

Annual Financial Report

Enterprise Funds of the State of Oregon

Housing and Community Services Department

For the Year Ended June 30, 2020

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Director

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Financial Section

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Independent Auditor's Report

The Honorable Kate Brown, Governor of Oregon
Margaret Salazar Director, Oregon Housing and Community Services Department

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 end June 30, 2020, 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 financial position of the Elderly and Disabled Housing Fund and the Housing Finance Fund, enterprise funds of the State of Oregon, Housing and Community Services Department, as of June 30, 2020, and the 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 present only the enterprise funds of the Department and do not purport to, and do not, present fairly the financial position of the Department or the State of Oregon, as of June 30, 2020, the changes in its financial position, or, where applicable, 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 on pages 6-9 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 Department's Elderly and Disabled Housing Fund and Housing Finance Fund financial statements. The combining financial statements and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial 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 financial 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 18, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Office of the Secretary of State, Audits Division

State of Oregon
November 18, 2020

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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, 2020. 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 \$167.6 million for the fiscal year, down \$65.7 million from fiscal year 2019.
- Outstanding bond debt of \$1.11 billion on June 30, 2020 was \$53.8 million more than the amount outstanding on June 30, 2019. Debt issuance for the fiscal year totaled \$171.4 million (par value).
- Net position increased \$9.0 million, to \$245.9 million as of June 30, 2020. This represents an increase of 3.80%.
- Operating revenue was \$1.8 million higher in fiscal year 2020 than in fiscal year 2019.

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 governmental funds that are included in the State of Oregon Comprehensive Annual Financial Report located at www.oregon.gov/DAS/Financial/Acctng/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, 2020 were \$1.40 billion, up \$69.6 million from June 30, 2019. The change in assets and deferred outflows of resources consists primarily of a \$90.6 million increase in cash and cash equivalents, a \$54.4 million decrease in investments, and a \$27.9 million increase in loans receivable.

Total liabilities and deferred inflows of resources increased by \$60.6 million to \$1.15 billion on June 30, 2020. This included an increase of \$53.8 million in bonds payable, an increase of \$5.5 million in swap fair value liability, and an increase of \$2.6 million in net pension liability.

OHCSO'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

	<u>Business-Type Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>% Change</u>
Assets				
Current and Other Assets	\$ 1,381,765,967	\$ 1,317,829,765	\$ 63,936,202	4.85%
Capital Assets	10,214	43,223	(33,009)	-76.37%
Total Assets	<u>\$ 1,381,776,181</u>	<u>\$ 1,317,872,988</u>	<u>\$ 63,903,193</u>	<u>4.85%</u>
Deferred Outflows of Resources	<u>\$ 13,803,847</u>	<u>\$ 8,084,800</u>	<u>\$ 5,719,047</u>	<u>70.74%</u>
Liabilities				
Long-Term Liabilities	\$ 1,043,132,969	\$ 1,022,259,166	\$ 20,873,803	2.04%
Other Liabilities	101,817,187	62,051,758	39,765,429	64.08%
Total Liabilities	<u>\$ 1,144,950,156</u>	<u>\$ 1,084,310,924</u>	<u>\$ 60,639,232</u>	<u>5.59%</u>
Deferred Inflows of Resources	<u>\$ 4,763,416</u>	<u>\$ 4,790,854</u>	<u>\$ (27,438)</u>	<u>-0.57%</u>
Net Position				
Net Investment in Capital Assets	\$ 10,214	\$ 43,223	\$ (33,009)	-76.37%
Restricted for Residential Assistance	1,257,239	2,058,567	(801,328)	-38.93%
Restricted for Other Postemployment Benefits	72,037	31,100	40,937	131.63%
Restricted by Trust Indentures	228,197,707	220,241,383	7,956,324	3.61%
Unrestricted	16,329,259	14,481,737	1,847,522	12.76%
Total Net Position	<u><u>\$ 245,866,456</u></u>	<u><u>\$ 236,856,010</u></u>	<u><u>\$ 9,010,446</u></u>	<u><u>3.80%</u></u>

Cash and Cash Equivalents

Total cash and cash equivalents increased by \$90.6 million, or 116.1%, from June 30, 2019 to June 30, 2020.

Loans Receivable

Total mortgages and other loans receivable increased by \$27.9 million in fiscal year 2020. This increase included the following:

- Loans purchased or financed in fiscal year 2020 totaled \$167.6 million, \$65.7 million less than fiscal year 2019. Single-family mortgage loan purchases decreased by \$68.2 million and other loans purchased increased by \$2.5 million.
- Scheduled mortgage and other loan repayments totaled \$44.9 million for fiscal year 2020.
- Prepayments on mortgage loans increased in fiscal year 2020 by \$11.9 million. Prepayments for the fiscal year totaled \$93.9 million.
- Properties acquired during the fiscal year totaled \$0.9 million, an increase of \$0.4 million over the previous fiscal year.

The United States Congress has enacted several COVID-19-related bills, including the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), signed into law on March 27, 2020. Among other things, the CARES Act provides that (a) lenders are prohibited from foreclosing all mortgage loans which are FHA insured, VA, HUD or Rural Housing guaranteed, or purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Single Family Loans") for a period of 60 days commencing March 18, 2020, and (b) during the COVID-19 emergency, Federal Single Family Loan borrowers directly or indirectly facing economic difficulties as a result of the coronavirus can seek up to 360 days of payment forbearance. Such relief follows actions previously taken by HUD/FHA and the Federal Housing Finance

Agency, which ordered the servicers of Federal Single Family Loans to suspend foreclosures of single-family residences for 60 days. The order was later extended through June 30, 2020.

