

Annual Financial Report

Enterprise Funds of the State of Oregon Housing and Community Services Department

For the Year Ended June 30, 2015

Margaret S. Van Vliet
Director

Caleb Yant
Chief Financial Officer

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Table of Contents

Financial Section

Independent Auditor’s Report	2
Management’s Discussion and Analysis	6
Basic Financial Statements:	
Statement of Net Position	10
Statement of Revenues, Expenses, and Changes in Fund Net Position	12
Statement of Cash Flows.....	14
Notes to the Financial Statements	16
Supplementary Information:	
Combining Schedules - Housing Finance Fund:	
Combining Statement of Net Position - Housing Finance Fund	36
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Housing Finance Fund	40
Combining Statement of Cash Flows - Housing Finance Fund.....	42

Statistical Section

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position.....	48
Revenues, Expenses, and Changes in Net Position.....	50
Weighted Average Interest Rate - New Mortgage Loans	52
Principal Program Loan Interest Payers	53
Ratio of Outstanding Debt	54
Legal Debt Margin Information	55
Demographic and Economic Data - State of Oregon	56
Employment Data - State of Oregon.....	57
Number of Employees.....	58
Single-Family Mortgage Program Average New Mortgage Loan Amount Versus Median Household Income	59
New Mortgage Loans	60
Loans Outstanding - By Interest Rate	62
Loans Outstanding - By Monthly Payment Amount	63
Loans Outstanding - By County	64
Mortgage Loan Payoffs - Single-Family Mortgage Program	66

Other Reports

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters.....	68
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Financial Section

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Independent Auditor's Report

The Honorable Kate Brown
Governor of Oregon

Margaret S. Van Vliet, Director
Oregon Housing and Community Services

Report on the Financial Statements

We have audited the accompanying financial statements of the Elderly and Disabled Housing Fund and Housing Finance Fund, enterprise funds of the State of Oregon, Housing and Community Services Department (Department), as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise funds of the Department, as of June 30, 2015 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the enterprise funds of the Department are intended to present the financial position, the changes in financial position and cash flows of only that portion that is attributable to the transactions of the enterprise funds. They do not purport to, and do not, present fairly the financial position of the State of Oregon as of June 30, 2015, the changes in its financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements of the Department's enterprise funds. The combining statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Office of the Secretary of State, Audits Division

State of Oregon
November 20, 2015

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OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Management's Discussion and Analysis

This section of the Oregon Housing and Community Services Department's (OHCS D) Annual Financial Report presents our discussion and analysis of financial performance for the Proprietary Funds during the fiscal year ended June 30, 2015. The selected financial data presented was derived primarily from the financial statements of OHCS D, which have been audited by the Oregon Secretary of State Audits Division.

FINANCIAL HIGHLIGHTS

- Loans purchased or financed totaled \$54.2 million for the fiscal year, down \$6.9 million from fiscal year 2014.
- Outstanding bond debt of \$997.2 million on June 30, 2015 was \$173.7 million less than the amount outstanding on June 30, 2014. Debt issuance for the fiscal year totaled \$30.9 million (par value).
- Net position increased \$10.0 million, to \$212.6 million as of June 30, 2015. This represents an increase of 4.94%.
- Operating expenses were \$7.9 million lower than in fiscal year 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to OHCS D's basic financial statements. The basic financial statements include proprietary fund financial statements and notes to the financial statements. OHCS D's basic financial statements do not include department-wide financial statements since only the proprietary funds are audited by the Secretary of State Audits Division. OHCS D does have a minimal portion of governmental funds that are included in the State of Oregon Comprehensive Annual Financial Report located at www.oregon.gov/DAS/CFO/SARS/Pages/index.aspx.

- The proprietary fund financial statements include major enterprise funds, which operate 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 proprietary fund financial statements.

OVERVIEW OF THE PROPRIETARY FUNDS FINANCIAL POSITION AND OPERATIONS

Total assets and deferred outflows of resources on June 30, 2015 were \$1.25 billion, down \$171.7 million from June 30, 2014. The change in assets and deferred outflows of resources consists primarily of a \$91.4 million decrease in net loans receivable and an \$80.1 million decrease in investments.

Total liabilities and deferred inflows of resources decreased by \$181.7 million to \$1.04 billion on June 30, 2015. This included a decrease of \$173.7 million in bonds payable and decrease of \$5.9 million in swap fair value liability.

OHCS D'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.

Proprietary Funds Statement of Net Position				
Business-Type Activities				
	2015	2014	Change	% Change
Assets				
Current and Other Assets	\$ 1,238,378,419	\$ 1,404,497,829	\$ (166,119,410)	-11.83%
Capital Assets	70,549	22,340	48,209	215.80%
Total Assets	\$ 1,238,448,968	\$ 1,404,520,169	(166,071,201)	-11.82%
Deferred Outflows of Resources	\$ 13,930,606	\$ 19,538,759	\$ (5,608,153)	-28.70%
Liabilities				
Long-Term Liabilities	\$ 957,578,887	\$ 1,105,927,882	\$ (148,348,995)	-13.41%
Other Liabilities	75,890,072	109,671,583	(33,781,511)	-30.80%
Total Liabilities	\$ 1,033,468,959	\$ 1,215,599,465	\$ (182,130,506)	-14.98%
Deferred Inflows of Resources	\$ 6,359,448	\$ 5,905,347	\$ 454,101	7.69%
Net Position				
Net Investment in Capital Assets	\$ 70,549	\$ 22,340	\$ 48,209	215.80%
Restricted for Residential Assistance	2,029,118	2,019,413	9,705	0.48%
Restricted by Trust Indentures	201,453,112	196,447,800	5,005,312	2.55%
Unrestricted	8,998,388	4,064,563	4,933,825	121.39%
Total Net Position	\$ 212,551,167	\$ 202,554,116	\$ 9,997,051	4.94%

- **Cash and Cash Equivalents**

Total cash and cash equivalents increased by \$7.8 million, or 11.4%, from June 30, 2014 to June 30, 2015.

- **Loans Receivable**

Total mortgages and other loans receivable (excluding allowances) decreased by \$91.8 million in fiscal year 2015. This decrease included the following:

- Loans purchased or financed in fiscal year 2015 totaled \$54.2 million, \$6.9 million less than fiscal year 2014. Single-family mortgage loan purchases decreased by \$6.8 million and financing of other loans decreased by \$0.1 million.
- Scheduled mortgage and other loan repayments totaled \$31.2 million for fiscal year 2015.
- Prepayments on mortgage loans increased in fiscal year 2015 by \$22.8 million. Total prepayments for the fiscal year totaled \$107.3 million.
- Properties acquired during the fiscal year totaled \$7.6 million, a decrease of \$6.9 million over the previous fiscal year. OHCS D has not financed any subprime mortgage loans. OHCS D's Residential Loan Program only offers fixed rate mortgage loans.

- **Capital Assets**

Capital asset activity during the year included the purchase of software. For additional details, see the Notes to the Financial Statements (Note 4).

- **Bonds Payable**

Bonds Payable decreased by \$173.7 million from June 30, 2014 to June 30, 2015. As noted in the Debt Administration section of the Management's Discussion and Analysis, OHCS D issued \$30.9 million (par value) in revenue bonds and bond redemptions totaled \$202.9 million. The remainder of the change is due to discount and premium transactions.

- **Net Position**

Net position increased during fiscal year 2015 by 4.94%, or \$10.0 million. Included in the increase in net position is a change in accounting principle of \$1.0 million (see Note 17 in the Notes to the Financial Statements for additional details about the change in accounting principle). Without the change in accounting principle, net position would have increased by 5.44%, or 11.0 million.

Of OHCS D's \$212.6 million in net position, 95.8% is restricted to bond indentures or other financial commitments. The remaining 4.2% is primarily unrestricted and available to pay for current agency operations. Each fiscal year, OHCS D applies the required bond indenture restrictions to assess the allowable amount that can be released for the purpose of paying for agency operations. Once these funds are officially transferred from the bond indentures, they are classified as unrestricted, but until that point in time, they are considered a pledge to the bondholders and are appropriately classified as restricted.

The results of operations for OHCS D's proprietary funds are presented below and at the top of the next page:

Proprietary Funds
Statement of Operating Activity

	Business-Type Activities		Change	% Change
	2015	2014		
Operating Revenues				
Interest on Loans	\$ 50,954,045	\$ 52,542,197	\$ (1,588,152)	-3.02%
Investment Income	3,484,174	4,844,825	(1,360,651)	-28.08%
Administrative Charges and Fees	2,299,260	616,348	1,682,912	273.05%
Low Income Housing Tax Credit Fees	3,174,641	1,566,180	1,608,461	102.70%
Transfer/Commitment Fees	145,432	216,664	(71,232)	-32.88%
Gain on Sale of Foreclosed Property	288,970	548,575	(259,605)	-47.32%
Miscellaneous Revenue	60,801	16,350	44,451	271.87%
Total Operating Revenues	60,407,323	60,351,139	56,184	0.09%
Operating Expenses				
Personal Services	3,868,949	4,250,998	(382,049)	-8.99%
Services and Supplies	2,392,345	2,429,232	(36,887)	-1.52%
Mortgage Service Fees	2,619,687	2,820,877	(201,190)	-7.13%
Foreclosure Costs	324,684	995,546	(670,862)	-67.39%
Interest Expense - Bonds	38,491,579	43,280,173	(4,788,594)	-11.06%
Interest Expense - Loans	-	24,575	(24,575)	-100.00%
Interest Expense - Securities Lending	12,347	13,410	(1,063)	-7.93%
Other Program Related Expenses	1,428,928	3,224,872	(1,795,944)	-55.69%
Depreciation/Amortization	4,394	2,034	2,360	116.03%
Total Operating Expenses	49,142,913	57,041,717	(7,898,804)	-13.85%
Operating Income (Loss)	11,264,410	3,309,422	7,954,988	240.37%
Nonoperating Revenue (Expenses)				
Interest Expense - Pension-related Debt	(39,019)	(38,942)	(77)	0.20%
Total Nonoperating Revenue (Expenses)	(39,019)	(38,942)	(77)	0.20%
Income (Loss) Before Transfers	11,225,391	3,270,480	7,954,911	243.23%
Transfers to Other State Agencies	(211,415)	(185,435)	(25,980)	14.01%
Increase (Decrease) in Net Position	11,013,976	3,085,045	7,928,931	257.01%

	2015	2014	Change	% Change
Net Position – Beginning	202,554,116	214,936,632	(12,382,516)	-5.76%
Prior Period Adjustment	2,979	(6,448,203)	6,451,182	-100.05%
Change in Accounting Principle	(1,019,904)	(9,019,358)	7,999,454	88.69%
Net Position – Beginning (Restated)	201,537,191	199,469,071	2,068,120	1.04%
Net Position – Ending	\$ 212,551,167	\$ 202,554,116	\$ 9,997,051	4.94%

OHCS D’s proprietary fund revenue is generated principally from interest earned on mortgages and investments. In fiscal year 2015, revenue generated through proprietary funds totaled \$60.4 million, of which \$54.4 million, or 90.1%, is from income earned on loans and investments. Expenses of OHCS D’s proprietary funds consist primarily of interest expense on debt incurred to fund various lending programs. The total expenses for proprietary fund activities totaled \$49.1 million, of which \$38.5 million, or 78.3%, is bond interest expense.

The change in net position for the year ended June 30, 2015 resulted in an increase of \$10.0 million compared to a \$12.4 million decrease for the year ended June 30, 2014. Factors contributing to this change include:

- In fiscal year 2015, investment income was \$1.4 million less than in fiscal year 2014. OHCS D had a lower investment balance in fiscal year 2015 than in fiscal year 2014, therefore investment income was less than in the previous fiscal year.
- Interest on loans for fiscal year 2015 was \$1.6 million less than fiscal year 2014. Reduced mortgage loan balances resulted in a decrease in interest received.
- Interest expense on bonds was \$4.8 million lower than fiscal year 2014. This decrease was primarily due to a smaller outstanding bonds payable balance.
- The fiscal year 2014 change in net position included decreases of \$15.5 million from a change in accounting principal and a prior period adjustment. In fiscal year 2015 change in accounting principal and prior period adjustments totaled a net decrease of \$1.0 million, \$14.5 less than in fiscal year 2014.

Debt Administration

Oregon Revised Statutes authorize OHCS D to issue up to \$2.5 billion in revenue bonds to finance the construction, purchase and rehabilitation of housing for low and moderate income persons and families. OHCS D also has constitutional authority to issue general obligation bonds to finance housing for elderly and disabled persons. As of June 30, 2015, OHCS D was authorized to issue up to \$2,347,393,704 in State of Oregon General Obligation bonds for this purpose.

As of June 30, 2015, OHCS D had a total of \$989,700,000 (par value) in outstanding bond debt. During fiscal year 2015, \$30,900,000 (par value) in revenue bonds were issued for the Single-Family Mortgage Program compared to \$135,590,000 in fiscal year 2014. No Multifamily Housing Revenue Bonds were issued in fiscal year 2015 compared to \$36,760,000 (par value) in fiscal year 2014.

In addition, OHCS D issued \$131,927,822 (par value) of Housing Development Revenue Bonds. These bonds were issued as conduit debt obligations as described in the Notes to the Financial Statements (Note 10) and are not included in the outstanding bonds payable balance on the Statement of Net Position.

The proceeds from revenue bonds issued for the Single-Family Mortgage Program are used to provide below-market interest loans made to low and moderate income households. The proceeds from the Multifamily Housing Revenue Bonds, Housing Development Revenue Bonds, and Elderly and Disabled Housing Bonds are used to provide low interest rate financing to developers for new construction, remodeling, and/or acquisition of affordable rental housing. The proceeds from the Multifamily Housing Revenue Bond and Housing Development Revenue Bond programs are used to finance housing for persons or families with lower and moderate incomes. Elderly and Disabled Housing Bond proceeds are used for projects housing the elderly and persons with disabilities.

Additional information on the Oregon Housing and Community Services Department’s long-term debt can be found in the Notes to the Financial Statements (Note 7).

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Assets and Deferred Outflows of Resources			
Assets			
Current Assets			
Cash and Cash Equivalents	\$ -	\$ 10,077,977	\$ 10,077,977
Cash and Cash Equivalents - Restricted	6,870,498	1,324,253	8,194,751
Investments - Restricted	-	62,384,640	62,384,640
Securities Lending Cash Collateral	2,095,191	1,937,246	4,032,437
Accounts Receivable	38	178,972	179,010
Accrued Interest Receivable	586,016	4,032,734	4,618,750
Interfund Receivable	-	607	607
Prepaid Expenses	-	675	675
Acquired Property	-	4,407,890	4,407,890
Total Current Assets	9,551,743	84,344,994	93,896,737
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	28,661,604	29,729,176	58,390,780
Investments - Restricted	6,270,681	161,257,636	167,528,317
Loans Receivable (Net)	117,191,999	800,811,979	918,003,978
Capital Assets (Net)	8,465	62,084	70,549
Net Pension Asset	159,458	399,149	558,607
Total Noncurrent Assets	152,292,207	992,260,024	1,144,552,231
Total Assets	161,843,950	1,076,605,018	1,238,448,968
Deferred Outflows of Resources			
Accumulated Decrease in Fair Value of Hedging Derivatives	-	11,379,103	11,379,103
Loss on Debt Refundings	152,944	2,191,813	2,344,757
Change in Employer Contribution and Proportion	2,852	7,138	9,990
Pension Contributions after Measurement Date	56,165	140,591	196,756
Total Deferred Outflows of Resources	211,961	13,718,645	13,930,606
Total Assets and Deferred Outflows of Resources	\$ 162,055,911	\$ 1,090,323,663	\$ 1,252,379,574

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

Continued on the next page

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 80,206	\$ 516,523	\$ 596,729
Accrued Interest Payable	1,879,127	16,078,545	17,957,672
Obligations Under Securities Lending	2,095,191	1,937,246	4,032,437
Interfund Payable	607	-	607
Unearned Revenue	12,155	1,390,251	1,402,406
Compensated Absences Payable	38,821	143,899	182,720
Bonds Payable	4,280,000	47,415,000	51,695,000
Pension-related Debt Payable	4,910	17,591	22,501
Total Current Liabilities	8,391,017	67,499,055	75,890,072
Noncurrent Liabilities			
Compensated Absences Payable	19,999	74,130	94,129
Bonds Payable	81,136,355	864,323,808	945,460,163
Swap Fair Value Liability	-	11,379,103	11,379,103
Pension-related Debt Payable	120,604	432,118	552,722
Net OPEB Obligation	23,273	69,497	92,770
Total Noncurrent Liabilities	81,300,231	876,278,656	957,578,887
Total Liabilities	89,691,248	943,777,711	1,033,468,959
Deferred Inflows of Resources			
Deferred Loan Origination Fees	1,045,163	4,236,398	5,281,561
Pension Investment Earnings Difference	307,690	770,197	1,077,887
Total Deferred Inflows of Resources	1,352,853	5,006,595	6,359,448
Net Position			
Net Investment in Capital Assets	8,465	62,084	70,549
Restricted for Residential Assistance	-	2,029,118	2,029,118
Restricted by Trust Indentures	71,003,345	130,449,767	201,453,112
Unrestricted	-	8,998,388	8,998,388
Total Net Position	71,011,810	141,539,357	212,551,167
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 162,055,911	\$ 1,090,323,663	\$ 1,252,379,574

