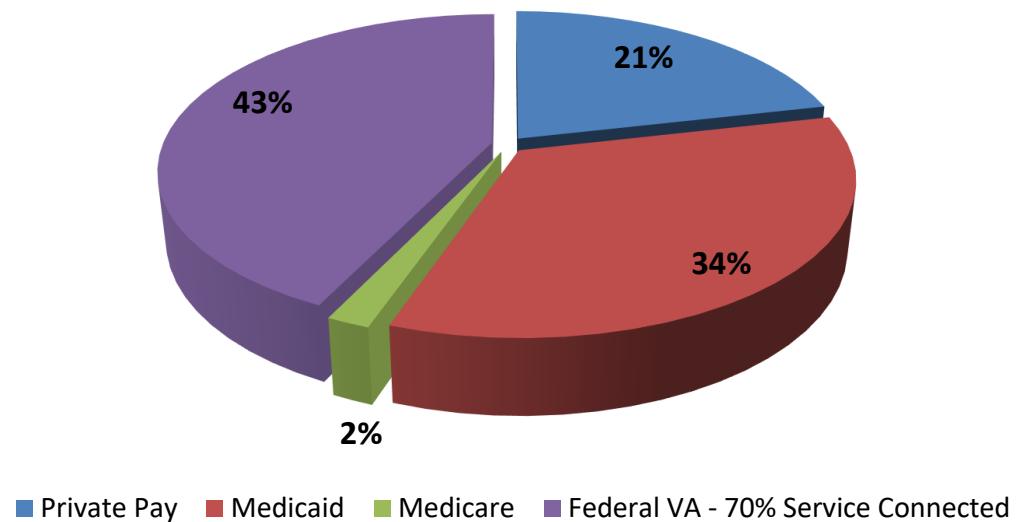
**Oregon Department of Veterans' Affairs**  
**Veterans' Home Program**  
*Unaudited*