For single-family mortgage loans financed under OHCS's Single-Family Mortgage Program (Mortgage Revenue Bonds and Housing Revenue Bonds), 550, or approximately 9.4% of the total number of loans, were in forbearance as of June 30, 2020.

Bonds Payable

Bonds Payable increased by \$53.8 million from June 30, 2019 to June 30, 2020. OHCS issued \$171.4 million (par value) in revenue bonds and bond redemptions totaled \$120.1 million (par value). The remainder of the change is from discount and premium transactions.

Net Position

Net position increased during fiscal year 2020 by 3.80%, or \$9.0 million. Of OHCS's \$245.9 million in net position, 93.4% is restricted to bond indentures or other financial commitments. The remaining 6.6% is unrestricted and available to pay for current agency operations. Each fiscal year, OHCS 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's proprietary funds are presented below:

Proprietary Funds Statement of Operating Activity

	Business-Type Activities			
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>% Change</u>
Operating Revenues				
Interest on Loans	\$ 40,963,239	\$ 40,504,975	\$ 458,264	1.13%
Investment Income	11,696,263	11,846,649	(150,386)	-1.27%
Administrative Charges and Fees	5,162,478	4,358,237	804,241	18.45%
Low Income Housing Tax Credit Fees	3,080,015	3,364,208	(284,193)	-8.45%
Gain on Sale of Foreclosed Property	78,721	45,379	33,342	73.47%
Gain on Debt Extinguishment	1,939,403	984,697	954,706	96.95%
Miscellaneous Revenue	9,004	6,938	2,066	29.78%
Total Operating Revenues	62,929,123	61,111,083	1,818,040	2.97%
Operating Expenses				
Personal Services	8,697,614	5,712,702	2,984,912	52.25%
Services and Supplies	3,727,327	2,886,332	840,995	29.14%
Mortgage Service Fees	3,200,538	2,931,395	269,143	9.18%
Foreclosure Costs	13,605	215,168	(201,563)	-93.68%
Interest Expense - Bonds	33,161,052	31,556,074	1,604,978	5.09%
Interest Expense - Securities Lending	39,099	95,991	(56,892)	-59.27%
Other Related Program Expenses	4,850,144	7,832,586	(2,982,442)	-38.08%
Depreciation/Amortization	5,821	8,451	(2,630)	-31.12%
Total Operating Expenses	53,695,200	51,238,699	2,456,501	4.79%
Operating Income (Loss)	9,233,923	9,872,384	(638,461)	-6.47%

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>% Change</u>
Nonoperating Revenue/(Expenses)				
Loss on Disposition of Capital Assets	(27,188)	-	(27,188)	100.00%
Interest Expense - Pension-related Debt	(32,788)	(31,857)	(931)	2.92%
Total Nonoperating Revenue/(Expenses)	<u>(59,976)</u>	<u>(31,857)</u>	<u>(28,119)</u>	<u>88.27%</u>
Income (Loss) Before Transfers	9,173,947	9,840,527	(666,580)	-6.77%
Transfer from Other State Agencies	88,521	-	88,521	100.00%
Transfer to Other State Agencies	(252,022)	(261,273)	9,251	-3.54%
Increase (Decrease) in Net Position	<u>9,010,446</u>	<u>9,579,254</u>	<u>(568,808)</u>	<u>-5.94%</u>
Net Position - Beginning	236,856,010	227,276,756	9,579,254	4.21%
Net Position - Ending	<u>\$ 245,866,456</u>	<u>\$ 236,856,010</u>	<u>\$ 9,010,446</u>	<u>3.80%</u>

OHCSO's proprietary fund revenue is generated principally from interest earned on mortgages and investments. In fiscal year 2020, revenue generated through proprietary funds totaled \$62.9 million, of which \$52.7 million, or 83.7%, is from income earned on loans and investments.

Expenses of OHCSO's proprietary funds consist primarily of interest expense on debt incurred to fund lending programs. The total expenses for proprietary fund activities totaled \$53.7 million, of which \$33.2 million, or 61.8%, is bond interest expense.

The change in net position for the year ended June 30, 2020 resulted in an increase of \$9.0 million compared to a \$9.6 million increase for the year ended June 30, 2019. Factors contributing to this change include:

- Administrative Charges and Fees for fiscal year 2020 was \$0.8 million higher than in fiscal year 2019.
- Personal Services for fiscal year 2020 was \$3.0 million higher than in fiscal year 2019. Included in the change was a \$2.5 million increase in pension expense.
- Interest expense on bonds was \$1.6 million higher than in fiscal year 2019.
- Other Related Program Expenses was \$3.0 million lower than in fiscal year 2019.

Debt Administration

Oregon Revised Statutes authorize OHCSO 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. OHCSO also has constitutional authority to issue general obligation bonds to finance housing for elderly and disabled persons. As of June 30, 2020, OHCSO was authorized to issue up to \$3,578,984,548 in State of Oregon General Obligation bonds for this purpose.

As of June 30, 2020, OHCSO had a total of \$1,086,380,000 (par value) in outstanding bond debt. During fiscal year 2020, \$171,405,000 (par value) in revenue bonds were issued for the Single-Family Mortgage Program compared to \$211,305,000 in fiscal year 2019. No Multifamily Housing Revenue Bonds were issued in fiscal year 2020 or fiscal year 2019.