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Operating Revenues			
Interest on Loans	\$ 8,373,744	\$ 42,580,301	\$ 50,954,045
Investment Income	737,377	2,746,797	3,484,174
Administrative Charges and Fees	3,500	2,295,760	2,299,260
Low Income Housing Tax Credit Fees	-	3,174,641	3,174,641
Transfer/Commitment Fees	30,000	115,432	145,432
Gain on Sale of Foreclosed Property	-	288,970	288,970
Miscellaneous Revenue	350	60,451	60,801
Total Operating Revenues	9,144,971	51,262,352	60,407,323
Operating Expenses			
Personal Services	924,337	2,944,612	3,868,949
Services and Supplies	430,835	1,961,510	2,392,345
Mortgage Service Fees	50,290	2,569,397	2,619,687
Foreclosure Costs	-	324,684	324,684
Interest Expense - Bonds	5,028,336	33,463,243	38,491,579
Interest Expense - Securities Lending	5,549	6,798	12,347
Other Related Program Expenses	155,094	1,273,834	1,428,928
Depreciation/Amortization	290	4,104	4,394
Total Operating Expenses	6,594,731	42,548,182	49,142,913
Operating Income (Loss)	2,550,240	8,714,170	11,264,410
Nonoperating Revenue (Expenses)			
Interest Expense - Pension-related Debt	(8,514)	(30,505)	(39,019)
Total Nonoperating Revenues (Expenses)	(8,514)	(30,505)	(39,019)
Income (Loss) Before Transfers	2,541,726	8,683,665	11,225,391
Transfers to Other State Agencies	(52,886)	(158,529)	(211,415)
Increase (Decrease) in Net Position	2,488,840	8,525,136	11,013,976
Net Position - Beginning	68,813,458	133,740,658	202,554,116
Prior Period Adjustment	650	2,329	2,979
Change in Accounting Principle (GASB 68)	(291,138)	(728,766)	(1,019,904)
Net Position - Beginning (Restated)	68,522,970	133,014,221	201,537,191
Net Position - Ending	\$ 71,011,810	\$ 141,539,357	\$ 212,551,167

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

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OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Cash Flows from Operating Activities			
Received from Customers	\$ 33,500	\$ 5,687,738	\$ 5,721,238
Program Loan Principal Repayments	17,429,969	128,181,755	145,611,724
Program Loan Interest Received	7,914,015	42,347,413	50,261,428
Program Loans Made	-	(54,220,431)	(54,220,431)
Payments to Employees for Services	(1,127,818)	(3,460,097)	(4,587,915)
Payments to Suppliers for Goods and Services	(465,652)	(4,598,521)	(5,064,173)
Other Receipts (Payments)	350	941,620	941,970
Net Cash Provided (Used) in Operating Activities	23,784,364	114,879,477	138,663,841
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	-	31,377,604	31,377,604
Principal Payments - Bonds	(27,135,000)	(175,795,000)	(202,930,000)
Interest Payments - Bonds	(5,577,150)	(35,272,707)	(40,849,857)
Bond Issuance Costs	-	(565,215)	(565,215)
Principal Payments - Pension-related Debt	(4,906)	(17,581)	(22,487)
Interest Payments - Pension-related Debt	(8,514)	(30,505)	(39,019)
Transfers to Other State Agencies	(51,182)	(158,132)	(209,314)
Net Cash Provided (Used) in Noncapital Financing Activities	(32,776,752)	(180,461,536)	(213,238,288)
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(8,755)	(43,848)	(52,603)
Net Cash Provided (Used) in Capital and Related Financing Activities	(8,755)	(43,848)	(52,603)
Cash Flows from Investing Activities			
Purchase of Investments	-	(289,867,498)	(289,867,498)
Proceeds from Sales and Maturities of Investments	8,911,473	361,457,095	370,368,568
Interest on Cash and Investments	701,704	1,244,752	1,946,456
Investment Income on Securities Lending	5,549	6,798	12,347
Interest Paid on Securities Lending	(5,549)	(6,798)	(12,347)
Net Cash Provided (Used) in Investing Activities	9,613,177	72,834,349	82,447,526
Net Increase (Decrease) in Cash and Cash Equivalents	612,034	7,208,442	7,820,476
Cash and Cash Equivalents Balance - Beginning	34,920,068	33,922,964	68,843,032
Cash and Cash Equivalents Balance - Ending	\$ 35,532,102	\$ 41,131,406	\$ 76,663,508
Cash and Cash Equivalents	\$ -	\$ 10,077,977	\$ 10,077,977
Cash and Cash Equivalents - Restricted (Current)	6,870,498	1,324,253	8,194,751
Cash and Cash Equivalents - Restricted (Noncurrent)	28,661,604	29,729,176	58,390,780
Total Cash and Cash Equivalents	\$ 35,532,102	\$ 41,131,406	\$ 76,663,508

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

Continued on the next page

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 2,550,240	\$ 8,714,170	\$ 11,264,410
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation/Amortization	290	4,104	4,394
Investment Income Reported as Operating Revenue	(737,377)	(2,746,797)	(3,484,174)
Interest Expense Reported as Operating Expense	5,033,885	33,470,041	38,503,926
Bond Issuance Costs Reported as Operating Expense	-	519,913	519,913
Bond Call Expenses	155,094	(1,466,862)	(1,311,768)
<i>(Increase)/Decrease in Assets:</i>			
Loan Interest Receivable	82,843	604,245	687,088
Accounts Receivable	(38)	21,286	21,248
Interfund Receivable	-	(443)	(443)
Prepaid Expenses	-	7,980	7,980
Loans Receivable (Net)	17,082,133	74,329,582	91,411,715
Acquired Property	-	2,727,764	2,727,764
<i>(Increase)/Decrease in Deferred Outflows of Resources:</i>			
Change in Employer Contribution and Proportion Pension Contribution after Measurement Date	(2,852)	(7,138)	(9,990)
	11,692	29,264	40,956
<i>Increase/(Decrease) in Liabilities:</i>			
Accounts Payable	41,160	(246,311)	(205,151)
Interfund Payable	443	-	443
Unearned Revenue	(496)	(137,044)	(137,540)
Compensated Absences Payable	(25,007)	5,728	(19,279)
Net Pension Liability	(518,453)	(1,297,770)	(1,816,223)
Net OPEB Obligation	(2,643)	7,114	4,471
<i>Increase/(Decrease) in Deferred Inflows of Resources:</i>			
Deferred Loan Origination Fees	(194,240)	(429,546)	(623,786)
Pension Investment Earnings Difference	307,690	770,197	1,077,887
Net Cash Provided (Used) in Operating Activities	\$ 23,784,364	\$ 114,879,477	\$ 138,663,841
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	\$ 139,567	\$ 224,350	\$ 363,917
Foreclosed Property	-	7,640,458	7,640,458
Loan Modifications	-	135,441	135,441
Total Noncash Investing, Capital, and Financing Activities	\$ 139,567	\$ 8,000,249	\$ 8,139,816

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Notes to the Financial Statements
Enterprise Funds
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Oregon Housing and Community Services Department (OHCS D) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

OHCS D is a part of the State of Oregon reporting entity. OHCS D currently operates under the provisions of Sections 456.515 to 456.725 of the Oregon Revised Statutes.

Through sales of bonds, OHCS D finances home ownership and multi-family units for elderly, disabled, and lower to moderate income persons. OHCS D has issued revenue bonds for the Single-Family Mortgage Program (Mortgage Revenue Bonds and Housing Revenue Bonds), Multifamily Housing Revenue Bonds, and Multiple Purpose Bonds. OHCS D has issued State of Oregon general obligation bonds for the Elderly and Disabled Housing Program. State of Oregon general obligation bonds are authorized by Oregon Constitution Article XI-I(2).

The financial statements and notes include only the bonded debt financial activity of OHCS D's housing bond programs. OHCS D operates governmental fund programs which are not included in this report.

B. Basis of Presentation - Fund Accounting

OHCS D programs and accounts are organized by "funds," each of which is a separate accounting entity. Each major program utilizes a separate set of self-balancing accounts to record the assets, liabilities, net position, revenues, and expenses of their activities. OHCS D's housing bond programs are classified in proprietary funds. Proprietary funds contain two types of funds: Enterprise Funds and Internal Service Funds. All housing bond programs of OHCS D are accounted for in the Enterprise Funds.

Proprietary Fund

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. OHCS D utilizes two enterprise funds which are differentiated primarily by the type of bond financing employed to support their respective programs:

- (1) The Elderly and Disabled Housing Program accounts for programs that are supported by State of Oregon General Obligation Bonds. Bond proceeds are used to finance elderly housing and residential facilities for elderly households, disabled persons, and their family members. OHCS D is responsible for the administration of this program.
- (2) The Housing Finance Fund accounts for programs that are supported by revenue bond financing, including the Multifamily Housing, Multiple Purpose, and Single-Family Mortgage Programs. Revenue bond proceeds are used to finance home ownership and multi-family units for lower and moderate income persons. Also part of the Housing Finance Fund are the Combined Program Account and the Housing Finance Account. The Combined Program Account is maintained to act as a reserve against possible deficiencies that may arise in the payment of debt service or related expenses of the Single-Family Mortgage Program. General and administrative costs of these programs are accounted for in the Housing Finance Account. In addition, fees or other monies received by OHCS D in carrying out the responsibilities outlined under Oregon Revised Statutes 456.550 to 456.725 are also included in the Housing Finance Account.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the flow of economic resources measurement focus and are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time related liabilities are incurred. All assets and liabilities associated with the operations of these funds are included on the Statement of Net Position. Assets and liabilities are segregated between current and non-current. Net Position is segregated into Net Investment in Capital Assets, Restricted, and Unrestricted. The Proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. This statement segregates operating revenue, operating expenses, non-operating revenue and expense, and capital contributions and transfers.

D. Budgets

The Oregon Legislature approves budgets for a biennial period. Operating expenses are subject to limitation and bond related expenses are subject to administrative limitation. Both types of limitation lapse at the end of the biennium. Budgets are adopted on a basis which differs from generally accepted accounting principles and financial reporting standards in the treatment of bond proceeds and loan purchases. For budgetary purposes, these transactions are treated on a cash basis and other operating revenues and expenses are on an accrual basis.

E. Cash Equivalents

For purposes of the Statement of Cash Flows, all OHCS D moneys held in the State Treasury Oregon Short-Term Fund and moneys held in money market funds are considered to be cash equivalents. All short-term U.S. Government and U.S. Agency securities and municipal bonds are considered to be investments.

F. Investments

OHCS D's investments are stated at fair value. Investment fair value is determined using quoted market prices. Since the principal activity of OHCS D's Enterprise Funds is lending, investment income is reported as operating activity.

G. 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 relate to interest, mortgage loans receivable, and other miscellaneous receivables.

H. Short-term Interfund Receivable/Payable

During the course of operations, transactions occur between individual funds for various reasons. These receivable and payable transactions are classified as "Interfund Receivable" and "Interfund Payable" on the Statement of Net Position.

I. Acquired Property

Acquired properties resulting from mortgage foreclosures are stated at the lower of cost or fair market value. Cost is defined as the outstanding balance of the mortgage loan, plus major repairs, less any mortgage insurance payments received. Costs relating to the acquisition of such properties are charged to expense as they are incurred.

J. Capital Assets

Capital assets are reported at historical cost or estimated historical cost if the original cost is not determinable. Donated capital assets are reported at their estimated fair market value at the time received. Capital assets costing less than \$5,000 or having a useful life of less than one year are not capitalized.

Depreciation or amortization of capital assets is charged as an expense against operations over the estimated useful life using the straight-line method of depreciation. The estimated useful life of capital assets is from three to ten years.

K. Rebatable Arbitrage

Internal Revenue Code (IRC) Section 148(f) requires issuers of tax-exempt bonds to rebate investment income earned from bond proceeds that exceeds limits established for each bond issue. These limits are based on the bond yield as calculated for federal tax purposes for each bond issue and are subject to certain exceptions. Arbitrage rebate payments are due not later than 60 days after the end of the fifth anniversary of each bond issue (or other date in compliance with IRC Section 148(f)) and every five years thereafter in an amount at least equal to 90 percent of the calculated arbitrage liability. Final arbitrage rebate payments are due not later than 60 days after the final retirement of all bonds in an issue in an amount equal to 100 percent of the calculated arbitrage liability. OHCS D records rebatable arbitrage as a reduction of investment revenue.

L. Compensated Absences

Employees accumulate earned but unused vacation and sick leave benefits. Accumulated vacation leave (compensated absences) is recorded as an expense and a liability as the benefits accrue to the employees. No liability is recorded for accumulated sick leave benefits since employees are not paid for unused sick leave benefits when leaving State service.

M. Bond Discounts and Premiums

Bond discount or premium arising from the sale of serial or term bonds is charged or credited to interest expense over the life of the related bond issue using the bonds-outstanding method of amortization. Bond discounts and premiums are included in Bonds Payable on the Statement of Net Position.

N. Deferred Debt Refundings

Deferred debt refunding gains or losses are amortized over the shorter of the life of the new debt or the remaining life of the old debt using the bonds-outstanding method of amortization. The bonds-outstanding method of amortization most closely approximates the effective-interest method. Loss on Debt Refundings is shown as a Deferred Outflow of Resources on the Statement of Net Position.

O. Deferred Loan Origination Fees

Loan origination fees related to points are deferred and recognized as an adjustment to interest revenue over the life of the loan. Deferred loan origination fees are amortized using the interest method. Deferred Loan Origination Fees are shown as a Deferred Inflow of Resources on the Statement of Net Position.

P. Restricted Assets

The use of all cash, cash equivalents, and investments of the Enterprise Fund are generally restricted as to purpose and use by the Bond Declarations and Indentures of Trust. The bond program funds are restricted for acquisition of loans, payment of debt service, and payment of operating costs. Individual reserve accounts have been established to meet certain requirements and the balances of these accounts as of June 30, 2015 were sufficient to meet all legal requirements. When both restricted and unrestricted resources are available to use, it is OHCS D's policy to use restricted resources before using unrestricted resources.

Q. Operating Revenues and Expenses

Operating revenues include interest and fees on program loans as well as earnings on cash and investments related to OHCS D’s loan programs. Administrative expenses, depreciation and amortization of capital assets, and bond program related expenses are considered operating expenses. Nonoperating revenues and expenses include any gain or loss on the disposition of capital assets and pension-related debt interest payments.

NOTE 2. Cash and Cash Equivalents, Investments, and Securities Lending

Deposits

On June 30, 2015, the book balance of cash and cash equivalents was \$76,663,508 and the bank balance was \$76,732,794. Monies held in demand accounts with the State Treasurer and amounts invested in the Oregon Short-Term Fund totaled \$68,414,718. Additional information about the Oregon Short-Term Fund can be found at www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-%28OSTF%29.aspx.

The bank balance of money market accounts held by OHCS D’s Bond Trustee as agent totaled \$8,318,076. OHCS D does not have a deposit policy.

Investments

Oregon Revised Statute 293.726 (1), Bond Indentures of Trust, and OHCS D’s investment policy allow OHCS D to invest in insured or registered securities explicitly or implicitly guaranteed by the U.S. Government, variable rate demand obligations of other state agencies and other Housing Finance Authorities outside of Oregon, and investment agreements, collateralized or uncollateralized, with institutions that are rated by nationally recognized rating agencies and rated at least equal to the initial rating on the bonds.

Investments with OHCS D’s Trustees consisted of \$1,605,503 in U.S. Government securities, \$191,021,773 in U.S. Agency securities, and \$31,015,000 in municipal bonds. They are held at the Federal Reserve under the name of OHCS D’s Bond Trustee for the benefit of OHCS D.

Investments with the State Treasurer consisted of \$3,114,619 in U.S. Government Securities and \$3,156,062 in U.S. Agency securities. OHCS D’s investments with the State Treasurer are held with the State Treasurer’s agent in the name of the State of Oregon and segregated in the Treasurer’s records in OHCS D’s name.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. OHCS D’s investment policy specifies that, in order to mitigate interest rate risk, the investment portfolio shall be structured so that securities mature to meet cash requirements, limiting the need to sell securities on the open market before maturity. As of June 30, 2015, OHCS D had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Government Securities	\$ 4,720,122	\$ -	\$ 210,846	\$ 2,117,671	\$ 2,391,605
U.S. Agency Securities	194,177,835	146,173,292	3,184,347	9,508,496	35,311,700
Municipal Bonds	31,015,000	-	-	-	31,015,000
Total	\$ 229,912,957	\$ 146,173,292	\$ 3,395,193	\$ 11,626,167	\$ 68,718,305

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. According to OHCS D’s investment policy, to mitigate credit risk, funds shall be invested in insured or registered securities explicitly or implicitly guaranteed by the U.S. Government or variable rate demand obligations of other state agencies and other Housing Finance Authorities outside of Oregon. As of June 30, 2015, of OHCS D’s investments in U.S. Agency securities, \$60,813,022 are rated Aaa by Moody’s Investor Service and \$132,235,029 are discount notes which have a Moody’s Investor Service short-term Issuer Level Rating of P-1. Included in the U.S. Agency securities total in the table above is \$1,129,784 invested in Student Loan Marketing Association (SLMA) investments issued before SLMA, a

Notes to the Financial Statements (Continued)
June 30, 2015

government-sponsored enterprise, was dissolved on December 29, 2004. SLMA's remaining debt as of that date was transferred to a trust and maintains the attributes accorded SLMA debt prior to its dissolution. These securities are unrated. As of June 30, 2015, \$14,790,000 of OHCS D's municipal bond investments are rated Aaa/VMIG1 and \$16,225,000 are rated Aa2/VMIG1 by Moody's Investor Service.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. On June 30, 2015, 26.2% of OHCS D's total investments are Federal National Mortgage Association (Fannie Mae) securities, 20.5% are Federal Farm Credit Bank securities, 17.7% are Federal Home Loan Mortgage Corporation (Freddie Mac) securities, 15.2% are Federal Home Loan Bank securities, 6.4% are Ohio Housing Finance Agency municipal bonds, and 6.2% are Wisconsin Housing and Economic Development Authority municipal bonds.

Securities Lending

In accordance with State of Oregon investment policies, state agencies may participate in securities lending. OHCS D is involved in securities lending only with cash balances invested in the Oregon Short-Term Fund (OSTF). As of June 30, 2015, the amount of the fair value of all securities on loan from OSTF allocated to OHCS D's Enterprise Funds was \$6,517,747. OSTF securities on loan in total included U.S. Treasury securities (80.38%), U.S. Agency securities (10.33%), and domestic fixed income securities (9.29%). The amount allocated to OHCS D's Enterprise Funds of the fair value of all investments purchased with cash collateral received for those securities on loan was \$4,032,639. The amount of total collateral received for the securities on loan from OSTF allocated to OHCS D's Enterprise Funds was \$4,032,438. Additional information about the Oregon Short-Term Fund and securities lending can be found in the Oregon Short-Term Fund financial statements at www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-%28OSTF%29.aspx.