**Payor Type Categories - Lebanon**

As of June 30, 2021



As of June 30, 2015



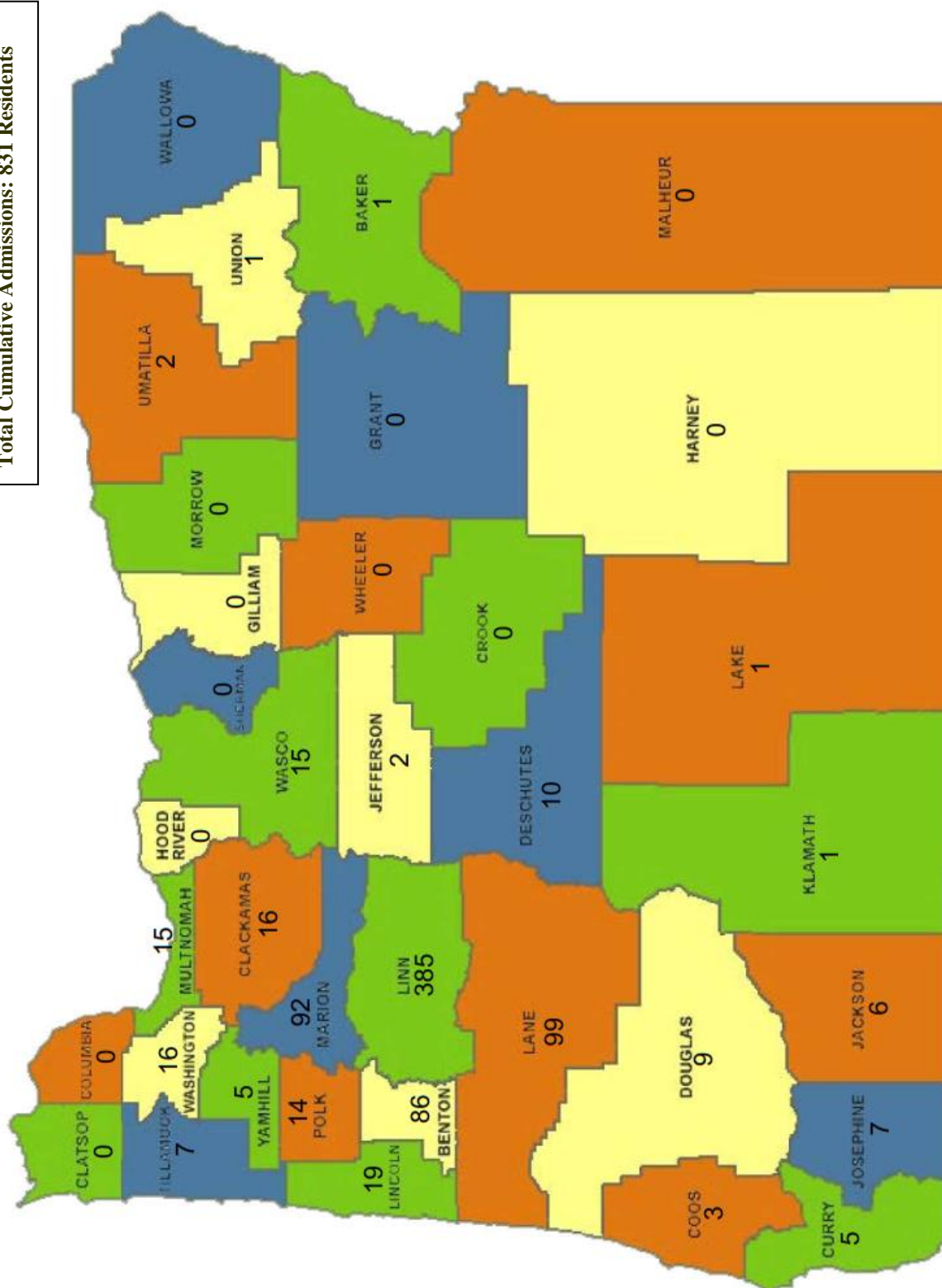
***Note: The Lebanon Veterans' Home was opened in October 2014.***

**Source: Statistical Reports of the Oregon Department of Veterans' Affairs.**

**Oregon Department of Veterans' Affairs  
Veterans' Home Program**

**Cumulative Resident Admissions by County – Lebanon  
October 23, 2014 through June 30, 2021**

**Out of State Admissions: 14 Residents**  
**Total Cumulative Admissions: 831 Residents**



**Source: Statistical Reports of the Oregon Department of Veterans' Affairs**



## ***OTHER REPORTS***

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

The Honorable Kate Brown, Governor of Oregon  
Kelly Fitzpatrick, Director, Oregon Department of Veterans' Affairs

We have audited, in accordance with the 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, the financial statements of the Veterans' Home Program, an enterprise fund of the State of Oregon, Department of Veterans' Affairs (the Home Program) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Home Program's basic financial statements, and have issued our report thereon dated October 29, 2021.

The financial statements present only the Home Program and are not intended to present fairly the financial position and cash flows of the State of Oregon or the Oregon Department of Veterans' Affairs and the results of their operations in conformity with accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Home Program's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Home Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Home Program's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Home Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina+Co  
Tualatin, Oregon  
October 29, 2021



**OREGON DEPARTMENT**  
*of* **VETERANS' AFFAIRS**

*Serving Oregon Veterans Since 1945* | 700 Summer Street NE | Salem, Oregon 97301 | Headquarters 800 828 8801

The Oregon Department of Veterans' Affairs (ODVA) intends to comply with the Americans with Disabilities Act (The ADA), PL101-336. The ADA provides that no qualified person with a disability shall be kept from participation in (or be denied a benefit of) the services, programs, or activities of ODVA because of that disability. For additional information or how to file a complaint, please contact ODVA's ADA coordinator at 503-373-2380.

This information is also available in alternate formats, upon request.