In addition, OHCSO issued \$226,074,143 (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 11) 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 make below-market interest rate loans to low and moderate income households. The proceeds from the Elderly and Disabled Housing Bonds, Multifamily Housing Revenue Bonds, and Housing Development Revenue Bonds are used to provide low interest rate financing to developers for new construction, remodeling, and/or acquisition of affordable rental housing. Elderly and Disabled Housing Bond proceeds are used to increase the number of affordable housing units for the elderly, persons with disabilities, and their family members. Multifamily Housing Revenue Bond and Housing Development Revenue Bond proceeds are used to finance multi-family housing for persons or families with lower and moderate incomes.

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 8).

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Statement of Net Position

Proprietary Funds

June 30, 2020

	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	\$ 562,209	\$ 13,324,495	\$ 13,886,704
Cash and Cash Equivalents - Restricted	2,797,894	69,315,903	72,113,797
Investments - Restricted	-	42,508,056	42,508,056
Securities Lending Cash Collateral	794,240	454,461	1,248,701
Accounts Receivable	3,381	263,074	266,455
Accrued Interest Receivable	304,880	4,213,643	4,518,523
Interfund Receivable	-	12,862	12,862
Due from Governmental Funds	2	391,787	391,789
Due from Other State Agencies	15,175	73,346	88,521
Loans Receivable	4,117,386	26,543,263	30,660,649
Acquired Property	-	817,484	817,484
Total Current Assets	8,595,167	157,918,374	166,513,541
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	49,774,075	32,807,797	82,581,872
Investments - Restricted	1,949,714	178,765,396	180,715,110
Loans Receivable	51,898,814	899,984,593	951,883,407
Net Other Postemployment Benefits Asset	16,891	55,146	72,037
Capital Assets (Net)	1,046	9,168	10,214
Total Noncurrent Assets	103,640,540	1,111,622,100	1,215,262,640
Total Assets	112,235,707	1,269,540,474	1,381,776,181
Deferred Outflows of Resources			
Accumulated Decrease in Fair Value of Hedging Derivatives	-	10,726,213	10,726,213
Loss on Debt Refundings	1,399	1,106,205	1,107,604
Related to Pensions	409,025	1,542,543	1,951,568
Related to Other Postemployment Benefits	3,476	14,986	18,462
Total Deferred Outflows of Resources	413,900	13,389,947	13,803,847
Total Assets and Deferred Outflows of Resources	\$ 112,649,607	\$ 1,282,930,421	\$ 1,395,580,028

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

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	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	\$ 68,136	\$ 1,279,256	\$ 1,347,392
Accrued Interest Payable	586,638	15,954,004	16,540,642
Obligations Under Securities Lending	794,240	454,461	1,248,701
Interfund Payable	12,862	-	12,862
Due to Governmental Funds	34,242	19,884	54,126
Unearned Revenue	-	754,469	754,469
Compensated Absences Payable	33,423	151,817	185,240
Bonds Payable	1,420,000	80,210,000	81,630,000
Pension-related Debt Payable	9,547	34,208	43,755
Total Current Liabilities	2,959,088	98,858,099	101,817,187
Noncurrent Liabilities			
Compensated Absences Payable	17,997	81,748	99,745
Bonds Payable	27,439,967	998,499,257	1,025,939,224
Swap Fair Value Liability	-	10,726,213	10,726,213
Pension-related Debt Payable	82,385	295,178	377,563
Net Pension Liability	1,343,981	4,460,804	5,804,785
Net Other Postemployment Benefits Liability	8,092	23,913	32,005
Total Other Postemployment Benefits Liability	36,062	117,372	153,434
Total Noncurrent Liabilities	28,928,484	1,014,204,485	1,043,132,969
Total Liabilities	31,887,572	1,113,062,584	1,144,950,156
Deferred Inflows of Resources			
Deferred Loan Origination Fees	416,328	4,029,606	4,445,934
Related to Pensions	64,073	212,664	276,737
Related to Other Postemployment Benefits	9,634	31,111	40,745
Total Deferred Inflows of Resources	490,035	4,273,381	4,763,416
Net Position			
Net Investment in Capital Assets	1,046	9,168	10,214
Restricted for Residential Assistance	-	1,257,239	1,257,239
Restricted for Other Postemployment Benefits	16,891	55,146	72,037
Restricted by Trust Indentures	75,581,109	152,616,598	228,197,707
Unrestricted	4,672,954	11,656,305	16,329,259
Total Net Position	80,272,000	165,594,456	245,866,456
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 112,649,607	\$ 1,282,930,421	\$ 1,395,580,028

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

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Operating Revenues			
Interest on Loans	\$ 3,342,029	\$ 37,621,210	\$ 40,963,239
Investment Income	1,322,696	10,373,567	11,696,263
Administrative Charges and Fees	117,001	5,045,477	5,162,478
Low Income Housing Tax Credit Fees	-	3,080,015	3,080,015
Gain on Sale of Foreclosed Property	-	78,721	78,721
Gain (Loss) on Debt Extinguishment	-	1,939,403	1,939,403
Miscellaneous Revenue	-	9,004	9,004
Total Operating Revenues	4,781,726	58,147,397	62,929,123
Operating Expenses			
Personal Services	1,581,833	7,115,781	8,697,614
Services and Supplies	346,777	3,380,550	3,727,327
Mortgage Service Fees	25,582	3,174,956	3,200,538
Foreclosure Costs	-	13,605	13,605
Interest Expense - Bonds	1,421,411	31,739,641	33,161,052
Interest Expense - Securities Lending	18,593	20,506	39,099
Other Related Program Expenses	7,406	4,842,738	4,850,144
Depreciation/Amortization	587	5,234	5,821
Total Operating Expenses	3,402,189	50,293,011	53,695,200
Operating Income	1,379,537	7,854,386	9,233,923
Nonoperating Revenues (Expenses)			
Loss on Disposition of Capital Assets	(4,525)	(22,663)	(27,188)
Interest Expense - Pension-related Debt	(7,154)	(25,634)	(32,788)
Total Nonoperating Revenues (Expenses)	(11,679)	(48,297)	(59,976)
Income Before Transfers	1,367,858	7,806,089	9,173,947
Transfers from Other State Agencies	15,175	73,346	88,521
Transfers to Other State Agencies	(42,597)	(209,425)	(252,022)
Increase in Net Position	1,340,436	7,670,010	9,010,446
Net Position - Beginning	78,931,564	157,924,446	236,856,010
Net Position - Ending	\$ 80,272,000	\$ 165,594,456	\$ 245,866,456