NOTE 3. Loans Receivable

Loans receivable on June 30, 2015 consisted of:

	Loans Receivable	Less: Allowance for Uncollectible Accounts	Less: Allowance for Estimated Loan Modifications	Loans Receivable (Net)
Elderly and Disabled Housing Fund:	\$ 119,620,525	\$ -	\$ (2,428,526)	\$ 117,191,999
Housing Finance Fund:				
Single-Family Mortgage Program:				
Mortgage Revenue Bonds	516,896,890	(27,096)	-	516,869,794
Housing Revenue Bonds	137,139,685	-	-	137,139,685
Multifamily Housing Revenue Bonds	145,326,432	-	-	145,326,432
Housing Finance Account	1,476,068	-	-	1,476,068
Total Housing Finance Fund	800,839,075	(27,096)	-	800,811,979
Total	\$ 920,459,600	\$ (27,096)	\$ (2,428,526)	\$ 918,003,978

The Elderly and Disabled Housing Program provides interim and permanent mortgage financing for the construction, acquisition, or rehabilitation of structures or facilities which serve elderly or disabled persons and their families.

Mortgage Revenue Bonds and Housing Revenue Bonds provide financing for single-family homes for at or below median income home buyers. These loans are collateralized by first lien mortgages on the applicable real estate. Of the total mortgage principal balance outstanding, 53.1 percent is federally insured or guaranteed, 11.7 percent is covered by pool insurance and/or private mortgage insurance and 35.2 percent is uninsured. Based on prior experience, OHCS D does not anticipate any material loss in the collection of mortgage loans receivable or in the disposition of acquired properties.

Multifamily Housing Revenue Bonds provide interim and permanent mortgage financing for the construction, acquisition, or rehabilitation of multi-family housing developments within the State that primarily contain housing units for persons or families of lower and moderate income.

Notes to the Financial Statements (Continued)
June 30, 2015

Allowance for estimated loan modifications reflects the principal amount of mortgage loans expected to be forgiven by OHCS D to remain in compliance with mortgage yield restrictions for tax-exempt bonds.

OHCS D uses the allowance method to estimate uncollectible loans receivable. The composition of the loan portfolio is evaluated considering past loss experience, current economic conditions, amount of mortgage insurance, and the likelihood of properties being foreclosed upon. This evaluation, in management's judgment, is adequate to provide for potential losses.

NOTE 4. Capital Assets

A summary of OHCS D's capital assets at June 30, 2015 is presented in the table below. OHCS D has no outstanding debt related to capital assets.

	Elderly and Disabled Housing Fund				Housing Finance Fund			
	Beginning Balance	Increases	Decreases	Ending Balance	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets:								
Data Processing Software	\$ 26,370	\$ 8,755	\$ -	\$ 35,125	\$ 151,416	\$ 43,848	\$ -	\$ 195,264
Total Capital Assets	26,370	8,755	-	35,125	151,416	43,848	-	195,264
Less Accumulated Depreciation/Amortization:								
Data Processing Software	(26,370)	(290)	-	(26,660)	(129,076)	(4,104)	-	(133,180)
Total Accumulated Depreciation/Amortization	(26,370)	(290)	-	(26,660)	(129,076)	(4,104)	-	(133,180)
Capital Assets, Net	\$ -	\$ 8,465	\$ -	\$ 8,465	\$ 22,340	\$ 39,744	\$ -	\$ 62,084

NOTE 5. Interfund Balances and Transfers

The following schedule summarizes interfund receivables and payables for the year ended June 30, 2015:

	Interfund Receivable	Interfund Payable
Elderly and Disabled Housing Fund	\$ -	\$ 607
Housing Finance Fund	607	-
Total	\$ 607	\$ 607

Balances between funds are the result of timing differences related to the reallocation of expenses.

NOTE 6. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bond Principal	\$ 1,161,730,000	\$ 30,900,000	\$ 202,930,000	\$ 989,700,000	\$ 51,695,000
Bond Discount	(123,755)	-	(40,754)	(83,001)	-
Bond Premium	9,251,371	477,604	2,190,811	7,538,164	-
Bonds Payable	1,170,857,616	31,377,604	205,080,057	997,155,163	-
Compensated Absences Payable	296,128	-	19,279	276,849	182,720
Swap Fair Value Liability	17,276,495	-	5,897,392	11,379,103	-
Pension-related Debt Payable	600,689	-	25,466	575,223	22,501
Net OPEB Obligation	88,299	4,471	-	92,770	-
Total Long-Term Liabilities	\$ 1,189,119,227	\$ 31,382,075	\$ 211,022,194	\$ 1,009,479,108	\$ 51,900,221

NOTE 7. Long-Term Debt

The following table summarizes outstanding bonds by program and series as of June 30, 2015:

General Obligation Bonds

Elderly and Disabled Housing Program

Original Issue				Bonds Outstanding			Ending Balance	Due Within One Year
Series	Due Dates	Interest Range	Amount	Beginning Balance	Increases	Decreases		
1993 C	1994-2026	2.850 - 5.650%	\$ 13,915,000	\$ 4,325,000	\$ -	\$ 100,000	\$ 4,225,000	\$ 285,000
1994 B	1996-2026	4.200 - 6.300%	24,400,000	10,170,000	-	6,730,000	3,440,000	205,000
1995 A	1996-2026	4.000 - 6.000%	14,100,000	6,770,000	-	1,165,000	5,605,000	335,000
1995 B	1997-2027	4.000 - 5.700%	24,240,000	8,780,000	-	545,000	8,235,000	450,000
1996 B	1998-2027	4.200 - 5.800%	10,605,000	6,345,000	-	1,905,000	4,440,000	240,000
1997 A	1999-2028	4.050 - 5.375%	8,475,000	3,270,000	-	945,000	2,325,000	115,000
1998 B	2001-2030	3.550 - 4.875%	10,285,000	2,480,000	-	1,085,000	1,395,000	70,000
1999 A	2000-2030	3.250 - 5.150%	10,840,000	1,420,000	-	445,000	975,000	165,000
1999 B	2000-2031	3.350 - 5.250%	4,485,000	605,000	-	20,000	585,000	20,000
1999 E	2001-2031	5.000 - 6.250%	19,105,000	13,415,000	-	1,435,000	11,980,000	425,000
2001 C	2002-2032	2.700 - 5.300%	25,325,000	12,345,000	-	7,255,000	5,090,000	505,000
2002 A	2003-2022	1.400 - 4.650%	10,840,000	5,830,000	-	545,000	5,285,000	565,000
2002 B	2003-2024	1.400 - 4.700%	37,905,000	340,000	-	25,000	315,000	25,000
2002 C	2003-2043	1.600 - 5.050%	13,595,000	5,525,000	-	255,000	5,270,000	270,000
2003 B	2004-2024	1.300 - 4.800%	9,265,000	5,790,000	-	3,685,000	2,105,000	160,000
2003 C	2013-2034	4.350 - 5.100%	2,930,000	2,405,000	-	180,000	2,225,000	-
2007 A	2008-2048	3.650 - 4.750%	26,300,000	22,800,000	-	815,000	21,985,000	445,000
<i>Total General Obligation Bonds</i>				\$ 112,615,000	\$ -	\$ 27,135,000	\$ 85,480,000	\$ 4,280,000

Revenue Bonds

Mortgage Revenue Bonds

Original Issue				Bonds Outstanding			Ending Balance	Due Within One Year
Series	Due Dates	Interest Range	Amount	Beginning Balance	Increases	Decreases		
2001 C	2032	***	\$ 7,500,000	\$ 765,000	\$ -	\$ 765,000	\$ -	\$ -
2001 L	2032	***	9,100,000	1,315,000	-	1,315,000	-	-
2004 J	2006-2019	1.950 - 4.350%	15,560,000	2,490,000	-	2,490,000	-	-
2004 K	2020-2030	4.800 - 5.100%	19,440,000	2,860,000	-	2,860,000	-	-
2004 L	2035	****	15,000,000	15,000,000	-	15,000,000	-	-
2004 M	2007-2025	2.250 - 4.600%	7,510,000	3,195,000	-	3,195,000	-	-
2004 N	2035	4.900 - 4.900%	8,390,000	3,175,000	-	3,175,000	-	-
2005 A	2006-2024	2.600 - 4.500%	16,055,000	2,855,000	-	2,855,000	-	-
2005 C	2035	****	10,500,000	10,500,000	-	10,500,000	-	-
2005 D	2007-2025	3.000 - 4.650%	26,340,000	8,540,000	-	5,310,000	3,230,000	845,000
2005 E	2006-2031	3.150 - 5.750%	13,775,000	45,000	-	45,000	-	-
2005 F	2036	****	14,885,000	14,885,000	-	-	14,885,000	-
2006 A	2007-2021	3.125 - 4.350%	20,210,000	2,750,000	-	2,750,000	-	-
2006 B	2007-2030	3.350 - 5.625%	19,790,000	1,595,000	-	1,595,000	-	-
2006 C	2036	****	20,000,000	20,000,000	-	845,000	19,155,000	1,195,000
2006 D	2007-2021	3.500 - 4.500%	18,705,000	1,665,000	-	1,665,000	-	-
2006 E	2025-2031	5.000 - 6.250%	21,295,000	2,385,000	-	2,385,000	-	-
2006 F	2037	****	20,000,000	20,000,000	-	430,000	19,570,000	1,920,000
2006 G	2028	****	16,105,000	16,105,000	-	-	16,105,000	-
2006 H	2008-2021	3.300 - 4.100%	13,905,000	4,820,000	-	1,275,000	3,545,000	500,000
2006 I	2026-2036	4.600 - 6.250%	27,680,000	11,230,000	-	2,940,000	8,290,000	140,000
2006 J	2008-2021	3.350 - 4.050%	13,235,000	5,965,000	-	1,005,000	4,960,000	705,000
2006 K	2026-2036	4.450 - 5.375%	26,765,000	13,935,000	-	2,020,000	11,915,000	175,000
2007 A	2008-2022	3.400 - 4.250%	20,210,000	8,170,000	-	1,965,000	6,205,000	975,000
2007 B	2027-2037	4.750 - 5.500%	39,790,000	17,495,000	-	3,325,000	14,170,000	705,000
2007 C	2008-2022	3.550 - 4.700%	27,025,000	5,850,000	-	3,845,000	2,005,000	965,000

Notes to the Financial Statements (Continued)
June 30, 2015

Original Issue				Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range	Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2007 D	2026-2038	5.000 - 5.875%	32,975,000	7,915,000	-	4,125,000	3,790,000	775,000
2007 E	2038	****	30,000,000	30,000,000	-	-	30,000,000	-
2007 F	2014-2022	3.700 - 4.450%	18,855,000	5,230,000	-	3,585,000	1,645,000	770,000
2007 G	2009-2038	3.650 - 5.500%	41,145,000	9,685,000	-	5,900,000	3,785,000	470,000
2007 H	2038	****	30,000,000	30,000,000	-	-	30,000,000	-
2008 A	2009-2022	1.650 - 4.125%	15,140,000	4,685,000	-	3,425,000	1,260,000	925,000
2008 B	2010-2038	2.625 - 6.000%	54,860,000	13,910,000	-	7,415,000	6,495,000	1,920,000
2008 C	2038	****	35,000,000	35,000,000	-	-	35,000,000	-
2008 D	2009-2023	2.500 - 4.800%	11,790,000	2,355,000	-	1,545,000	810,000	565,000
2008 E	2010-2039	3.900 - 6.500%	58,210,000	14,545,000	-	7,040,000	7,505,000	1,885,000
2008 F	2039	****	35,000,000	35,000,000	-	-	35,000,000	-
2008 G	2013-2030	3.500 - 5.350%	52,530,000	22,910,000	-	8,025,000	14,885,000	1,955,000
2008 I	2037	****	34,650,000	34,650,000	-	-	34,650,000	-
2010 A	2011-2030	0.350 - 4.375%	35,900,000	24,065,000	-	3,960,000	20,105,000	3,385,000
2010 B	2011-2030	1.000 - 5.000%	52,540,000	20,195,000	-	5,205,000	14,990,000	810,000
2010 C	2042	4.750 - 4.750%	8,000,000	4,795,000	-	665,000	4,130,000	495,000
2013 A	2020-2043	2.200 - 4.050%	21,885,000	21,005,000	-	250,000	20,755,000	480,000
2013 B	2014-2034	0.450 - 5.000%	29,095,000	26,075,000	-	3,830,000	22,245,000	2,130,000
2013 C	2014-2033	0.350 - 3.564%	61,300,000	52,660,000	-	8,510,000	44,150,000	4,160,000
2013 D	2018-2043	1.650 - 4.200%	33,225,000	32,285,000	-	1,680,000	30,605,000	375,000
2013 E	2014-2018	0.230 - 2.100%	6,360,000	6,150,000	-	1,430,000	4,720,000	1,450,000
2013 F	2033	3.900 - 3.900%	8,335,000	8,335,000	-	35,000	8,300,000	250,000
2014 A	2019-2044	1.550 - 4.000%	57,710,000	57,710,000	-	1,425,000	56,285,000	-
2014 B	2015-2044	0.300 - 4.000%	29,960,000	29,960,000	-	2,855,000	27,105,000	3,260,000
2014 C	2015-2044	0.200 - 3.750%	30,900,000	-	30,900,000	-	30,900,000	705,000
<i>Total Mortgage Revenue Bonds</i>				\$ 726,710,000	\$ 30,900,000	\$ 144,460,000	\$ 613,150,000	\$ 34,890,000

*** Interest rates were adjusted monthly based on the one month LIBOR rate plus 0.40%, not to exceed 11.00% for 2001 C and 11.50% for 2001 L.

**** Interest rates are adjusted weekly based on the weekly rate determined by the Remarketing Agent, not to exceed 12.00%. The interest rate at the end of the fiscal year was 0.060% for 2006 G; 0.070% for 2005 F; 0.080% for 2006 F; 0.090% for 2006 C, 2007 E, 2007 H, and 2008 C; and 0.130% for 2008 F and 2008 I.

Housing Revenue Bonds

Original Issue				Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range	Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2009 A-1	2041	0.830 - 3.280%	\$ 18,000,000	\$ 16,250,000	\$ -	\$ 2,040,000	\$ 14,210,000	\$ 980,000
2009 A-2	2041	0.770 - 3.700%	36,000,000	32,770,000	-	4,540,000	28,230,000	1,240,000
2009 A-3	2041	0.760 - 2.920%	27,000,000	24,550,000	-	3,090,000	21,460,000	610,000
2009 A-4	2041	0.800 - 3.090%	20,540,000	20,540,000	-	560,000	19,980,000	500,000
2009 A-5	2041	0.760 - 2.790%	18,460,000	18,460,000	-	670,000	17,790,000	-
2010 A	2011-2027	0.400 - 5.250%	12,000,000	9,405,000	-	1,715,000	7,690,000	1,045,000
2011 A	2012-2028	0.500 - 5.250%	24,000,000	19,375,000	-	3,110,000	16,265,000	1,530,000
2011 B	2012-2028	0.500 - 5.250%	18,000,000	14,795,000	-	2,445,000	12,350,000	955,000
2012 A	2013-2042	0.350 - 5.000%	9,460,000	8,785,000	-	1,015,000	7,770,000	860,000
2012 B	2013-2042	0.300 - 5.000%	6,540,000	5,950,000	-	845,000	5,105,000	600,000
<i>Total Housing Revenue Bonds</i>				\$ 170,880,000	\$ -	\$ 20,030,000	\$ 150,850,000	\$ 8,320,000

Multifamily Housing Revenue Bonds

Original Issue				Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range	Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2003 A	2013-2044	4.400 - 5.150%	\$ 5,675,000	\$ 5,135,000	\$ -	\$ 370,000	\$ 4,765,000	\$ 80,000
2004 A	2014-2045	4.300 - 5.100%	5,120,000	4,670,000	-	360,000	4,310,000	70,000
2004 B	2046	****	14,950,000	13,725,000	-	205,000	13,520,000	215,000
2005 A	2007-2047	3.050 - 5.000%	9,855,000	8,560,000	-	460,000	8,100,000	110,000
2006 A	2036	4.620 - 4.620%	5,680,000	4,630,000	-	640,000	3,990,000	180,000
2010 A	2011-2042	0.900 - 5.150%	77,705,000	68,895,000	-	6,115,000	62,780,000	2,540,000
2010 B	2013-2052	0.950 - 4.875%	16,425,000	9,685,000	-	465,000	9,220,000	120,000
2012 A	2013-2032	0.300 - 3.250%	1,425,000	1,365,000	-	60,000	1,305,000	60,000
2012 B	2013-2043	0.550 - 4.125%	35,335,000	34,490,000	-	2,260,000	32,230,000	830,000
Total Multifamily Housing Revenue Bonds				\$ 151,155,000	\$ -	\$ 10,935,000	\$ 140,220,000	\$ 4,205,000

**** The interest rate is adjusted weekly based on the weekly rate determined by the Remarketing Agent, not to exceed 12.00%. The interest rate at the end of the fiscal year was 0.120%.

Multiple Purpose Bonds

Original Issue				Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range	Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2005 A	2005-2024	1.900 - 4.300%	\$46,405,000	\$ 370,000	\$ -	\$ 370,000	\$ -	\$ -
Total Multiple Purpose Bonds				\$ 370,000	\$ -	\$ 370,000	\$ -	\$ -
Total Revenue Bonds				\$1,049,115,000	\$ 30,900,000	\$ 175,795,000	\$ 904,220,000	\$ 47,415,000
Total General Obligation and Revenue Bonds				\$1,161,730,000	\$ 30,900,000	\$ 202,930,000	\$ 989,700,000	\$ 51,695,000

Bonds Payable

Bonds payable are presented on the Statement of Net Position at their carrying value. The carrying value is the outstanding bond principal plus unamortized bond premium less unamortized bond discount. Bonds payable balances on June 30, 2015 are summarized below:

	Principal (per preceding schedule)	Less: Discount	Plus: Premium	Bonds Payable
General Obligation Bonds:				
Elderly and Disabled Housing Program	\$ 85,480,000	\$ (63,645)	\$ -	\$ 85,416,355
Revenue Bonds (Housing Finance Fund):				
Mortgage Revenue Bonds	613,150,000	-	5,766,752	618,916,752
Housing Revenue Bonds	150,850,000	-	1,771,412	152,621,412
Multifamily Housing Revenue Bonds	140,220,000	(19,356)	-	140,200,644
Total Revenue Bonds	904,220,000	(19,356)	7,538,164	911,738,808
Total General Obligation and Revenue Bonds	\$ 989,700,000	\$ (83,001)	\$ 7,538,164	\$ 997,155,163

Debt Service Requirements to Maturity

The following table summarizes the amounts necessary to pay all future bonded debt principal and interest requirements as of June 30, 2015 for each fiscal year during the next five year period ending June 30, 2020, and in five year increments thereafter.

Year Ending June 30	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 4,280,000	\$ 4,406,486	\$ 8,686,486	\$ 47,415,000	\$ 24,099,907	\$ 71,514,907
2017	4,405,000	4,186,849	8,591,849	22,720,000	23,207,804	45,927,804
2018	4,660,000	3,953,349	8,613,349	23,225,000	22,677,804	45,902,804
2019	5,020,000	3,703,695	8,723,695	23,760,000	22,057,587	45,817,587
2020	5,535,000	3,440,157	8,975,157	24,620,000	21,361,088	45,981,088
2021-2025	25,390,000	12,956,184	38,346,184	142,855,000	93,648,953	236,503,953
2026-2030	18,670,000	6,561,273	25,231,273	190,155,000	66,715,003	256,870,003
2031-2035	9,100,000	3,013,484	12,113,484	205,310,000	41,710,631	247,020,631
2036-2040	6,420,000	1,280,246	7,700,246	163,005,000	20,733,262	183,738,262
2041-2045	1,400,000	312,180	1,712,180	55,805,000	5,362,567	61,167,567
2046-2050	600,000	50,825	650,825	4,140,000	635,267	4,775,267
2051-2055	-	-	-	1,210,000	90,066	1,300,066
Total	\$ 85,480,000	\$ 43,864,728	\$ 129,344,728	\$ 904,220,000	\$ 342,299,939	\$ 1,246,519,939

The interest stated above includes coupon interest OHCS D expects to pay over the life of the bonds outstanding. Coupon interest is paid semiannually on January 1 and July 1 for revenue bond programs. Coupon interest for general obligation bonds is paid February 1 and August 1.

As of June 30, 2015, various statutory or constitutional provisions limited the amount of bonds outstanding to \$2,500,000,000 in revenue bonds and \$2,347,393,704 in general obligation bonds.

NOTE 8. Interest Rate Swaps

OHCS D has entered into pay-fixed, receive-variable interest rate swaps to hedge against changes in variable rate interest and to lower borrowing costs compared to fixed-rate bonds. OHCS D had nine swaps at the end of the fiscal year. The fair value of the swaps on June 30, 2015 totaled \$(11,379,103) and the notional amount totaled \$209,980,000.

During the fiscal year the MRB 2004 L and MRB 2005 C swaps were reclassified from hedging derivative instruments to investment derivative instruments when the associated bonds were refunded. The MRB 2004 L and MRB 2005 C swaps were fully terminated in advance on April 29, 2015 based on a mutual agreement with the counterparty, Royal Bank of Canada. The fair value of investment derivative instruments at the end of the fiscal year was \$0. A total of \$(99,514) from investment derivative instruments is included in investment income.

The fair value of hedging derivative instruments at the end of the fiscal year totaled \$(11,379,103). It is shown on the Statement of Net Position as Accumulated Decrease in Fair Value of Hedging Derivatives. During the fiscal year the fair value increased by \$5,897,392.

The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. This methodology is believed to be consistent with accepted practice in the market for interest rate swaps.

Notes to the Financial Statements (Continued)
June 30, 2015

The following table lists the terms, fair values, counterparty, and credit ratings of the outstanding swaps as of June 30, 2015.

Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Termination Date	Counterparty	Counterparty Rating**
Hedging Derivative Instruments								
MF** 2004 B	\$ 13,520,000	12/16/2004	3.894%	64% of 1-mo. LIBOR* +.27%	\$ (236,141)	07/01/2046	Merrill Lynch Capital Services ***	Baa1 A- A
MRB® 2006 C	16,450,000	02/28/2006	4.184%	64% of 1-mo. LIBOR +.29%	(538,852)	07/01/2036	Morgan Stanley Capital Services	A3 A- A
MRB 2006 F	12,940,000	07/18/2006	4.430%	64% of 1-mo. LIBOR +.29%	(362,207)	07/01/2037	Bank of America, N.A. ***	A1 A A+
MRB 2006 G	16,105,000	07/18/2006	3.833%	64% of 1-mo. LIBOR +.19%	(545,182)	07/01/2016	Merrill Lynch Capital Services ***	Baa1 A- A
MRB 2007 E	27,615,000	07/31/2007	4.388%	64% of 1-mo. LIBOR +.29%	(1,788,874)	07/01/2038	JP Morgan Chase Bank, N.A.	Aa3 A+ A-
MRB 2007 H	28,700,000	11/20/2007	4.060%	64% of 1-mo. LIBOR +.30%	(1,923,343)	07/01/2038	Merrill Lynch Capital Services ***	Baa1 A- A
MRB 2008 C	33,500,000	02/26/2008	3.747%	64% of 1-mo. LIBOR +.30%	(1,940,570)	07/01/2038	Bank of America, N.A. ***	A1 A A+
MRB 2008 F	26,500,000	05/13/2008	3.738%	64% of 1-mo. LIBOR +.31%	(1,657,490)	07/01/2039	Bank of America, N.A. ***	A1 A A+
MRB 2008 I	34,650,000	08/26/2008	3.723%	64% of 1-mo. LIBOR +.31%	(2,386,444)	07/01/2037	Bank of America, N.A. ***	A1 A A+
	<u>\$ 209,980,000</u>				<u>\$ (11,379,103)</u>			

@@ Multifamily Housing Revenue Bonds ® Mortgage Revenue Bonds * London Interbank Offered Rate ** Moody's / S&P / Fitch
*** Termination payments are guaranteed by Merrill Lynch Derivative Products AG (MLDP). MLDP's counterparty ratings ** are Aa3 / A+ / NR.

The MF 2004 B swap has a call option where OHCS D has the right to "call" (cancel) the swap in whole or in part semiannually beginning on July 1, 2015. The MRB swaps include options giving OHCS D the right to call the swaps in whole or in part, depending on the exercise date, semiannually beginning on January 1, 2013 (2006 C), July 1, 2013 (2006 F & 2008 F), July 1, 2014 (2007 E), January 1, 2015 (2007 H & 2008 C), and January 1, 2016 (2008 I). These options provide flexibility to manage the prepayments of loans and the related bonds.

Basis Risk Basis risk is the risk that arises when variable interest rates on a derivative and the associated bond are based on different indexes. All variable interest rates on OHCS D's tax exempt bonds are determined weekly by a Remarketing Agent. OHCS D is exposed to basis risk when the variable rates received, which are based on the one month LIBOR rate, do not offset the variable rates paid on the bonds. As of June 30, 2015, the one month LIBOR rate was 0.18660%. OHCS D's variable interest rates as of June 30, 2015 can be found in Note 7.

Termination Risk Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. OHCS D or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the swap agreement. If any of the swaps are terminated, the associated variable-rate bonds would no longer carry synthetic fixed interest rates and OHCS D would then be exposed to interest rate risk. Also, if any of the swaps had a negative value at termination, OHCS D would be liable to the counterparty for a payment equal to the fair value of the swap.

Rollover Risk Rollover risk is the risk that occurs when the swap termination date does not extend to the maturity date of the associated debt. OHCS D is exposed to rollover risk for the MRB 2006 G swap, which has a swap termination date of July 1, 2016. The associated bonds do not mature until 2028.

Hedging Derivative Instrument Payments and Hedged Debt Using rates as of June 30, 2015, debt service requirements of the variable-rate debt and net swap payments are as follows:

Year Ending June 30	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2016	\$ 3,330,000	\$ 206,483	\$ 7,286,597	\$ 10,823,080
2017	220,000	231,892	6,840,501	7,292,393
2018	235,000	231,624	6,551,405	7,018,029
2019	240,000	231,339	6,543,095	7,014,434
2020	260,000	231,049	6,534,609	7,025,658
2021-2025	10,815,000	1,129,894	32,009,538	43,954,432
2026-2030	60,490,000	982,098	28,364,225	89,836,323
2031-2035	83,430,000	616,732	18,443,686	102,490,418
2036-2040	69,620,000	183,405	5,247,261	75,050,666
2041-2045	3,245,000	17,732	517,224	3,779,956
2046-2050	1,115,000	1,343	39,290	1,155,633
Total	<u>\$ 233,000,000</u>	<u>\$ 4,063,591</u>	<u>\$ 118,377,431</u>	<u>\$ 355,441,022</u>

Contingencies OHCS D's swaps, except for the MF 2004 B and the MRB 2007 E swaps, include provisions that require collateral to be posted if the rating on the senior bonds issued under the 1988 indenture (Mortgage Revenue Bonds) is not above either Baa1 (Moody's) or BBB+ (Standard and Poor's). If the bonds are at or below these levels, collateral in the amount of the current swap fair value (rounded to the nearest \$10,000) is required to be posted. The minimum transfer amount is \$100,000 or \$0 if neither rating agency rates the bonds. The total fair value on June 30, 2015 of swaps that include these provisions is \$(9,354,088). At June 30, 2015 the bonds subject to these provisions are rated Aa2 by Moody's and are not rated by Standard & Poor's.

NOTE 9. Demand Bonds

Included in OHCS D's long-term debt is \$247,885,000 in variable rate demand bonds. OHCS D's variable rate demand bonds are remarketed weekly by a remarketing agent. Bondholders may elect to tender their bonds by providing written notice to the remarketing agent as specified in the Official Statement for the series. On the date that bonds are tendered, the remarketing agent will use its best effort to sell the bonds or may purchase the bonds for its own account.

OHCS D has entered into standby bond purchase agreements to provide liquidity in the event that the remarketing agent is unable to sell the tendered bonds and does not choose to buy the bonds for its own account. The standby bond purchase agreement requires the liquidity provider to provide funds for the purchase of the tendered bonds. On the purchase date the bonds become known as liquidity provider bonds or bank bonds and bear interest at the bank rate in accordance with the standby bond purchase agreement. The maximum rate is 12% (Bank of America, N. A., State Street Bank and Trust Company, and JPMorgan Chase Bank, National Association). The bonds remain bank bonds until they are sold by the remarketing agent or the remarketing agent purchases them for its own account. If the bonds are not remarketed or purchased by the remarketing agent for its own account, mandatory redemption in ten equal installments are to be paid on the first business day of January and July, commencing on the first such date to occur after the bonds become liquidity provider bonds (State Street Bank and Trust Company) or at least ninety days after the related purchase date (Bank of America, N.A. and JPMorgan Chase Bank, National Association). There were no bank bonds on June 30, 2015.

Certain terms of the standby purchase agreements and remarketing agreements are listed below:

Series	Outstanding Amount	Liquidity Provider	Expiration Date	Commitment Fee	Remarketing Agent	Remarketing Fee
MF 2004 B	\$ 13,520,000	Bank of America, N.A.	08/27/2017	0.5000%	Merrill Lynch, Pierce, Fenner & Smith Inc.	0.08%
MRB 2005 F	14,885,000	State Street Bank and Trust Company	11/20/2016	0.5200%	CitiGroup Global Markets, Inc.	0.07%
MRB 2006 C	19,155,000	State Street Bank and Trust Company	11/20/2016	0.5200%	J.P. Morgan Securities LLC	0.07%
MRB 2006 F	19,570,000	State Street Bank and Trust Company	11/20/2016	0.5200%	CitiGroup Global Markets, Inc.	0.07%
MRB 2006 G	16,105,000	State Street Bank and Trust Company	11/20/2016	0.5200%	CitiGroup Global Markets, Inc.	0.07%
MRB 2007 E	30,000,000	JPMorgan Chase, National Association	12/31/2017	0.4930%	J.P. Morgan Securities LLC	0.07%
MRB 2007 H	30,000,000	JPMorgan Chase, National Association	12/31/2017	0.4930%	J.P. Morgan Securities LLC	0.07%
MRB 2008 C	35,000,000	JPMorgan Chase, National Association	12/31/2017	0.4930%	J.P. Morgan Securities LLC	0.07%
MRB 2008 F	35,000,000	JPMorgan Chase, National Association	12/31/2017	0.4930%	Merrill Lynch, Pierce, Fenner & Smith Inc.	0.07%
MRB 2008 I	34,650,000	JPMorgan Chase, National Association	12/31/2017	0.4930%	Merrill Lynch, Pierce, Fenner & Smith Inc.	0.07%

NOTE 10. Conduit Debt Obligations

Bonds issued under the Housing Development Revenue Bond program are limited obligations of OHCS D payable only out of the trust estate specifically pledged to each bond issue. As of June 30, 2015, the total aggregate amount of Housing Development Revenue Bonds outstanding is \$248,227,073. No recourse may be taken against any properties, funds, or assets of OHCS D for the payment of any amounts owing with respect to these bonds. Bond owners will have no right to compel the payment of any amount owing with respect to these bonds out of any tax revenues, funds, or other assets of OHCS D or the State of Oregon, other than the security pledged to each bond issue.

NOTE 11. Segment Information

OHCS D issues revenue bonds to finance mortgage loans. Summary financial information for OHCS D's revenue bonds is presented below:

	Mortgage Revenue Bonds	Housing Revenue Bonds	Multifamily Housing Revenue Bonds	Multiple Purpose Bonds
Condensed Statement of Net Position				
Assets:				
Other Current Assets	\$ 53,157,969	\$ 12,386,918	\$ 7,681,545	\$ -
Noncurrent Assets	662,886,973	146,266,816	162,433,076	-
Total Assets	716,044,942	158,653,734	170,114,621	-
Deferred Outflows of Resources	12,472,365	-	1,098,551	-
Liabilities:				
Other Current Liabilities	46,608,979	11,211,874	7,249,156	-
Noncurrent Liabilities	595,169,714	144,301,412	136,231,785	-
Total Liabilities	641,778,693	155,513,286	143,480,941	-
Deferred Inflows of Resources	1,881,292	610,363	1,744,743	-
Net Position:				
Restricted by Trust Indentures	84,857,322	2,530,085	25,987,488	-
Total Net Position	\$ 84,857,322	\$ 2,530,085	\$ 25,987,488	\$ -

Condensed Statement of Revenues, Expenses, and Changes in Net Position

Operating Revenues	\$ 28,887,224	\$ 6,932,014	\$ 9,076,287	\$ (98,329)
Operating Expenses	(24,087,339)	(5,786,790)	(6,601,219)	(3,289)
Operating Income (Loss)	4,799,885	1,145,224	2,475,068	(101,618)
Transfers In	435,000	1,249	426,522	-
Transfers Out	(3,670,378)	-	-	(3,429,934)
Increase (Decrease) in Net Position	1,564,507	1,146,473	2,901,590	(3,531,552)
Beginning Net Position	83,292,815	1,383,612	23,085,898	3,531,552
Ending Net Position	\$ 84,857,322	\$ 2,530,085	\$ 25,987,488	\$ -

Condensed Statement of Cash Flows

Net Cash Provided (Used) by:				
Operating Activities	\$ 73,476,607	\$ 29,811,121	\$ 11,594,363	\$ -
Noncapital Financing Activities	(139,987,004)	(25,883,505)	(16,810,240)	(3,809,607)
Investing Activities	66,271,098	(2,203,491)	5,556,843	3,693,667
Net Increase (Decrease)	(239,299)	1,724,125	340,966	(115,940)
Beginning Cash and Cash Equivalents	25,106,075	1,675,191	1,029,765	115,940
Ending Cash and Cash Equivalents	\$ 24,866,776	\$ 3,399,316	\$ 1,370,731	\$ -

NOTE 12. Restricted Assets

Restricted asset account balances are as follows:

<u>Purpose:</u>	Elderly and Disabled Housing Fund	Housing Finance Fund
Loan Acquisition	\$ -	\$ 37,903,630
Current Debt Service	8,686,486	71,454,817
Future Debt Service	25,437,355	78,421,512
Debt Reserves	7,678,942	31,567,588
Insurance Reserves	-	16,612,300
Combined Program Account	-	16,899,187
Residential Assistance	-	1,836,671
Total	\$ 41,802,783	\$ 254,695,705
<u>Balance Sheet Amounts:</u>		
Restricted Cash and Cash Equivalents – Current	\$ 6,870,498	\$ 1,324,253
Restricted Cash and Cash Equivalents – Noncurrent	28,661,604	29,729,176
Restricted Investments – Current	-	62,384,640
Restricted Investments – Noncurrent	6,270,681	161,257,636
Total	\$ 41,802,783	\$ 254,695,705

NOTE 13. Employee Retirement Plans

The Oregon Public Employees Retirement System (PERS) provides defined benefit and defined contribution retirement plans for OHCS D employees. PERS is administered by the Public Employees Retirement Board (Board), as required by Chapters 238 and 238A of the Oregon Revised Statutes (ORS). PERS is a cost-sharing multiple-employer defined benefit pension plan. The 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 member’s IAP account. The pension plans provide pension benefits, death benefits and disability benefits.