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, 2020

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Cash Flows from Operating Activities			
Received from Customers	\$ 113,626	\$ 8,649,828	\$ 8,763,454
Program Loan Principal Repayments	10,743,032	128,873,108	139,616,140
Program Loan Interest Received	3,218,495	36,122,464	39,340,959
Program Loans Made	-	(167,580,729)	(167,580,729)
Payments to Employees for Services	(1,158,564)	(5,329,989)	(6,488,553)
Payments to Suppliers for Goods and Services	(322,376)	(6,465,381)	(6,787,757)
Other Receipts (Payments)	(7,406)	(3,384,076)	(3,391,482)
Net Cash Provided (Used) in Operating Activities	12,586,807	(9,114,775)	3,472,032
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	-	177,018,587	177,018,587
Principal Payments - Bonds	(1,535,000)	(118,565,000)	(120,100,000)
Interest Payments - Bonds	(1,449,086)	(32,772,072)	(34,221,158)
Bond Issuance Costs	-	(1,424,262)	(1,424,262)
Principal Payments - Pension-related Debt	(9,311)	(33,364)	(42,675)
Interest Payments - Pension-related Debt	(7,154)	(25,634)	(32,788)
Transfers to Other State Agencies	(44,512)	(205,200)	(249,712)
Net Cash Provided (Used) in Noncapital Financing Activities	(3,045,063)	23,993,055	20,947,992
Cash Flows from Investing Activities			
Purchase of Investments	-	(413,127,785)	(413,127,785)
Proceeds from Sales and Maturities of Investments	-	473,542,274	473,542,274
Interest on Cash and Investments	1,058,561	4,687,798	5,746,359
Investment Income on Securities Lending	18,593	20,506	39,099
Interest Paid on Securities Lending	(18,593)	(20,506)	(39,099)
Net Cash Provided (Used) in Investing Activities	1,058,561	65,102,287	66,160,848
Net Increase (Decrease) in Cash and Cash Equivalents	10,600,305	79,980,567	90,580,872
Cash and Cash Equivalents Balance - Beginning	42,533,873	35,467,628	78,001,501
Cash and Cash Equivalents Balance - Ending	\$ 53,134,178	\$ 115,448,195	\$ 168,582,373
Cash and Cash Equivalents	\$ 562,209	\$ 13,324,495	\$ 13,886,704
Cash and Cash Equivalents - Restricted (Current)	2,797,894	69,315,903	72,113,797
Cash and Cash Equivalents - Restricted (Noncurrent)	49,774,075	32,807,797	82,581,872
Total Cash and Cash Equivalents	\$ 53,134,178	\$ 115,448,195	\$ 168,582,373

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

Continued on the next page

Continued from the previous 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	\$ 1,379,537	\$ 7,854,386	\$ 9,233,923
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	587	5,234	5,821
Investment Income Reported as Operating Revenue	(1,322,696)	(10,373,567)	(11,696,263)
Interest Expense Reported as Operating Expense	1,440,004	31,760,147	33,200,151
Bond Issuance Costs Reported as Operating Expense	-	1,544,687	1,544,687
(Gain) Loss on Debt Extinguishment	-	(1,939,403)	(1,939,403)
(Increase)/Decrease in Assets:			
Loan Interest Receivable	(38,838)	(477,510)	(516,348)
Accounts Receivable	(3,183)	(123,340)	(126,523)
Interfund Receivable	-	68,217	68,217
Due from Governmental Funds	(2)	(277,737)	(277,739)
Prepaid Expenses	-	4,563	4,563
Loans Receivable	10,743,032	(38,679,674)	(27,936,642)
Acquired Property	-	199,391	199,391
Net Other Postemployment Benefits Asset	(8,968)	(31,969)	(40,937)
(Increase)/Decrease in Deferred Outflows of Resources:			
Related to Pensions	(63,044)	(502,464)	(565,508)
Related to Other Postemployment Benefits	6,241	16,158	22,399
Increase/(Decrease) in Liabilities:			
Accounts Payable	55,825	(123,271)	(67,446)
Interfund Payable	(68,217)	-	(68,217)
Due to Governmental Funds	17,676	(28,104)	(10,428)
Unearned Revenue	(1,590)	(122,137)	(123,727)
Compensated Absences Payable	(13,785)	9,750	(4,035)
Net Pension Liability	533,673	2,090,529	2,624,202
Net Other Postemployment Benefits Liability	(322)	(1,346)	(1,668)
Total Other Postemployment Benefits Liability	(10,416)	(18,584)	(29,000)
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	(83,106)	(68,274)	(151,380)
Related to Pensions	18,529	79,441	97,970
Related to Other Postemployment Benefits	5,870	20,102	25,972
Net Cash Provided (Used) in Operating Activities	\$ 12,586,807	\$ (9,114,775)	\$ 3,472,032
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	\$ 245,341	\$ 5,794,511	\$ 6,039,852
Foreclosed Property	-	955,306	955,306
Loan Modifications	-	125,058	125,058
Total Noncash Investing, Capital, and Financing Activities	\$ 245,341	\$ 6,874,875	\$ 7,120,216

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Notes to the Financial Statements
Enterprise Funds
June 30, 2020

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) and Multifamily Housing Revenue 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.