The Oregon Public Employees Retirement System annual financial report and Actuarial Valuation is located at www.oregon.gov/pers/Pages/section/financial_reports/financials.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, 2015 were 9 percent for Tier One/ Tier Two General Service Members, 7.45 percent for OPSRP Pension Program General Service Members, and 6 percent for OPSRP Individual Account Program.

Pension Assets, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State of Oregon reported an asset of \$542 million for its proportionate share of the net pension asset. OHCS D’s allocated amount of the proportionate share of the net pension asset for its enterprise funds was \$558,607. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012, rolled forward to June 30, 2014. The State’s proportion of the net pension asset 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 employers, actuarially determined. At June 30, 2014, the State’s proportion was 23.9 percent, which was unchanged from its proportion measured as of June 30, 2013. As part of the State of Oregon, OHCS D’s enterprise funds were allocated 0.2464393 percent of the State’s proportionate share in the plan.

Notes to the Financial Statements (Continued)
 June 30, 2015

For the year ended June 30, 2015, OHCS reported pension expense of \$510,615. At June 30, 2015, OHCS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 9,990	\$ -
Net difference between projected and actual earnings on investments	-	1,077,887
Subtotal	9,990	1,077,887
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	(1,067,897)	
Contributions subsequent to measurement date	196,756	
Net Deferred Outflows (Inflows) of Resources	<u>\$ (871,141)</u>	

Change in Plan Provision Subsequent to Measurement Date

An Oregon Supreme Court decision on April 30, 2015 ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year’s actuarial valuations.

PERS’ actuaries estimated the impact of the decision on the total pension liability and employer’s net pension liability. It estimated that instead of a \$2.2 billion net pension asset as of June 30, 2014, PERS would have had a \$2.6 billion net pension liability of which the State of Oregon would have been allocated its proportionate share.

The enterprise funds’ net pension asset before the decision is \$558,607. After the decision, the funds’ estimated net pension liability at the measurement date is \$653,064.

NOTE 14. Other Postemployment Benefit Plans

OHCS’s employees may be eligible to participate in health insurance plans and other benefit plans after retirement, collectively known as Other Postemployment Benefits (OPEB). OPEB plans are offered through the Public Employees Retirement System (PERS) as established by Oregon Revised Statutes (ORS) 238.410 and the Public Employees Benefit Board (PEBB) as established by ORS 243.302. A copy of the Oregon Public Employees Retirement System annual financial report may be obtained at http://www.oregon.gov/PERS/Pages/section/financial_reports/financials.aspx.

Retirement Health Insurance Account

The Retirement Health Insurance Account (RHIA) is a cost-sharing multiple-employer OPEB plan which provides a payment of up to \$60 toward the monthly cost of health insurance for eligible PERS members. To be eligible for the RHIA subsidy, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare parts A and B coverage, and (3) enroll in a PERS-sponsored health insurance plan.

OHCS is required by statute to contribute actuarially computed amounts as determined by PERS. For Tier One and Tier Two members, OHCS contributed 0.10% of PERS-covered salary to fund the normal cost portion of RHIA benefits. The rate changes to 0.08% for salary paid after June 30, 2015. In addition, OHCS contributed an additional 0.49% of all PERS-covered salary to amortize the unfunded actuarial accrued liability. The rate changes to 0.45% for salary paid after June 30, 2015. These rates are embedded within the total PERS and OPSRP Pension Employer Rates.

OHCS’s contributions for the years ended June 30, 2015, 2014, and 2013, were approximately \$14,656, \$13,803, and \$14,304, respectively. The actual contributions equaled the contractually required contributions in each fiscal year.

The Legislature has sole authority to amend the benefit provisions and funding policy for the RHIA plan.

Retiree Health Insurance Premium Account

The Retiree Health Insurance Premium Account (RHIPA) is a single-employer OPEB plan that provides for payment of the average difference between the health insurance premiums paid by retired state employees, under contracts entered into by the PERS Board, and health insurance premiums paid by state employees who are not retired. Retired state employees are qualified to receive the RHIPA subsidy if they had eight or more years of qualifying service in PERS at the time of retirement or are receiving a disability pension calculated as if they had eight or more years of qualifying service, but are not eligible for federal Medicare coverage.

OHCS D is required by statute to contribute actuarially computed amounts as determined by PERS. For Tier One and Tier Two members, OHCS D contributed 0.07% of PERS-covered salary to fund the normal cost portion of RHIPA benefits. The rate changes to 0.09% for salary paid after June 30, 2015. In addition, OHCS D contributed an additional 0.20% of all PERS-covered salary to amortize the unfunded actuarial accrued liability. The rate changes to 0.35% for salary paid after June 30, 2015. These rates are embedded within the total PERS and OPSRP Pension Employer Rates.

OHCS D's contributions for the years ended June 30, 2015, 2014, and 2013, were approximately \$6,786, \$6,011, and \$3,800, respectively. The actual contribution equaled the annual required contribution in each fiscal year.

The Legislature has sole authority to amend the benefit provisions and funding policy for the RHIPA plan.

Public Employees Benefit Board Plan

The Public Employees Benefit Board (PEBB) plan is an agent multiple-employer plan which offers medical, dental, and vision benefits to eligible retired employees. Retired employees not eligible for Medicare are eligible for PEBB coverage if the retiree is receiving a service or disability benefit from PERS or another state system, is eligible to receive a retirement allowance from PERS and has reached the earliest retirement age under ORS Chapter 238, or is eligible to receive a service allowance or pension under any system offered by the state and has attained the earliest retirement age under that system. The PEBB Plan funding policy provides for contributions at amounts sufficient to fund benefits on a pay-as-you-go basis. Active employees do not make contributions. Participating retirees pay their own monthly premiums based on a blended premium rate since retirees are pooled together with active employees for insurance rating purposes. PEBB does not issue a separate, publicly available financial report.

Chapter 243 of the Oregon Revised Statutes assigns PEBB the authority to establish and amend the benefit provisions of the PEBB Plan. As the administrator of the PEBB Plan, PEBB has the authority to determine postretirement benefit increases and decreases.

NOTE 15. Other Commitments

OHCS D has made commitments for loans in the Single-Family Mortgage Program totaling \$23,190,697.

NOTE 16. Risk Financing

The State of Oregon administers property and casualty insurance programs covering State government through its 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; workers' compensation; employee dishonesty; and faithful performance coverage for certain positions required by law to be covered, and other key positions.

As a state agency, OHCS D 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 losses. The total statewide assessment of each coverage is based on independent biennial actuarial forecasts and administrative expenses, less carry-forward or equity in the Insurance Fund.

For OHCS D, the amount of claim settlements did not exceed insurance coverage for each of the past three fiscal years.

NOTE 17. Prior Period Adjustment and Change in Accounting Principle

An adjustment was made to the prior year Pension-related Debt Payable ending balance. This prior period adjustment, in the amount of \$2,979, appears on the Statement of Revenues, Expenses, and Changes in Fund Net Position as an adjustment to beginning Net Position.

GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflow of resources, deferred inflow of resources, and expenses related to pensions. A net adjustment to beginning Net Position of \$(1,019,904) appears on the Statement of Revenues, Expenses, and Changes in Fund Net Position. This change in accounting principle consists of the June 30, 2014 Net Pension Liability balance of \$(1,257,616) and \$237,712 of Deferred Outflows of Resources – Contributions after Measurement Date.

NOTE 18. Subsequent Events

On July 1, 2015, OHCS D terminated notional amounts of swaps related to the Mortgage Revenue Bonds listed below. These terminations were made pursuant to optional par termination provisions included in each of these swap agreements.

	<u>Notional Amount</u>
2006 Series C	\$ 1,100,000
2006 Series F	2,395,000
2007 Series E	950,000
2007 Series H	1,100,000
2008 Series C	1,400,000
2008 Series F	1,500,000

On July 1, 2015, OHCS D called the following Mortgage Revenue Bonds prior to maturity:

<u>Amount Called</u>	<u>Amount Called</u>	<u>Amount Called</u>
2005 Series D \$ 615,000	2007 Series F \$ 595,000	2010 Series B \$ 810,000
2006 Series H 55,000	2007 Series G 470,000	2010 Series C 495,000
2006 Series I 140,000	2008 Series A 925,000	2013 Series A 480,000
2006 Series J 65,000	2008 Series B 1,655,000	2013 Series B 195,000
2006 Series K 175,000	2008 Series D 565,000	2013 Series C 945,000
2007 Series A 300,000	2008 Series E 1,655,000	2013 Series D 375,000
2007 Series B 705,000	2008 Series G 1,255,000	2013 Series E 85,000
2007 Series C 750,000	2010 Series A 1,965,000	2013 Series F 250,000
2007 Series D 775,000		

On July 1, 2015, OHCS D called the following Housing Revenue Bonds prior to maturity:

	<u>Amount Called</u>
2009 Series A-1	\$ 980,000
2009 Series A-2	1,240,000
2009 Series A-3	610,000
2009 Series A-4	500,000
2010 Series A	495,000
2011 Series A	680,000
2011 Series B	335,000
2012 Series A	175,000

On July 2, 2015, OHCS D called the following Mortgage Revenue Bonds prior to maturity:

	<u>Amount Called</u>
2006 Series C	\$ 1,195,000
2006 Series F	1,920,000

Notes to the Financial Statements (Continued)
June 30, 2015

OHCS D and Morgan Stanley Capital Services (MSCS) negotiated a discretionary early cancellation of the remaining \$15,350,000 of the Mortgage Revenue Bond 2006 Series C swap, effective on July 31, 2015. OHCS D paid MSCS a termination payment of \$413,000 on August 3, 2015.

On October 1, 2015, OHCS D called the following Elderly and Disabled Housing Bonds prior to maturity:

	<u>Amount Called</u>
1996 Series B	\$ 2,055,000
1999 Series A	50,000
1999 Series E	9,400,000
2001 Series C	2,680,000
2003 Series B	1,900,000
2003 Series C	325,000
2007 Series A	325,000

On October 1, 2015, OHCS D called the following Mortgage Revenue Bonds prior to maturity:

<u>Amount Called</u>	<u>Amount Called</u>	<u>Amount Called</u>
2005 Series D \$ 2,385,000	2007 Series D \$ 1,820,000	2010 Series C \$ 425,000
2005 Series F 14,885,000	2007 Series F 455,000	2013 Series A 510,000
2006 Series C 17,960,000	2007 Series G 1,740,000	2013 Series B 1,085,000
2006 Series F 17,650,000	2008 Series A 260,000	2013 Series C 1,885,000
2006 Series H 160,000	2008 Series B 1,955,000	2013 Series D 1,235,000
2006 Series I 590,000	2008 Series D 245,000	2013 Series E 85,000
2006 Series J 130,000	2008 Series E 2,285,000	2013 Series F 220,000
2006 Series K 380,000	2008 Series F 305,000	2014 Series A 1,030,000
2007 Series A 400,000	2008 Series G 2,970,000	2014 Series B 850,000
2007 Series B 1,690,000	2010 Series A 2,085,000	2014 Series C 60,000
2007 Series C 485,000	2010 Series B 1,765,000	

On October 1, 2015, OHCS D called the following Housing Revenue Bonds prior to maturity:

	<u>Amount Called</u>
2009 Series A-1	\$ 300,000
2009 Series A-2	930,000
2009 Series A-3	1,000,000
2009 Series A-4	610,000
2009 Series A-5	880,000
2010 Series A	145,000
2011 Series A	515,000
2011 Series B	545,000
2012 Series A	210,000
2012 Series B	215,000

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Supplementary Information

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Net Position - Housing Finance Fund
June 30, 2015

	<i>Single-Family Mortgage Program</i>		Multifamily Housing Revenue Bonds
	Mortgage Revenue Bonds	Housing Revenue Bonds	
Assets and Deferred Outflows of Resources			
Assets			
Current Assets			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted	813,953	492,608	17,692
Investments - Restricted	44,663,097	10,566,545	7,154,998
Securities Lending Cash Collateral	1,015,067	199,755	76,396
Accounts Receivable	8,541	-	-
Accrued Interest Receivable	2,716,133	661,298	432,459
Interfund Receivable	-	-	-
Prepaid Expenses	-	-	-
Acquired Property	3,941,178	466,712	-
Total Current Assets	53,157,969	12,386,918	7,681,545
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	24,052,823	2,906,708	1,353,039
Investments - Restricted	121,964,356	6,220,423	15,753,605
Loans Receivable (Net)	516,869,794	137,139,685	145,326,432
Capital Assets (Net)	-	-	-
Net Pension Asset	-	-	-
Total Noncurrent Assets	662,886,973	146,266,816	162,433,076
Total Assets	716,044,942	158,653,734	170,114,621
Deferred Outflows of Resources			
Accumulated Decrease in Fair Value of Hedging Derivatives	11,142,962	-	236,141
Loss on Debt Refundings	1,329,403	-	862,410
Change in Employer Contribution and Proportion	-	-	-
Pension Contributions after Measurement Date	-	-	-
Total Deferred Outflows of Resources	12,472,365	-	1,098,551
Total Assets and Deferred Outflows of Resources	\$ 728,517,307	\$ 158,653,734	\$ 171,213,172

Multiple Purpose Bonds	Combined Program Account	Housing Finance Account	Total
\$ -	\$ -	\$ 10,077,977	\$ 10,077,977
-	-	-	1,324,253
-	-	-	62,384,640
-	-	646,028	1,937,246
-	-	170,431	178,972
-	175,685	47,159	4,032,734
-	-	607	607
-	-	675	675
-	-	-	4,407,890
-	175,685	10,942,877	84,344,994
-	410,041	1,006,565	29,729,176
-	16,489,146	830,106	161,257,636
-	-	1,476,068	800,811,979
-	-	62,084	62,084
-	-	399,149	399,149
-	16,899,187	3,773,972	992,260,024
-	17,074,872	14,716,849	1,076,605,018
-	-	-	11,379,103
-	-	-	2,191,813
-	-	7,138	7,138
-	-	140,591	140,591
-	-	147,729	13,718,645
\$ -	\$ 17,074,872	\$ 14,864,578	\$ 1,090,323,663

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OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Net Position - Housing Finance Fund
June 30, 2015

Continued from the previous page

	<i>Single-Family Mortgage Program</i>		Multifamily Housing Revenue Bonds
	Mortgage Revenue Bonds	Housing Revenue Bonds	
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 204,252	\$ 64,345	\$ 1,126
Accrued Interest Payable	10,487,070	2,624,841	2,966,634
Obligations Under Securities Lending	1,015,067	199,755	76,396
Unearned Revenue	12,590	2,933	-
Compensated Absences Payable	-	-	-
Bonds Payable	34,890,000	8,320,000	4,205,000
Pension-related Debt Payable	-	-	-
Total Current Liabilities	46,608,979	11,211,874	7,249,156
Noncurrent Liabilities			
Compensated Absences Payable	-	-	-
Bonds Payable	584,026,752	144,301,412	135,995,644
Swap Fair Value Liability	11,142,962	-	236,141
Pension-related Debt Payable	-	-	-
Net OPEB Obligation	-	-	-
Total Noncurrent Liabilities	595,169,714	144,301,412	136,231,785
Total Liabilities	641,778,693	155,513,286	143,480,941
Deferred Inflows of Resources			
Deferred Loan Origination Fees	1,881,292	610,363	1,744,743
Pension Investment Earnings Difference	-	-	-
Total Deferred Inflows of Resources	1,881,292	610,363	1,744,743
Net Position			
Net Investment in Capital Assets	-	-	-
Restricted for Residential Assistance	-	-	-
Restricted by Trust Indentures	84,857,322	2,530,085	25,987,488
Unrestricted	-	-	-
Total Net Position	84,857,322	2,530,085	25,987,488
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 728,517,307	\$ 158,653,734	\$ 171,213,172

Multiple Purpose Bonds	Combined Program Account	Housing Finance Account	Total
\$ -	\$ -	\$ 246,800	\$ 516,523
-	-	-	16,078,545
-	-	646,028	1,937,246
-	-	1,374,728	1,390,251
-	-	143,899	143,899
-	-	-	47,415,000
-	-	17,591	17,591
-	-	2,429,046	67,499,055
-	-	74,130	74,130
-	-	-	864,323,808
-	-	-	11,379,103
-	-	432,118	432,118
-	-	69,497	69,497
-	-	575,745	876,278,656
-	-	3,004,791	943,777,711
-	-	-	4,236,398
-	-	770,197	770,197
-	-	770,197	5,006,595
-	-	62,084	62,084
-	-	2,029,118	2,029,118
-	17,074,872	-	130,449,767
-	-	8,998,388	8,998,388
-	17,074,872	11,089,590	141,539,357
\$ -	\$ 17,074,872	\$ 14,864,578	\$ 1,090,323,663

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position -
Housing Finance Fund
For the Year Ended June 30, 2015

	<i>Single-Family Mortgage Program</i>		Multifamily Housing Revenue Bonds
	Mortgage Revenue Bonds	Housing Revenue Bonds	
Operating Revenues			
Interest on Loans	\$ 27,291,580	\$ 6,555,036	\$ 8,681,426
Investment Income (Loss)	1,262,017	376,978	394,861
Administrative Charges and Fees	-	-	-
Low Income Housing Tax Credit Fees	-	-	-
Transfer/Commitment Fees	-	-	-
Gain on Sale of Foreclosed Property	288,970	-	-
Miscellaneous Revenue	44,657	-	-
Total Operating Revenues	28,887,224	6,932,014	9,076,287
Operating Expenses			
Personal Services	-	-	-
Services and Supplies	129,488	5,653	346,149
Mortgage Service Fees	1,918,221	626,998	24,178
Foreclosure Costs	302,679	22,005	-
Interest Expense - Bonds	21,938,416	5,335,299	6,185,275
Interest Expense - Securities Lending	4,050	904	512
Other Related Program Expenses	(205,515)	(204,069)	45,105
Depreciation/Amortization	-	-	-
Total Operating Expenses	24,087,339	5,786,790	6,601,219
Operating Income (Loss)	4,799,885	1,145,224	2,475,068
Nonoperating Revenues (Expenses)			
Interest Expense - Pension-related Debt	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	-
Income (Loss) before Transfers	4,799,885	1,145,224	2,475,068
Transfers from Other Funds	435,000	1,249	426,522
Transfers to Other Funds	(3,670,378)	-	-
Transfers to Other State Agencies	-	-	-
Increase (Decrease) in Net Position	1,564,507	1,146,473	2,901,590
Net Position - Beginning	83,292,815	1,383,612	23,085,898
Prior Period Adjustment	-	-	-
Change in Accounting Principle (GASB 68)	-	-	-
Net Position - Beginning (Restated)	83,292,815	1,383,612	23,085,898
Net Position - Ending	\$ 84,857,322	\$ 2,530,085	\$ 25,987,488