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 Fund 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 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 456.548 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 OHCSF monies held in the State Treasury Oregon Short-Term Fund and monies held in money market mutual funds are considered to be cash equivalents. The money market mutual funds do not have a floating net asset value (NAV). OHCSF records investments with original maturities of three months or less as investments, not cash equivalents.

F. Investments

OHCSF's investments are stated at fair value. Investment fair value is determined using quoted market prices or quoted market prices for similar investments.

G. Receivables

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. If the last day or days of the fiscal year are on a weekend and an investment matures that weekend, an accounts receivable in the amount of the matured investment is included in the Statement of Net Position.

H. Short-term Interfund Receivable/Payable and Due from/to Governmental Funds

During the course of operations, transactions occur between individual funds for various reasons. Receivable and payable transactions between OHCSF's enterprise funds are classified as "Interfund Receivable" and "Interfund Payable" on the Statement of Net Position. Receivables and payables between OHCSF's enterprise funds and OHCSF's governmental funds are classified as "Due from Governmental Funds" and "Due to Governmental Funds" on the Statement of Net Position.

I. Acquired Property

Acquired properties resulting from mortgage foreclosures are stated at the cost. 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% 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% of the calculated arbitrage liability. OHCSO 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. The removal of unamortized bond discount or bond premium for bonds that are called is recorded in Gain (Loss) on Debt Extinguishment on the Statement of Revenues, Expenses, and Changes in Fund Net Position. 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. The removal of unamortized deferred debt refunding gains or losses for bonds that are called is recorded in Gain (Loss) on Debt Extinguishment on the Statement of Revenues, Expenses, and Changes in Fund Net Position. 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 and 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, 2020 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. Since the principal activity of OHCS D's Enterprise Funds is lending, investment income is reported as operating revenue. 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, 2020, the book balance of cash and cash equivalents was \$168,582,373 and the bank balance was \$168,607,053. Monies held in demand accounts with the State Treasurer and amounts invested in the Oregon Short-Term Fund totaled \$83,550,141. Additional information about the Oregon Short-Term Fund can be found at www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx.

The June 30, 2020 bank balance includes \$84,734,410 in money market mutual funds held at OHCS D's trustee. OHCS D considers money market mutual funds to be cash equivalents, not investments, and includes them in Cash and Cash Equivalents – Restricted on the Statement of Net Position. Information about OHCS D's money market mutual funds is included in the Investments section of this note.

A total of \$322,502 is held in money market deposit accounts by OHCS D's Bond Trustee as agent. These deposits are insured by FDIC up to \$250,000. Anything above \$250,000 is uninsured and uncollateralized. The uninsured and uncollateralized deposits are subject to custodial credit risk. Custodial credit risk is the risk that, in the event of a bank failure, deposits may not be returned.

OHCS D does not have a deposit policy.

Investments

OHCS D's Bond Indentures of Trust and investment policy authorize OHCS D to invest in the following types of investments: insured or registered securities explicitly or implicitly guaranteed by the U.S. Government; variable rate demand obligations of state agencies and 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 Trustee consisted of \$113,724,513 in U.S. Treasury securities, \$107,548,939 in U.S. Agency securities, and \$84,734,410 in money market mutual funds. The investments are held by OHCS D's Bond Trustee in OHCS D's name.

Investments with the State Treasurer consisted of \$1,324,433 in U.S. Treasury Securities and \$625,281 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.

Notes to the Financial Statements (Continued)
June 30, 2020

Fair value is categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of an investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. OHCS D's money market mutual funds are Level 1 and all other investments are Level 2.

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, 2020, OHCS D had the following investments and maturities:

Investment Type	Credit Rating		Fair Value	Investment Maturities (in Years)			
	Moody's	Standard & Poor's		Less than 1	1-5	6-10	More than 10
U.S. Treasury Securities	Exempt from Disclosure		\$ 115,048,945	\$ 113,256,528	\$ 467,985	\$ 128,329	\$ 1,196,103
U.S. Agency Securities	Aaa	AA+	48,155,954	1,108,167	6,747,260	16,717,208	23,583,319
U.S. Agency Securities	Not Rated	Not Rated	60,018,267	60,018,267	-	-	-
Subtotal			223,223,166	\$ 174,382,962	\$ 7,215,245	\$ 16,845,537	\$ 24,779,422
Money Market Mutual Funds **	Aaa-mf	AAAm	84,734,410				
Total			\$ 307,957,576				

** Included in Cash and Cash Equivalents - Restricted on the Statement of Net Position

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 U.S. Treasury securities, securities backed by the U.S. Government, or variable rate demand obligations of state agencies and Housing Finance Authorities outside of Oregon.

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, 2020, 51.54% of OHCS D's total investments are U.S. Treasury securities, 32.53% are Federal Home Loan Bank securities, and 6.43% are Federal National Mortgage Association (Fannie Mae) securities.

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, 2020, amounts allocated to OHCS D's Enterprise Funds are as follows:

	<u>Fair Value</u>
Securities on loan	\$ 1,500,105
Securities lending cash and noncash collateral	\$ 1,530,893
Investments purchased with cash collateral	\$ 1,248,786

Securities on loan from the OSTF included U.S. Treasury securities (58.80%), U.S. Agency securities (23.64%), and domestic fixed income securities (17.56%). 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/public-financial-services/oregon-short-term-funds/Pages/default.aspx.

Notes to the Financial Statements (Continued)
June 30, 2020

NOTE 3. Loans Receivable

Loans receivable on June 30, 2020 consisted of:

	Loans Receivable
Elderly and Disabled Housing Fund	\$ 56,016,200
Housing Finance Fund:	
Single-Family Mortgage Program	
Mortgage Revenue Bonds	846,736,474
Housing Revenue Bonds	32,745,503
Multifamily Housing Revenue Bonds	43,919,607
Housing Finance Account	3,126,272
Total Housing Finance Fund	926,527,856
Total	\$ 982,544,056

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 on June 30, 2020, 58.64% is federally insured or guaranteed, 0.58% is covered by pool insurance and/or private mortgage insurance and 40.78% 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.

Loans in the Housing Finance Account provide financing for the construction, acquisition and/or rehabilitation of affordable housing.

NOTE 4. Capital Assets

A summary of OHCS D's capital assets at June 30, 2020 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:								
Equipment	\$ 1,494	\$ -	\$ -	\$ 1,494	\$ 3,905	\$ -	\$ -	\$ 3,905
Data Processing Software	35,125	-	8,755	26,370	195,264	-	43,848	151,416
Total Capital Assets	36,619	-	8,755	27,864	199,169	-	43,848	155,321
Less Accumulated Depreciation/Amortization:								
Equipment	(298)	(150)	-	(448)	(782)	(391)	-	(1,173)
Data Processing Software	(30,163)	(437)	(4,230)	(26,370)	(161,322)	(4,843)	(21,185)	(144,980)
Total Accumulated Depr/Amort	(30,461)	(587)	(4,230)	(26,818)	(162,104)	(5,234)	(21,185)	(146,153)
Capital Assets, Net	\$ 6,158	\$ (587)	\$ 4,525	\$ 1,046	\$ 37,065	\$ (5,234)	\$ 22,663	\$ 9,168

Notes to the Financial Statements (Continued)
June 30, 2020

NOTE 5. Interfund Balances

The following schedule summarizes interfund receivables and payables for the year ended June 30, 2020:

	Interfund Receivable	Interfund Payable
Elderly and Disabled Housing Fund	\$ -	\$ 12,862
Housing Finance Fund	12,862	-
Total	<u>\$ 12,862</u>	<u>\$ 12,862</u>

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	\$ 969,040,000	\$ 171,405,000	\$ 94,020,000	\$ 1,046,425,000	\$ 78,635,000
Bond Principal (Direct Placements)	66,035,000	-	26,080,000	39,955,000	2,995,000
Bond Discount	(23,278)	-	(1,932)	(21,346)	-
Bond Premium	18,728,754	5,613,587	3,131,771	21,210,570	-
Bonds Payable	<u>1,053,780,476</u>	<u>177,018,587</u>	<u>123,229,839</u>	<u>1,107,569,224</u>	-
Compensated Absences Payable	289,020	330,115	334,150	284,985	185,240
Swap Fair Value Liability	5,221,906	5,504,307	-	10,726,213	-
Pension-related Debt Payable	463,993	-	42,675	421,318	43,755
Net Pension Liability	3,180,583	3,194,751	570,549	5,804,785	-
Net OPEB Liability	33,673	16,294	17,962	32,005	-
Total OPEB Liability	<u>182,434</u>	<u>1,070</u>	<u>30,070</u>	<u>153,434</u>	-
Total Long Term Liabilities	<u>\$ 1,063,152,085</u>	<u>\$ 186,065,124</u>	<u>\$ 124,225,245</u>	<u>\$ 1,124,991,964</u>	<u>\$ 81,858,995</u>

NOTE 7. Pension-Related Debt

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

The following table summarizes the amounts necessary to pay OHCS D's share of future pension-related debt principal and interest requirements as of June 30, 2020 for each fiscal year during the next five year period ending June 30, 2025, and in five year increments thereafter.

Year Ending June 30	Principal	Interest	Total
2021	\$ 43,755	\$ 29,304	\$ 73,059
2022	46,962	26,097	73,059
2023	50,404	22,655	73,059
2024	54,099	18,961	73,060
2025	58,064	14,996	73,060
2026-2028	168,034	18,181	186,215
Total	<u>\$ 421,318</u>	<u>\$ 130,194</u>	<u>\$ 551,512</u>

Notes to the Financial Statements (Continued)
June 30, 2020

NOTE 8. Long-Term Debt

The following table summarizes outstanding bonds by program and series as of June 30, 2020:

General Obligation Bonds

Elderly and Disabled Housing Fund

Original Issue					Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	
1993 C	1994-2026	2.850	5.650%	\$ 13,915,000	\$ 1,480,000	\$ -	\$ -	\$ 1,480,000	\$ -
1994 B	1996-2026	4.200	6.300%	24,400,000	5,000	-	-	5,000	-
1995 A	1996-2026	4.000	6.000%	14,100,000	10,000	-	-	10,000	-
1995 B	1997-2027	4.000	5.700%	24,240,000	5,255,000	-	470,000	4,785,000	495,000
1997 A	1999-2028	4.050	5.375%	8,475,000	5,000	-	-	5,000	-
1998 B	2001-2030	3.550	4.875%	10,285,000	5,000	-	-	5,000	-
1999 B	2000-2031	3.350	5.250%	4,485,000	5,000	-	-	5,000	-
1999 E	2001-2031	5.000	6.250%	19,105,000	10,000	-	-	10,000	-
2001 C	2002-2032	2.700	5.300%	25,325,000	5,000	-	-	5,000	-
2002 A	2003-2022	1.400	4.650%	10,840,000	1,455,000	-	510,000	945,000	355,000
2002 B	2003-2024	1.400	4.700%	37,905,000	185,000	-	35,000	150,000	30,000
2002 C	2003-2043	1.600	5.050%	13,595,000	1,080,000	-	-	1,080,000	-
2007 A	2008-2048	3.650	4.750%	26,300,000	19,775,000	-	520,000	19,255,000	540,000
Subtotal					29,275,000	-	1,535,000	27,740,000	1,420,000
Direct Placements									
2003 C	2013-2034	4.350	5.100%	2,930,000	1,125,000	-	-	1,125,000	-
Subtotal					1,125,000	-	-	1,125,000	-
<i>Total General Obligation Bonds</i>					\$ 30,400,000	\$ -	\$ 1,535,000	\$ 28,865,000	\$ 1,420,000