Multiple Purpose Bonds	Combined Program Account	Housing Finance Account	Total
\$ -	\$ -	\$ 52,259	\$ 42,580,301
(98,329)	736,906	74,364	2,746,797
-	-	2,295,760	2,295,760
-	-	3,174,641	3,174,641
-	-	115,432	115,432
-	-	-	288,970
-	-	15,794	60,451
(98,329)	736,906	5,728,250	51,262,352
-	-	2,944,612	2,944,612
-	-	1,480,220	1,961,510
-	-	-	2,569,397
-	-	-	324,684
1,750	2,503	-	33,463,243
4	-	1,328	6,798
1,535	-	1,636,778	1,273,834
-	-	4,104	4,104
3,289	2,503	6,067,042	42,548,182
(101,618)	734,403	(338,792)	8,714,170
-	-	(30,505)	(30,505)
-	-	(30,505)	(30,505)
(101,618)	734,403	(369,297)	8,683,665
-	4	7,100,308	7,963,083 **
(3,429,934)	-	(862,771)	(7,963,083)**
-	-	(158,529)	(158,529)
(3,531,552)	734,407	5,709,711	8,525,136
3,531,552	16,340,465	6,106,316	133,740,658
-	-	2,329	2,329
-	-	(728,766)	(728,766)
3,531,552	16,340,465	5,379,879	133,014,221
\$ -	\$ 17,074,872	\$ 11,089,590	\$ 141,539,357

** Transfers within the Housing Finance Fund totaling \$7,963,083 are not included in the Statement of Revenues, Expenses, and Changes in Fund Net Position on page 12.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Cash Flows - Housing Finance Fund
For the Year Ended June 30, 2015

	<i>Single-Family Mortgage Program</i>		Multifamily Housing Revenue Bonds
	Mortgage Revenue Bonds	Housing Revenue Bonds	
Cash Flows from Operating Activities			
Received from Customers	\$ 456,012	\$ 120,150	\$ -
Program Loan Principal Repayments	99,784,389	23,740,319	3,420,664
Program Loan Interest Received	27,131,980	6,495,019	8,543,988
Program Loans Made	(54,219,431)	-	-
Payments to Employees for Services	-	-	-
Payments to Suppliers for Goods and Services	(2,141,251)	(639,701)	(370,289)
Other Receipts (Payments)	2,464,908	95,334	-
Net Cash Provided (Used) in Operating Activities	73,476,607	29,811,121	11,594,363
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	31,377,604	-	-
Principal Payments - Bonds	(144,460,000)	(20,030,000)	(10,935,000)
Interest Payments - Bonds	(23,104,015)	(5,854,754)	(6,301,762)
Bond Issuance Costs	(565,215)	-	-
Principal Payments - Pension-related Debt	-	-	-
Interest Payments - Pension-related Debt	-	-	-
Transfers from Other Funds	435,000	1,249	426,522
Transfers to Other Funds	(3,670,378)	-	-
Transfers to Other State Agencies	-	-	-
Net Cash Provided (Used) in Noncapital Financing Activities	(139,987,004)	(25,883,505)	(16,810,240)
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	-	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities			
Purchase of Investments	(236,139,572)	(19,097,017)	(23,207,072)
Proceeds from Sales and Maturities of Investments	302,489,883	16,619,356	28,345,791
Interest on Cash and Investments	(79,213)	274,170	418,124
Investment Income on Securities Lending	4,050	904	512
Interest Paid on Securities Lending	(4,050)	(904)	(512)
Net Cash Provided (Used) in Investing Activities	66,271,098	(2,203,491)	5,556,843
Net Increase (Decrease) in Cash and Cash Equivalents	(239,299)	1,724,125	340,966
Cash and Cash Equivalents Balance - Beginning	25,106,075	1,675,191	1,029,765
Cash and Cash Equivalents Balance - Ending	\$ 24,866,776	\$ 3,399,316	\$ 1,370,731
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted (Current)	813,953	492,608	17,692
Cash and Cash Equivalents - Restricted (Noncurrent)	24,052,823	2,906,708	1,353,039
Total Cash and Cash Equivalents	\$ 24,866,776	\$ 3,399,316	\$ 1,370,731

Multiple Purpose Bonds	Combined Program Account	Housing Finance Account	Total
\$ -	\$ -	\$ 5,111,576	\$ 5,687,738
-	-	1,236,383	128,181,755
-	-	176,426	42,347,413
-	-	(1,000)	(54,220,431)
-	-	(3,460,097)	(3,460,097)
-	-	(1,447,280)	(4,598,521)
-	-	(1,618,622)	941,620
-	-	(2,614)	114,879,477
-	-	-	31,377,604
(370,000)	-	-	(175,795,000)
(9,673)	(2,503)	-	(35,272,707)
-	-	-	(565,215)
-	-	(17,581)	(17,581)
-	-	(30,505)	(30,505)
-	4	7,100,308	7,963,083 **
(3,429,934)	-	(862,771)	(7,963,083)**
-	-	(158,132)	(158,132)
(3,809,607)	(2,499)	6,031,319	(180,461,536)
-	-	(43,848)	(43,848)
-	-	(43,848)	(43,848)
(3,800,278)	(7,323,703)	(299,856)	(289,867,498)
7,592,000	6,075,065	335,000	361,457,095
(98,055)	652,108	77,618	1,244,752
4	-	1,328	6,798
(4)	-	(1,328)	(6,798)
3,693,667	(596,530)	112,762	72,834,349
(115,940)	(599,029)	6,097,619	7,208,442
115,940	1,009,070	4,986,923	33,922,964
\$ -	\$ 410,041	\$ 11,084,542	\$ 41,131,406
\$ -	\$ -	\$ 10,077,977	\$ 10,077,977
-	-	-	1,324,253
-	410,041	1,006,565	29,729,176
\$ -	\$ 410,041	\$ 11,084,542	\$ 41,131,406

** Transfers within the Housing Finance Fund totaling \$7,963,083 are not included in the Statement of Cash Flows on page 14.

Continued on the next page

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Cash Flows - Housing Finance Fund
For the Year Ended June 30, 2015

Continued from the previous page

	<i>Single-Family Mortgage Program</i>		Multifamily Housing Revenue Bonds
	Mortgage Revenue Bonds	Housing Revenue Bonds	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 4,799,885	\$ 1,145,224	\$ 2,475,068
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation/Amortization	-	-	-
Investment Income Reported as Operating Revenue	(1,262,017)	(376,978)	(394,861)
Interest Expense Reported as Operating Expense	21,942,466	5,336,203	6,185,787
Bond Issuance Costs Reported as Operating Expense	519,913	-	-
Bond Call Expenses	(1,309,433)	(204,069)	45,105
<i>(Increase)/Decrease in Assets:</i>			
Loan Interest Receivable	416,231	77,353	(13,506)
Accounts Receivable	44,692	-	-
Interfund Receivable	185,189	120,150	-
Prepaid Expenses	-	-	-
Loans Receivable (Net)	45,718,309	23,955,226	3,420,664
Acquired Property	2,840,863	(113,099)	-
<i>(Increase)/Decrease in Deferred Outflow of Resources:</i>			
Change in Employer Contribution and Proportion Pension Contribution after Measurement Date	-	-	-
<i>Increase/(Decrease) in Liabilities:</i>			
Accounts Payable	(243,544)	2,102	37
Interfund Payable	-	(275)	-
Unearned Revenue	(3,703)	2,655	-
Compensated Absences Payable	-	-	-
Net Pension Liability	-	-	-
Net OPEB Obligation	-	-	-
<i>Increase/(Decrease) in Deferred Inflow of Resources:</i>			
Deferred Loan Origination Fees	(172,244)	(133,371)	(123,931)
Pension Investment Earnings Difference	-	-	-
Net Cash Provided (Used) in Operating Activities	\$ 73,476,607	\$ 29,811,121	\$ 11,594,363
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	\$ (4,456)	\$ 36,004	\$ 78,388
Foreclosed Property	7,173,746	466,712	-
Loan Modifications	128,786	6,655	-
Total Noncash Investing, Capital, and Financing Activities	\$ 7,298,076	\$ 509,371	\$ 78,388

Multiple Purpose Bonds	Combined Program Account	Housing Finance Account	Total
\$ (101,618)	\$ 734,403	\$ (338,792)	\$ 8,714,170
-	-	4,104	4,104
98,329	(736,906)	(74,364)	(2,746,797)
1,754	2,503	1,328	33,470,041
-	-	-	519,913
1,535	-	-	(1,466,862)
-	-	124,167	604,245
-	-	(23,406)	21,286
-	-	(443)	304,896 **
-	-	7,980	7,980
-	-	1,235,383	74,329,582
-	-	-	2,727,764
-	-	(7,138)	(7,138)
-	-	29,264	29,264
-	-	(4,906)	(246,311)
-	-	(305,064)	(305,339) **
-	-	(135,996)	(137,044)
-	-	5,728	5,728
-	-	(1,297,770)	(1,297,770)
-	-	7,114	7,114
-	-	-	(429,546)
-	-	770,197	770,197
\$ -	\$ -	\$ (2,614)	\$ 114,879,477
\$ -	\$ 118,510	\$ (4,096)	\$ 224,350
-	-	-	7,640,458
-	-	-	135,441
\$ -	\$ 118,510	\$ (4,096)	\$ 8,000,249

** Interfund Receivables and Payables within the Housing Finance Fund totaling a decrease of \$305,339 are not included in the Statement of Cash Flows on page 15.

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Statistical Section

The Statistical Section presents information as a context for understanding what the information in the financial statements and note disclosures says about OHCS&D's overall financial health.

Financial Trends

Pages 48-51 contain trend information to help the reader understand how OHCS&D's financial performance has changed over time.

Revenue Capacity

Pages 52 and 53 contain information to help the reader assess OHCS&D's most significant revenue source, Interest on Loans.

Debt Capacity

Pages 54 and 55 contain information to help the reader assess OHCS&D's current levels of outstanding debt and the capacity to issue debt in the future.

Demographic and Economic Information

Pages 56 and 57 contain demographic, economic, and employment data to help the reader understand the environment OHCS&D operates in.

Operating Information

Pages 58-66 contain information to help the reader understand how the information in the financial report relates to the activities of OHCS&D.

Unless otherwise noted, the source of information in these schedules is derived from the financial reports for the relevant year or from other OHCS&D sources.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position
Enterprise Funds
Last Ten Fiscal Years

	2015	2014	2013	2012
Assets				
Cash and Cash Equivalents	\$ 10,077,977	\$ 4,060,107	\$ 5,469,303	\$ 5,746,697
Cash and Cash Equivalents - Restricted	66,585,531	64,782,925	61,578,919	78,600,165
Investments - Restricted	229,912,957	310,056,935	359,607,162	266,227,125
Securities Lending Cash Collateral	4,032,437	3,393,772	3,849,298	5,600,831
Accounts Receivable	179,010	200,283	246,073	183,337
Accrued Interest Receivable	4,618,750	5,443,641	5,899,925	7,336,307
Interfund Receivable	607	164	4,019	11,434
Prepaid Expenses	675	8,655	15,305	44,401
Acquired Property	4,407,890	7,135,654	3,809,023	10,640,035
Deferred Charges	-	-	9,019,358	9,522,524
Loans Receivable (Net)	918,003,978	1,009,415,693	1,079,738,292	1,223,594,532
Capital Assets (Net)	70,549	22,340	9,874	11,074
Net Pension Asset	558,607	-	-	-
Total Assets	\$ 1,238,448,968	\$ 1,404,520,169	\$ 1,529,246,551	\$ 1,607,518,462
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 11,379,103	\$ 17,276,495	\$ 27,550,227	\$ 37,196,930
Loss on Debt Refunding	2,344,757	2,262,264	-	-
Change in Employer Contribution and Proportion Pension Contribution after Measurement Date	9,990	-	-	-
	196,756	-	-	-
Total Deferred Outflows of Resources	\$ 13,930,606	\$ 19,538,759	\$ 27,550,227	\$ 37,196,930
Liabilities				
Accounts Payable	\$ 596,729	\$ 1,068,902	\$ 979,131	\$ 920,629
Accrued Interest Payable	17,957,672	20,477,454	23,731,731	27,843,800
Obligations Under Securities Lending	4,032,437	3,393,772	3,849,298	5,600,831
Interfund Payable	607	164	4,019	11,434
Due to Other Governments	-	-	-	-
Matured Bonds and Interest Payable	-	-	-	-
Unearned Revenue	1,402,406	1,539,946	1,666,618	1,250,739
Compensated Absences Payable	276,849	296,128	263,931	208,313
Bonds Payable	997,155,163	1,170,857,616	1,281,246,940	1,349,497,180
Swap Fair Value Liability	11,379,103	17,276,495	27,550,227	37,196,930
Arbitrage Rebate Liability	-	-	366,889	482,076
Loans Payable	-	-	1,500,000	1,500,000
Pension-related Debt Payable	575,223	600,689	616,550	-
Net OPEB Obligation	92,770	88,299	84,812	75,366
Total Liabilities	\$ 1,033,468,959	\$ 1,215,599,465	\$ 1,341,860,146	\$ 1,424,587,298
Deferred Inflows of Resources				
Deferred Loan Origination Fees	\$ 5,281,561	\$ 5,905,347	\$ -	\$ -
Pension Investment Earnings Difference	1,077,887	-	-	-
Total Deferred Inflows of Resources	\$ 6,359,448	\$ 5,905,347	\$ -	\$ -
Net Position				
Net Investment in Capital Assets	\$ 70,549	\$ 22,340	\$ 9,874	\$ 11,074
Restricted for Residential Assistance	2,029,118	2,019,413	2,272,946	2,581,560
Restricted by Trust Indentures	201,453,112	196,447,800	208,167,826	211,381,841
Unrestricted	8,998,388	4,064,563	4,485,986	6,153,619
Total Net Position	\$ 212,551,167	\$ 202,554,116	\$ 214,936,632	\$ 220,128,094

						Unaudited
2011	2010	2009	2008	2007	2006	
\$ 5,873,763	\$ 4,367,875	\$ 5,917,589	\$ 9,535,291	\$ 7,012,746	\$ 4,606,282	
54,144,451	91,492,695	93,518,300	58,962,599	70,430,213	69,408,645	
320,169,513	352,352,552	278,734,777	444,075,698	578,490,370	712,791,097	
18,153,910	37,016,172	44,918,260	27,937,118	25,836,141	9,253,194	
1,404,790	165,054	21,174	68,910	42,246	65,160	
7,708,720	8,280,181	8,573,207	8,535,261	7,332,201	6,717,595	
1,252	745	979	1,975	160,404	790	
1,900	-	-	-	-	-	
10,783,923	8,049,817	1,660,608	650,178	305,365	370,188	
10,526,280	11,128,757	12,594,903	13,407,623	12,097,666	11,538,403	
1,288,879,901	1,327,271,965	1,416,942,114	1,381,957,882	1,159,044,260	1,076,206,182	
-	2,604	3,538	4,822	22,101	38,262	
-	-	-	-	-	-	
<u>\$ 1,717,648,403</u>	<u>\$ 1,840,128,417</u>	<u>\$ 1,862,885,449</u>	<u>\$ 1,945,137,357</u>	<u>\$ 1,860,773,713</u>	<u>\$ 1,890,995,798</u>	
\$ 25,409,179	\$ 31,208,266	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 25,409,179</u>	<u>\$ 31,208,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 757,774	\$ 1,040,636	\$ 934,509	\$ 1,250,330	\$ 711,347	\$ 910,893	
28,943,961	32,391,722	35,717,572	34,981,663	30,721,560	30,037,256	
18,153,910	37,016,172	44,918,260	27,937,118	25,836,141	9,253,194	
1,252	745	979	1,975	160,404	790	
-	-	75,000	-	-	-	
-	-	5,145	25,580	114,659	67,269	
1,045,713	914,354	963,134	884,057	237,243	32,235	
246,027	346,874	394,674	271,419	280,383	234,026	
1,456,870,106	1,560,048,696	1,583,757,344	1,687,835,004	1,626,193,952	1,686,591,346	
25,409,179	31,208,266	-	-	-	-	
102,194	85,740	1,202,460	3,397,237	2,690,820	823,863	
1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	
-	-	-	-	-	-	
66,597	59,529	50,109	27,521	-	-	
<u>\$ 1,533,096,713</u>	<u>\$ 1,664,612,734</u>	<u>\$ 1,669,519,186</u>	<u>\$ 1,758,111,904</u>	<u>\$ 1,688,446,509</u>	<u>\$ 1,729,450,872</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
<u>\$ -</u>						
\$ -	\$ 2,604	\$ 3,538	\$ 4,822	\$ 22,101	\$ 38,262	
2,219,237	1,835,608	1,540,902	1,700,405	1,741,444	1,546,849	
200,498,355	199,185,070	185,650,034	176,322,945	161,115,591	154,284,714	
7,243,277	5,700,667	6,171,789	8,997,281	9,448,068	5,675,101	
<u>\$ 209,960,869</u>	<u>\$ 206,723,949</u>	<u>\$ 193,366,263</u>	<u>\$ 187,025,453</u>	<u>\$ 172,327,204</u>	<u>\$ 161,544,926</u>	

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Revenues, Expenses, and Changes in Net Position
Enterprise Funds
Last Ten Fiscal Years