Revenue Bonds

Mortgage Revenue Bonds

Original Issue					Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2010 A	2011-2030	0.350	4.375%	\$ 35,900,000	\$ 1,980,000	\$ -	\$ 1,370,000	\$ 610,000	\$ 475,000
2010 B	2011-2030	1.000	5.000%	52,540,000	4,245,000	-	1,845,000	2,400,000	240,000
2010 C	2042	4.750	4.750%	8,000,000	775,000	-	490,000	285,000	200,000
2013 A	2020-2043	2.200	4.050%	21,885,000	16,365,000	-	910,000	15,455,000	1,700,000
2013 B	2014-2034	0.450	5.000%	29,095,000	7,345,000	-	3,295,000	4,050,000	180,000
2013 C	2014-2033	0.350	3.564%	61,300,000	17,395,000	-	4,300,000	13,095,000	2,950,000
2013 D	2018-2043	1.650	4.200%	33,225,000	18,685,000	-	3,800,000	14,885,000	2,070,000
2013 F	2033	3.900	3.900%	8,335,000	6,405,000	-	315,000	6,090,000	280,000
2014 A	2019-2044	1.550	4.000%	57,710,000	43,150,000	-	5,400,000	37,750,000	5,415,000
2014 B	2015-2044	0.300	4.000%	29,960,000	7,190,000	-	2,200,000	4,990,000	-
2014 C	2015-2044	0.200	3.750%	30,900,000	23,235,000	-	3,440,000	19,795,000	2,650,000
2015 A	2019-2036	1.500	3.500%	79,195,000	54,575,000	-	9,760,000	44,815,000	8,680,000
2015 B	2017-2019	0.950	1.700%	8,645,000	135,000	-	135,000	-	-
2015 C	2045	****		33,600,000	33,600,000	-	-	33,600,000	-
2016 A	2017-2047	0.550	4.000%	56,275,000	39,705,000	-	7,075,000	32,630,000	6,535,000
2016 B	2033	****		13,140,000	13,140,000	-	-	13,140,000	-
2016 C	2037	****		15,000,000	15,000,000	-	-	15,000,000	-
2017 A	2018-2047	0.940	4.000%	81,510,000	64,975,000	-	8,300,000	56,675,000	8,305,000
2017 B	2019-2020	1.400	1.650%	5,050,000	2,710,000	-	2,710,000	-	-

Notes to the Financial Statements (Continued)
June 30, 2020

Mortgage Revenue Bonds

Original Issue				Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range	Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2017 C	2039	****	44,000,000	44,000,000	-	-	44,000,000	-
2017 D	2022-2048	1.400 3.500%	87,390,000	83,640,000	-	3,165,000	80,475,000	4,750,000
2017 E	2018-2040	0.950 3.500%	22,775,000	19,515,000	-	4,380,000	15,135,000	3,390,000
2017 F	2042-2048	3.650 3.750%	11,440,000	10,450,000	-	140,000	10,310,000	160,000
2017 G	2018-2040	1.400 4.000%	43,730,000	36,890,000	-	5,360,000	31,530,000	2,420,000
2017 H	2023-2028	2.100 2.800%	16,105,000	16,105,000	-	-	16,105,000	-
2018 A	2019-2049	1.750 4.500%	62,590,000	62,315,000	-	2,110,000	60,205,000	4,030,000
2018 B	2035-2043	2.900 2.900%	30,000,000	30,000,000	-	-	30,000,000	980,000
2018 C	2020-2049	1.600 4.500%	87,420,000	87,415,000	-	1,525,000	85,890,000	5,845,000
2018 D	2020-2050	1.900 4.750%	82,885,000	82,885,000	-	1,425,000	81,460,000	4,630,000
2018 E	2043	****	41,000,000	41,000,000	-	-	41,000,000	-
2019 A	2020-2050	1.050 4.000%	99,000,000	-	99,000,000	15,000	98,985,000	1,810,000
2020 A	2021-2051	0.300 3.500%	47,905,000	-	47,905,000	-	47,905,000	-
2020 B	2037	****	24,500,000	-	24,500,000	-	24,500,000	-
<i>Total Mortgage Revenue Bonds</i>				\$ 884,825,000	\$ 171,405,000	\$ 73,465,000	\$ 982,765,000	\$ 67,695,000

**** 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 0.13% for 2016 B; 0.14% for 2015 C; 0.15% for 2017 C; 0.16% for 2018 E and 2020 B; and 0.17% for 2016 C.