	2015	2014	2013	2012
Operating Revenues				
Interest on Loans	\$ 50,954,045	\$ 52,542,197	\$ 59,217,071	\$ 68,917,920
Investment Income (Loss)	3,484,174	4,844,825	(2,508,456)	13,938,305
Administrative Charges and Fees	2,299,260	616,348	969,193	1,095,375
Low Income Housing Tax Credit Fees	3,174,641	1,566,180	2,350,450	1,968,720
Transfer/Commitment Fees	145,432	216,664	496,361	503,495
Gain on Sale of Foreclosed Property	288,970	548,575	408,021	-
Miscellaneous Revenue	60,801	16,350	2,474,127	110,579
Total Operating Revenues	60,407,323	60,351,139	63,406,767	86,534,394
Operating Expenses				
Personal Services	3,868,949	4,250,998	3,982,480	4,091,672
Services and Supplies	2,392,345	2,429,232	2,139,476	2,753,928
Mortgage Service Fees	2,619,687	2,820,877	3,148,492	3,534,690
Foreclosure Costs	324,684	995,546	1,728,780	1,427,384
Interest Expense - Bonds	38,491,579	43,280,173	52,057,391	58,695,970
Interest Expense - Loans	-	24,575	48,750	48,801
Interest Expense - Securities Lending	12,347	13,410	42,107	20,787
Other Related Program Expenses	1,428,928	3,224,872	3,973,210	2,385,223
Loss on Sale of Foreclosed Property	-	-	-	276,931
Amortization of Deferred Bond Issuance Costs	-	-	641,555	752,880
Depreciation/Amortization	4,394	2,034	1,200	934
Bad Debt Expense	-	-	-	2,211,594
Total Operating Expenses	49,142,913	57,041,717	67,763,411	76,200,794
Operating Income (Loss)	11,264,410	3,309,422	(4,356,674)	10,333,600
Nonoperating Revenue/(Expenses)				
Gain/(Loss) on Disposition of Capital Assets	-	-	-	-
Interest Expense - Pension-related Debt	(39,019)	(38,942)	(40,754)	-
Total Nonoperating Revenue/(Expenses)	(39,019)	(38,942)	(40,754)	-
Transfers				
Transfers from Other Funds	-	-	68,726	117,816
Transfers to Other Funds	-	-	(68,726)	(117,816)
Transfers to Other State Agencies	(211,415)	(185,435)	(163,735)	(166,375)
Transfers from State General Fund	-	-	-	-
Transfers to State General Fund	-	-	-	-
Total Transfers	(211,415)	(185,435)	(163,735)	(166,375)
Increase (Decrease) in Net Position	\$ 11,013,976	\$ 3,085,045	\$ (4,561,163)	\$ 10,167,225

						Unaudited
	2011	2010	2009	2008	2007	2006
\$	72,357,706	\$ 79,035,078	\$ 82,876,589	\$ 74,586,167	\$ 67,437,211	\$ 65,082,624
	3,319,834	11,813,383	13,333,320	30,603,348	37,368,458	25,652,212
	2,968,510	3,606,275	649,210	1,973,996	1,631,607	1,470,229
	2,149,904	1,936,433	1,381,961	1,807,144	1,426,011	1,312,453
	728,323	182,855	801,746	1,655,620	1,519,361	1,478,102
	-	66,272	51,044	105,897	80,291	198,983
	14,230	17,984	41,151	6,885	18,741	245,240
	81,538,507	96,658,280	99,135,021	110,739,057	109,481,680	95,439,843
	4,194,543	4,959,949	5,127,493	6,056,329	4,950,826	4,845,797
	3,600,289	3,663,290	3,312,232	3,399,918	2,849,585	3,271,671
	3,665,713	3,974,512	4,171,676	3,523,632	2,988,871	2,664,045
	1,902,931	698,808	313,141	101,769	63,516	137,702
	62,458,803	68,618,190	75,927,690	77,550,847	80,753,939	75,721,114
	48,814	49,624	57,417	70,431	68,426	173,520
	79,233	81,219	838,652	1,424,138	1,426,417	570,599
	1,085,204	209,575	1,150,806	7,726,515	4,770,778	4,879,984
	259,296	-	-	-	-	-
	884,674	937,454	905,772	894,984	874,064	1,129,185
	233	934	1,284	17,279	25,497	62,460
	(54,028)	(100,788)	193,911	(77,802)	(72,517)	(84,623)
	78,125,705	83,092,767	92,000,074	100,688,040	98,699,402	93,371,454
	3,412,802	13,565,513	7,134,947	10,051,017	10,782,278	2,068,389
	(2,371)	-	-	-	-	-
	-	-	-	-	-	-
	(2,371)	-	-	-	-	-
	117,816	117,816	117,816	117,816	117,816	117,816
	(117,816)	(117,816)	(117,816)	(117,816)	(117,816)	(117,816)
	(173,511)	(207,827)	(204,782)	-	-	-
	-	-	-	4,647,232	-	-
	-	-	(589,355)	-	-	-
	(173,511)	(207,827)	(794,137)	4,647,232	-	-
\$	3,236,920	\$ 13,357,686	\$ 6,340,810	\$ 14,698,249	\$ 10,782,278	\$ 2,068,389

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
 Weighted Average Interest Rate - New Mortgage Loans
 Enterprise Funds
 Last Ten Fiscal Years

Unaudited

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Overall Weighted Average Interest Rate	3.29%	3.18%	3.24%	3.97%	4.65%	4.50%	5.49%	5.65%	5.70%	5.26%
Elderly and Disabled Housing Program	-	-	-	-	5.97%	-	5.97%	5.97%	-	6.53%
Mortgage Revenue Bonds	3.29%	3.09%	0.45%	0.60%	0.91%	4.50%	5.44%	5.65%	5.70%	5.24%
Housing Revenue Bonds	-	3.30%	3.63%	3.95%	4.46%	-	-	-	-	-
Multifamily Housing Revenue Bonds	-	-	-	6.25%	-	-	5.90%	5.90%	5.90%	5.90%
Combined Program Account	-	-	-	-	-	-	-	-	-	6.40%
Housing Finance Account	-	-	-	-	-	-	-	-	-	1.00%
Housing Finance Revenue Bonds *	-	-	-	-	-	-	-	-	-	4.80%

* All remaining Housing Finance Revenue Bonds were called in Fiscal Year 2007. All loans were moved to Mortgage Revenue Bonds.

Weighted average interest rate is calculated by multiplying each loan amount by the interest rate on the loan, adding all results together, then dividing by the total amount of new loans.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Principal Program Loan Interest Payers
Enterprise Funds
Current Year and Nine Years Ago

Unaudited

Project	Fiscal Year 2015			Fiscal Year 2006		
	Rank	Program Loan Interest Received	Percent of Total Program Loan Interest Received	Rank	Program Loan Interest Received	Percent of Total Program Loan Interest Received
Emerald Pointe	1	\$ 1,139,144	2.27%			
Westridge Meadows Apartments	2	820,509	1.63%	2	991,592	1.52%
Willamette Gardens Apartments	3	810,614	1.61%	4	784,978	1.20%
Woodridge Apartments	4	774,791	1.54%	1	1,019,747	1.56%
Troutdale Terrace	5	691,721	1.38%	3	910,863	1.39%
Beaver State Apartments	6	566,621	1.13%			
Lake Crest Apartments	7	470,697	0.94%	5	649,222	0.99%
Cascadia Village Retirement Center	8	361,255	0.72%	10	436,169	0.67%
The Hazelwood Apartments	9	344,442	0.69%	6	509,671	0.78%
Buckman Heights Apartments	10	314,463	0.63%	8	456,514	0.70%
Park Tower Apartments				7	507,945	0.78%
Gateway Park Apartments				9	449,620	0.69%
Total		\$ 6,294,257	12.54%		\$ 6,716,321	10.28%

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Ratio of Outstanding Debt
Enterprise Fund
Last Ten Fiscal Years

Unaudited

Business-Type Activities - Enterprise Funds						
Fiscal Year	General Obligation Bonds ⁽¹⁾	Revenue Bonds ⁽²⁾	Loans Payable	Total	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
2015	\$ 85,480,000	\$ 904,220,000	\$ -	\$ 989,700,000	0.60%	\$ 249
2014	112,615,000	1,049,115,000	-	1,161,730,000	0.75%	296
2013	119,985,000	1,156,130,000	1,500,000	1,277,615,000	0.84%	328
2012	124,985,000	1,218,500,000	1,500,000	1,344,985,000	0.93%	348
2011	146,945,000	1,303,345,000	1,500,000	1,451,790,000	1.06%	378
2010	173,125,000	1,379,395,000	1,500,000	1,554,020,000	1.15%	408
2009	182,890,000	1,391,095,000	1,500,000	1,575,485,000	1.14%	418
2008	190,315,000	1,485,191,011	1,500,000	1,677,006,011	1.26%	451
2007	199,730,000	1,418,318,301	1,500,000	1,619,548,301	1.28%	441
2006	199,580,000	1,481,303,110	1,500,000	1,682,383,110	1.44%	466

⁽¹⁾ Elderly and Disabled Housing Bonds

⁽²⁾ Mortgage Revenue Bonds, Housing Revenue Bonds (beginning in FY 2010), Homeowner Revenue Bonds, (FY 2006 - FY 2008), Housing Finance Revenue Bonds (FY 2006), Multifamily Housing Revenue Bonds, and Multiple Purpose Bonds (FY 2006 - FY 2014)

⁽³⁾ Population and Personal Income information can be found on page 56.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
 Legal Debt Margin Information
 Enterprise Fund
 Last Ten Fiscal Years

Unaudited

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
<u>General Obligation Bonds</u>				
2015	\$ 2,347,393,704	\$ 85,480,000	\$ 2,261,913,704	3.64%
2014	2,167,365,136	112,615,000	2,054,750,136	5.20%
2013	2,107,955,009	119,985,000	1,987,970,009	5.69%
2012	2,172,146,238	124,985,000	2,047,161,238	5.75%
2011	2,292,594,338	146,945,000	2,145,649,338	6.41%
2010	2,493,422,754	173,125,000	2,320,297,754	6.94%
2009	2,626,781,365	182,890,000	2,443,891,365	6.96%
2008	2,505,763,251	190,315,000	2,315,448,251	7.60%
2007	2,171,596,093	199,730,000	1,971,866,093	9.20%
2006	1,814,184,612	199,580,000	1,614,604,612	11.00%
<u>Revenue Bonds</u>				
2015	\$ 2,500,000,000	\$ 904,220,000	\$ 1,595,780,000	36.17%
2014	2,500,000,000	1,049,115,000	1,450,885,000	41.96%
2013	2,500,000,000	1,156,130,000	1,343,870,000	46.25%
2012	2,500,000,000	1,218,500,000	1,281,500,000	48.74%
2011	2,500,000,000	1,303,345,000	1,196,655,000	52.13%
2010	2,500,000,000	1,379,395,000	1,120,605,000	55.18%
2009	2,500,000,000	1,391,095,000	1,108,905,000	55.64%
2008	2,500,000,000	1,485,191,011	1,014,808,989	59.41%
2007	2,500,000,000	1,418,318,301	1,081,681,699	56.73%
2006	2,500,000,000	1,481,303,110	1,018,696,890	59.25%

Legal Debt Margin for Fiscal Year 2015

General Obligation Bonds

True cash value of all taxable property in the state	\$ 469,478,740,724
Debt Limit (0.5% of true cash value)	2,347,393,704
Less: Debt applicable to the limit (Elderly and Disabled Housing Bonds)	(85,480,000)
Legal Debt Margin	\$ 2,261,913,704

Revenue Bonds

The legal debt margin for OHCS D's revenue bonds is set by statute (Oregon Revised Statute 456.661).

For additional bond information, see Note 7.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
 Demographic and Economic Data - State of Oregon
 Last Ten Years

Unaudited

Calendar Year	Population ⁽¹⁾	Personal Income ⁽¹⁾ (in thousands)	Per Capita Personal Income	Annual Unemployment Rate ⁽²⁾
2014	3,970,239	\$ 163,652,836	\$ 41,220	6.9%
2013	3,928,068	154,869,050	39,426	7.9%
2012	3,898,684	152,371,092	39,083	8.8%
2011	3,867,644	145,083,738	37,512	9.5%
2010	3,837,083	137,331,662	35,791	10.6%
2009	3,808,600	134,786,615	35,390	11.3%
2008	3,768,748	138,500,229	36,750	6.5%
2007	3,722,417	132,696,063	35,648	5.2%
2006	3,670,883	126,816,004	34,546	5.3%
2005	3,613,202	117,190,896	32,434	6.2%

⁽¹⁾ Source: U.S. Department of Commerce Bureau of Economic Analysis (SA1) - <http://www.bea.gov/iTable/iTable.cfm?ReqID=70&step=1&isuri=1&acrdn=4#reqid=70&step=1&isuri=1>

⁽²⁾ Source: Oregon Employment Department - <https://www.qualityinfo.org/ed-uesti/?at=1&t1=410100000~unemprate~y~2000~2015>

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Employment Data - State of Oregon
Current Year and Nine Years Ago

Unaudited

	Calendar Year 2014		Calendar Year 2005		Change
	Number of Employees	Percent of Total	Number of Employees	Percent of Total	
Health Care and Social Assistance	268,103	11.60%	224,324	10.19%	19.52%
Retail Trade	242,136	10.48%	243,445	11.06%	-0.54%
Manufacturing	197,303	8.54%	214,556	9.75%	-8.04%
Accommodation and Food Services	172,960	7.49%	150,240	6.83%	15.12%
Professional, Scientific, and Technical Services	147,616	6.39%	119,720	5.44%	23.30%
Administrative and Support Services	119,664	5.18%	114,653	5.21%	4.37%
Construction	114,184	4.94%	132,102	6.00%	-13.56%
Real Estate and Rental and Leasing	98,945	4.28%	86,800	3.94%	13.99%
Finance and Insurance	93,813	4.06%	83,523	3.80%	12.32%
Wholesale Trade	80,327	3.48%	85,680	3.89%	-6.25%
Transportation and Warehousing	67,916	2.94%	65,949	3.00%	2.98%
Farm Employment	61,967	2.68%	67,897	3.09%	-8.73%
Educational Services	58,111	2.52%	47,968	2.18%	21.15%
Arts, Entertainment, and Recreation	56,454	2.44%	46,529	2.11%	21.33%
Management of Companies and Enterprises	41,254	1.79%	28,536	1.30%	44.57%
Information	40,328	1.75%	40,672	1.85%	-0.85%
Forestry, Fishing, and Related Activities	32,921	1.42%	29,578	1.34%	11.30%
Mining	6,236	0.27%	3,521	0.16%	77.11%
Waste Management and Remediation Services	5,326	0.23%	5,517	0.25%	-3.46%
Utilities	4,814	0.21%	5,051	0.23%	-4.69%
Other Services	122,343	5.30%	119,225	5.42%	2.62%
Federal Government (Civilian)	27,503	1.19%	29,674	1.35%	-7.32%
Military	11,927	0.52%	12,673	0.58%	-5.89%
State Government	61,798	2.67%	68,548	3.11%	-9.85%
Local Government	176,371	7.63%	174,274	7.92%	1.20%
Total Employment	2,310,320	100.00%	2,200,655	100.00%	4.98%

Note: Due to confidentiality issues, the names of the top ten principal employers are not available. The categories presented are intended to provide alternative information regarding the concentration of employment in various business sectors.

Source: U.S. Department of Commerce Bureau of Economic Analysis (SA25N) - <http://www.bea.gov/iTable/iTable.cfm?ReqID=70&step=1&isuri=1&acrdn=4#reqid=70&step=1&isuri=1>

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Number of Employees

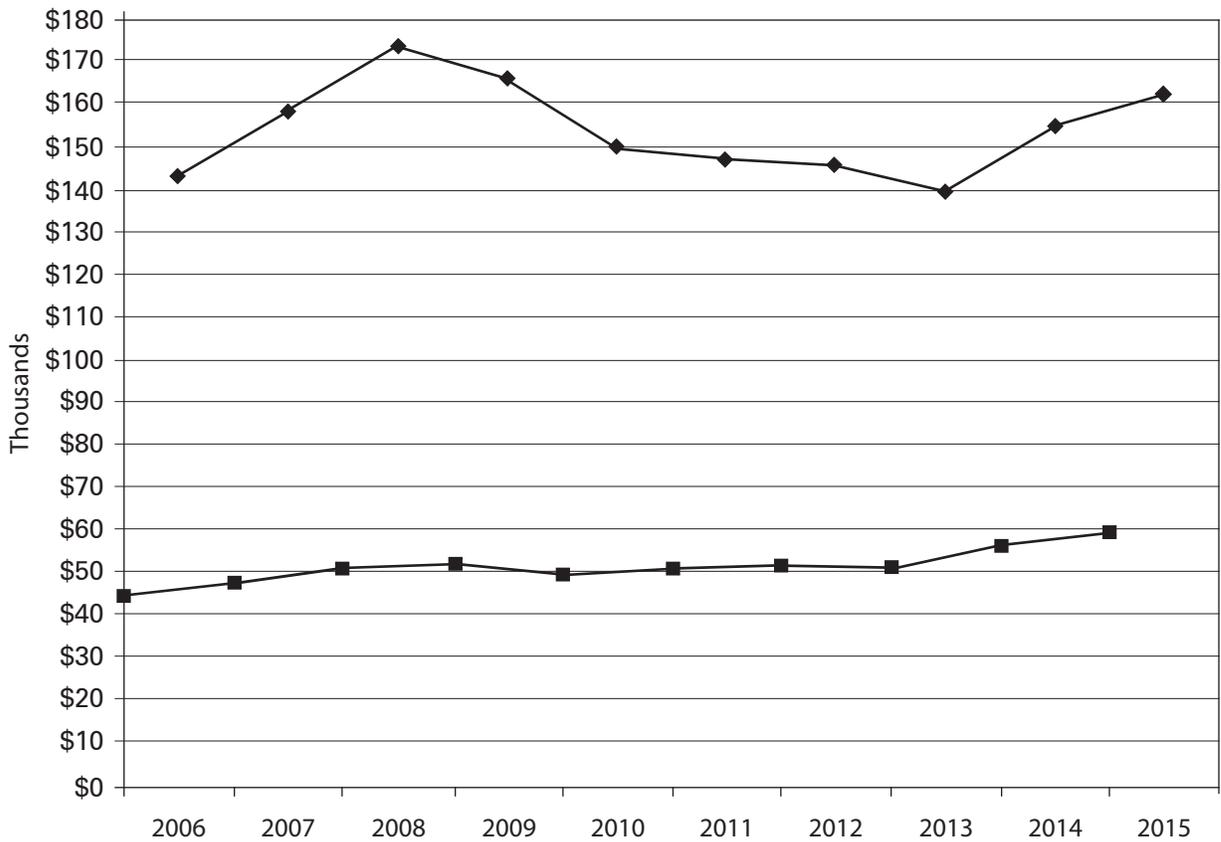
Last Ten Fiscal Years

Unaudited

	Full-Time-Equivalent Employees as of June 30									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Director's Office	10.0	2.0	5.0	6.0	8.0	9.0	9.0	10.0	9.0	9.0
Public Affairs Division	10.0	9.0	13.0	15.0	-	-	-	-	-	-
Housing Stabilization Division	27.8	-	-	-	-	-	-	-	-	-
Housing Finance Division	53.5	-	-	-	-	-	-	-	-	-
Chief Financial Office	20.0	-	-	-	-	-	-	-	-	-
Business Operations Division	-	54.5	50.0	46.8	-	-	-	-	-	-
Program Delivery Division	-	60.0	79.5	84.5	-	-	-	-	-	-
Community Resources Division	-	-	-	-	33.0	29.0	23.0	20.2	21.5	24.0
Housing Division	-	-	-	-	31.0	31.5	26.7	28.7	28.9	23.9
Asset & Property Management Division	-	-	-	-	30.0	32.0	31.0	31.0	28.0	29.5
Housing Stabilization Initiative Division	-	-	-	-	22.0	-	-	-	-	-
Financial Management Division	-	-	-	-	21.8	24.0	21.5	18.0	18.5	23.8
Information Services Division	-	-	-	-	15.0	11.9	12.8	13.3	18.0	17.9
Human Resources	-	-	-	-	3.0	3.0	2.0	4.0	2.0	4.0
Total	121.3	125.5	147.5	152.3	163.8	140.4	126.0	125.2	125.9	132.1

OHCS's divisions were reorganized in 2012 and in 2015.

Single-Family Mortgage Program
 Average New Mortgage Loan Amount
 Versus Median Household Income



◆ Average Mortgage Loan Amount ■ Median Household Income

Fiscal Year	Average Loan Amount	Calendar Year	Median Household Income in the State of Oregon ⁽¹⁾
2015	\$ 162,334	2014	\$ 58,875
2014	154,865	2013	56,307
2013	139,380	2012	51,775
2012	145,888	2011	51,526
2011	146,924	2010	50,602
2010	150,061	2009	49,098
2009	165,754	2008	51,727
2008	173,684	2007	50,236
2007	158,415	2006	47,091
2006	143,390	2005	44,159

⁽¹⁾ Source: US Census Bureau (Table H-8) - www.census.gov/hhes/www/income/data/historical/household/index.html

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
 New Mortgage Loans
 Enterprise Funds
 Last Ten Fiscal Years

	2015	2014	2013	2012	2011
Elderly and Disabled Housing Program:					
Original Loan Amount	\$ -	\$ -	\$ -	\$ -	\$ 19,782,736
Average Loan Amount	-	-	-	-	19,782,736
Number of New Loans	-	-	-	-	1
Number of Units	-	-	-	-	144
Single-Family Mortgage Program:					
Original Loan Amount	\$ 54,219,431	\$ 61,016,633	\$ 50,176,880	\$ 75,861,516	\$ 56,271,932
Average Loan Amount	162,334	154,865	139,380	145,888	146,924
Number of New Loans	334	394	360	520	383
Multifamily Housing Revenue Bonds:					
Original Loan Amount	\$ -	\$ -	\$ -	\$ 9,224,000	\$ -
Average Loan Amount	-	-	-	9,224,000	-
Number of New Loans	-	-	-	1	-
Number of Units	-	-	-	239	-
Combined Program Account: *					
Original Loan Amount	\$ -	\$ -	\$ -	\$ -	\$ -
Average Loan Amount	-	-	-	-	-
Number of New Loans	-	-	-	-	-
Number of Units	-	-	-	-	-
Housing Finance Account:					
Original Loan Amount	\$ -	\$ -	\$ -	\$ -	\$ -
Average Loan Amount	-	-	-	-	-
Number of New Loans	-	-	-	-	-

* The loans made in fiscal year 2006 in Combined Program Account were moved to Multifamily Housing Revenue Bonds in fiscal year 2007.
 Construction and Pre-development loans are not included.

Unaudited

	2010	2009	2008	2007	2006
\$	-	\$ 2,898,340	\$ 651,100	\$ -	\$ 974,300
	-	579,668	651,100	-	324,767
	-	5	1	-	3
	-	83	15	-	28
\$	25,660,493	\$ 138,570,444	\$ 321,315,907	\$ 189,306,233	\$ 164,755,476
	150,061	165,754	173,684	158,415	143,390
	171	836	1,850	1,195	1,149
\$	-	\$ 14,500,000	\$ 3,425,000	\$ 4,525,000	\$ 900,000
	-	14,500,000	3,425,000	4,525,000	900,000
	-	1	1	1	1
	-	240	64	97	24
\$	-	\$ -	\$ -	\$ -	\$ 1,695,000
	-	-	-	-	847,500
	-	-	-	-	2
	-	-	-	-	60
\$	-	\$ -	\$ -	\$ -	\$ 101,382
	-	-	-	-	101,382
	-	-	-	-	1

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Loans Outstanding - By Interest Rate
Enterprise Funds
Current Year and Nine Years Ago

Unaudited

Interest Rate	Fiscal Year 2015				Fiscal Year 2006			
	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
0.00 - 3.99%	1,293	21.06%	\$ 184,508,303	20.05%	107	1.42%	\$ 20,787,991	1.93%
4.00 - 4.99%	1,760	28.67%	199,164,318	21.64%	2,213	29.38%	270,069,256	25.06%
5.00 - 5.99%	2,094	34.10%	336,545,893	36.56%	2,985	39.62%	349,486,805	32.43%
6.00 - 6.99%	623	10.15%	146,053,717	15.87%	1,078	14.31%	219,239,982	20.35%
7.00 - 7.99%	249	4.06%	42,913,100	4.66%	811	10.77%	143,116,652	13.28%
8.00 - 8.99%	114	1.86%	7,684,171	0.83%	245	3.25%	40,270,673	3.74%
9.00 - 9.99%	5	0.08%	3,588,901	0.39%	55	0.73%	12,115,029	1.12%
10.00% or More	1	0.02%	1,197	0.00%	39	0.52%	22,509,914	2.09%
Total	6,139	100.00%	\$ 920,459,600	100.00%	7,533	100.00%	\$ 1,077,596,302	100.00%

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Loans Outstanding - By Monthly Payment Amount
Enterprise Funds
Current Year and Nine Years Ago

Unaudited

Monthly Payment ⁽¹⁾	Fiscal Year 2015				Fiscal Year 2006			
	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
Single-Family Loans ⁽²⁾								
\$ 0 - \$ 200	45	0.78%	\$ 1,104,331	0.17%	131	1.88%	\$ 2,071,420	0.29%
\$ 201 - \$ 400	508	8.78%	21,866,789	3.34%	947	13.56%	38,991,821	5.55%
\$ 401 - \$ 600	1,628	28.16%	127,631,047	19.51%	2,373	33.96%	188,721,949	26.86%
\$ 601 - \$ 800	1,812	31.32%	210,026,853	32.11%	2,236	32.01%	261,210,560	37.18%
\$ 801 - \$ 1,000	1,089	18.82%	160,546,737	24.55%	1,014	14.51%	155,027,308	22.07%
\$ 1,001 - \$ 1,200	474	8.19%	84,695,040	12.95%	230	3.29%	43,742,842	6.23%
\$ 1,201 - \$ 1,400	179	3.09%	36,219,086	5.54%	42	0.60%	9,449,762	1.35%
\$ 1,401 - \$ 1,600	43	0.74%	10,129,017	1.55%	13	0.19%	3,304,967	0.47%
\$ 1,601 - \$ 1,800	7	0.12%	1,817,675	0.28%	-	-	-	-
Total	5,785	100.00%	654,036,575	100.00%	6,986	100.00%	702,520,629	100.00%
Multi-Family Loans ⁽³⁾								
\$ 0 - \$ 1,000	208	58.76%	6,581,145	2.47%	257	46.98%	12,896,523	3.44%
\$ 1,001 - \$ 5,000	55	15.54%	17,093,043	6.42%	120	21.94%	26,196,953	6.98%
\$ 5,001 - \$10,000	22	6.22%	19,861,586	7.45%	55	10.05%	33,562,759	8.96%
\$10,001 - \$15,000	23	6.50%	27,834,471	10.45%	38	6.95%	50,805,389	13.55%
\$15,001 - \$20,000	13	3.67%	24,808,982	9.31%	22	4.02%	43,525,165	11.60%
\$20,001 - \$25,000	11	3.11%	27,875,871	10.46%	19	3.47%	47,087,406	12.55%
\$25,001 - \$30,000	6	1.69%	20,242,723	7.60%	10	1.83%	36,454,514	9.72%
\$30,001 or more	14	3.95%	121,115,454	45.46%	17	3.11%	122,052,764	32.54%
Due at Maturity	2	0.56%	1,009,750	0.38%	9	1.65%	2,494,200	0.66%
Total	354	100.00%	266,423,025	100.00%	547	100.00%	375,075,673	100.00%
Grand Total	6,139		\$ 920,459,600		7,533		\$1,077,596,302	

⁽¹⁾ Principal and Interest only. Does not include taxes or insurance.

⁽²⁾ Mortgage Revenue Bond, Housing Revenue Bond (FY 2015), and Housing Finance Revenue Bond (FY 2006) Loans

⁽³⁾ Elderly and Disabled Housing Fund, Multifamily Housing Revenue Bond, Multiple Purpose Bond (FY 2006), and Housing Finance Account Loans

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Loans Outstanding - By County
Enterprise Funds
June 30, 2015

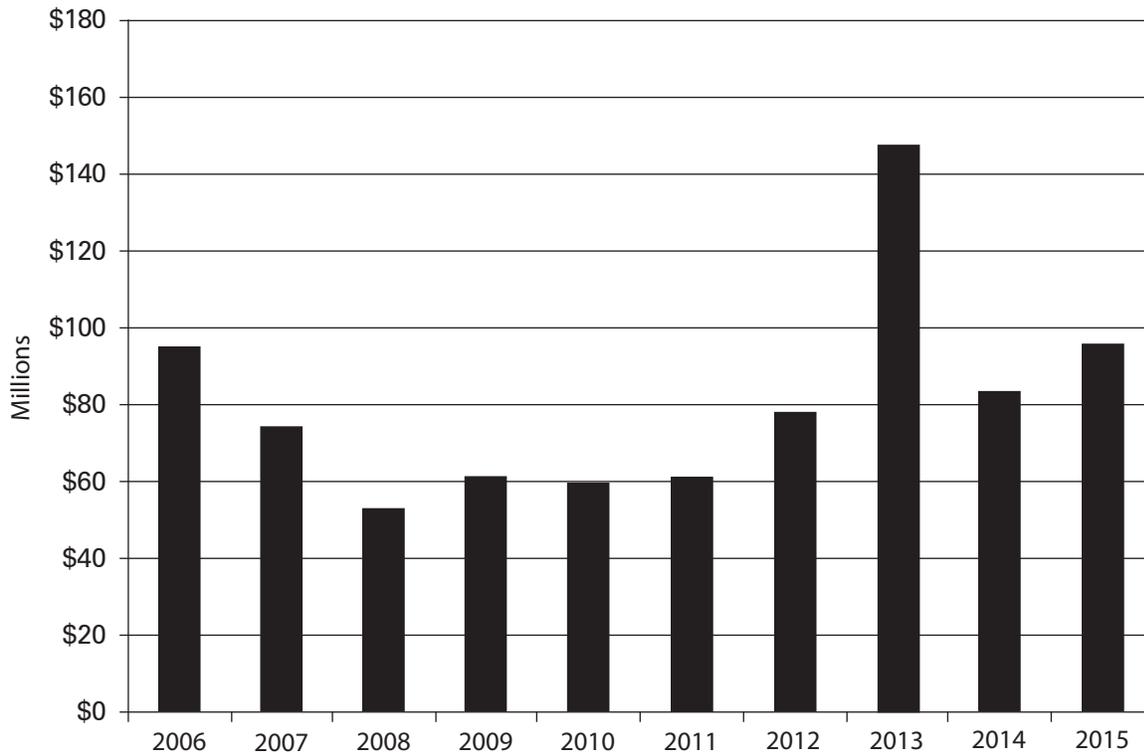
County	Elderly and Disabled Housing Program		Single-Family Mortgage Program		Multifamily Housing Revenue Bonds	
	Number of Loans	Principal Amount	Number of Loans	Principal Amount	Number of Loans	Principal Amount
Baker	1	\$ 152,279	33	\$ 2,112,215	-	\$ -
Benton	8	2,118,473	87	10,134,915	-	-
Clackamas	24	11,358,848	295	40,875,477	5	21,255,777
Clatsop	5	962,740	15	1,312,040	-	-
Columbia	7	870,708	57	6,399,143	1	1,681,902
Coos	5	141,291	107	10,112,575	-	-
Crook	1	1,014,252	32	3,430,759	-	-
Curry	2	51,513	7	854,689	-	-
Deschutes	4	2,726,206	236	27,913,665	2	6,176,299
Douglas	8	5,796,351	97	9,425,466	2	3,162,833
Gilliam	2	533,347	1	28,979	-	-
Grant	-	-	4	247,727	-	-
Harney	2	1,552,566	18	1,061,671	-	-
Hood River	2	1,120,469	11	1,569,311	-	-
Jackson	10	5,220,807	289	35,253,179	2	3,575,681
Jefferson	2	184,402	40	3,584,699	-	-
Josephine	4	1,882,893	260	36,893,494	-	-
Klamath	2	30,838	270	24,009,222	-	-
Lake	1	79,080	29	2,502,600	-	-
Lane	22	5,655,215	423	43,773,794	2	15,360,495
Lincoln	9	6,567,414	49	4,389,056	-	-
Linn	12	4,031,192	140	13,743,763	-	-
Malheur	2	26,158	52	3,422,434	-	-
Marion	51	29,871,482	663	66,258,318	2	1,272,856
Morrow	-	-	41	2,354,780	-	-
Multnomah	59	18,586,275	1,572	194,446,971	14	49,413,721
Polk	12	3,441,493	79	8,747,867	-	-
Sherman	1	177,613	-	-	-	-
Tillamook	3	2,308,491	9	831,725	-	-
Umatilla	8	2,277,973	220	14,486,620	-	-
Union	2	555,752	69	5,130,511	3	2,558,023
Wallowa	1	971,808	6	394,887	1	9,032,138
Wasco	1	27,656	7	902,740	-	-
Washington	23	4,561,667	432	61,212,912	4	31,836,707
Wheeler	1	226,650	-	-	-	-
Yamhill	11	4,536,623	135	16,218,371	-	-
Total	308	\$ 119,620,525	5,785	\$ 654,036,575	38	\$ 145,326,432

Allowances are not included. See Note 3.

Housing Finance Account		Total	
Number of Loans	Principal Amount	Number of Loans	Principal Amount
-	\$ -	34	\$ 2,264,494
-	-	95	12,253,388
-	-	324	73,490,102
1	289,750	21	2,564,530
-	-	65	8,951,753
-	-	112	10,253,866
-	-	33	4,445,011
-	-	9	906,202
-	-	242	36,816,170
-	-	107	18,384,650
-	-	3	562,326
-	-	4	247,727
-	-	20	2,614,237
-	-	13	2,689,780
-	-	301	44,049,667
-	-	42	3,769,101
-	-	264	38,776,387
-	-	272	24,040,060
-	-	30	2,581,680
1	720,000	448	65,509,504
-	-	58	10,956,470
-	-	152	17,774,955
-	-	54	3,448,592
1	40,000	717	97,442,656
-	-	41	2,354,780
-	-	1,645	262,446,967
1	12,943	92	12,202,303
-	-	1	177,613
-	-	12	3,140,216
-	-	228	16,764,593
-	-	74	8,244,286
-	-	8	10,398,833
2	243,825	10	1,174,221
2	169,550	461	97,780,836
-	-	1	226,650
-	-	146	20,754,994
8	\$ 1,476,068	6,139	\$ 920,459,600

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Mortgage Loan Payoffs - Single-Family Mortgage Program
Enterprise Funds
Last Ten Fiscal Years

Unaudited



<u>Fiscal Year</u>	<u>Prepaid Principal</u>
2015	\$ 95,583,596
2014	83,050,591
2013	147,566,970
2012	77,679,998
2011	60,939,133
2010	59,574,865
2009	60,988,051
2008	52,554,327
2007	73,983,041
2006	94,717,727

Other Reports

Office of the Secretary of State

Jeanne P. Atkins
Secretary of State

Robert Taylor
Deputy Secretary of State



Audits Division

Gary Blackmer
Director

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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

Margaret S. Van Vliet, Director
Oregon Housing and Community Services

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 Elderly and Disabled Housing Fund and Housing Finance Fund, enterprise funds of the State of Oregon, Housing and Community Services Department (Department), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated November 20, 2015.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department'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 determination of financial statement amounts. 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.

Office of the Secretary of State, Audits Division

State of Oregon
November 20, 2015