Housing Revenue Bonds

Original Issue				Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range	Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2010 A	2011-2027	0.400 5.250%	\$ 12,000,000	\$ 2,530,000	\$ -	\$ 620,000	\$ 1,910,000	\$ 1,910,000
2011 A	2012-2028	0.500 5.250%	24,000,000	6,365,000	-	1,415,000	4,950,000	4,950,000
2011 B	2012-2028	0.500 5.250%	18,000,000	5,105,000	-	1,105,000	4,000,000	940,000
2012 A	2013-2042	0.350 5.000%	9,460,000	2,885,000	-	570,000	2,315,000	645,000
2012 B	2013-2042	0.300 5.000%	6,540,000	1,545,000	-	600,000	945,000	475,000
Subtotal				18,430,000	-	4,310,000	14,120,000	8,920,000
Direct Placements								
2009 A-1	2041	0.830 3.280%	18,000,000	6,990,000	-	6,990,000	-	-
2009 A-2	2041	0.770 3.700%	36,000,000	14,370,000	-	14,370,000	-	-
2009 A-3	2041	0.760 2.920%	27,000,000	10,950,000	-	1,240,000	9,710,000	1,150,000
2009 A-4	2041	0.800 3.090%	20,540,000	10,940,000	-	1,140,000	9,800,000	760,000
2009 A-5	2041	0.760 2.790%	18,460,000	10,000,000	-	1,960,000	8,040,000	700,000
Subtotal				53,250,000	-	25,700,000	27,550,000	2,610,000
<i>Total Housing Revenue Bonds</i>				\$ 71,680,000	\$ -	\$ 30,010,000	\$ 41,670,000	\$ 11,530,000

Notes to the Financial Statements (Continued)
June 30, 2020

Multifamily Housing Revenue Bonds

Original Issue				Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range	Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2004 B	2046	***	\$ 14,950,000	\$ 12,610,000	\$ -	\$ 12,610,000	\$ -	\$ -
2005 A	2007-2047	3.050 5.000%	9,855,000	3,500,000	-	60,000	3,440,000	95,000
2010 A	2011-2042	0.900 5.150%	77,705,000	8,730,000	-	1,780,000	6,950,000	245,000
2010 B	2013-2052	0.950 4.875%	16,425,000	8,735,000	-	130,000	8,605,000	130,000
2012 A	2013-2032	0.300 3.250%	1,425,000	1,060,000	-	70,000	990,000	70,000
2012 B	2013-2043	0.550 4.125%	35,335,000	1,875,000	-	60,000	1,815,000	60,000
Subtotal				36,510,000	-	14,710,000	21,800,000	600,000
Direct Placements								
2003 A	2013-2044	4.400 5.150%	5,675,000	4,430,000	-	85,000	4,345,000	90,000
2004 A	2014-2045	4.300 5.100%	5,120,000	4,015,000	-	80,000	3,935,000	75,000
2006 A	2036	4.620 4.620%	5,680,000	3,215,000	-	215,000	3,000,000	220,000
Subtotal				11,660,000	-	380,000	11,280,000	385,000
<i>Total Multifamily Housing Revenue Bonds</i>				\$ 48,170,000	\$ -	\$ 15,090,000	\$ 33,080,000	\$ 985,000

*** The interest rate was adjusted weekly based on the weekly rate determined by the Remarketing Agent.

<i>Total Revenue Bonds</i>	\$ 1,004,675,000	\$ 171,405,000	\$ 118,565,000	\$ 1,057,515,000	\$ 80,210,000
<i>Total General Obligation and Revenue Bonds</i>	<u>\$ 1,035,075,000</u>	<u>\$ 171,405,000</u>	<u>\$ 120,100,000</u>	<u>\$ 1,086,380,000</u>	<u>\$ 81,630,000</u>

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, 2020 are summarized below:

	Principal	Principal (Direct Placements)	Premium	Discount	Bonds Payable
General Obligation Bonds:					
Elderly and Disabled Housing Fund	\$ 27,740,000	\$ 1,125,000	\$ -	\$ (5,033)	\$ 28,859,967
Revenue Bonds (Housing Finance Fund):					
Mortgage Revenue Bonds	982,765,000	-	20,782,849	-	1,003,547,849
Housing Revenue Bonds	14,120,000	27,550,000	427,721	-	42,097,721
Multifamily Housing Revenue Bonds	21,800,000	11,280,000	-	(16,313)	33,063,687
Total Revenue Bonds	1,018,685,000	38,830,000	21,210,570	(16,313)	1,078,709,257
Total General Obligation and Revenue Bonds	<u>\$ 1,046,425,000</u>	<u>\$ 39,955,000</u>	<u>\$ 21,210,570</u>	<u>\$ (21,346)</u>	<u>\$ 1,107,569,224</u>

Notes to the Financial Statements (Continued)
June 30, 2020

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, 2020 for each fiscal year during the next five year period ending June 30, 2025, and in five year increments thereafter.

Year Ending June 30	Bonds				
	Principal	Interest	Direct Placements		Total
			Principal	Interest	
General Obligation Bonds					
2021	\$ 1,420,000	\$ 1,320,519	\$ -	\$ 57,375	\$ 2,797,894
2022	1,770,000	1,242,121	-	57,375	3,069,496
2023	1,940,000	1,152,098	-	57,375	3,149,473
2024	1,535,000	1,064,788	35,000	57,375	2,692,163
2025	1,585,000	983,958	70,000	54,698	2,693,656
2026-2030	6,520,000	3,766,452	460,000	210,757	10,957,209
2031-2035	5,235,000	2,523,993	560,000	73,185	8,392,178
2036-2040	6,030,000	1,149,541	-	-	7,179,541
2041-2045	1,105,000	281,628	-	-	1,386,628
2046-2048	600,000	50,825	-	-	650,825
Subtotal	\$ 27,740,000	\$ 13,535,923	\$ 1,125,000	\$ 568,140	\$ 42,969,063
Revenue Bonds					
2021	\$ 77,215,000	\$ 27,653,281	\$ 2,995,000	\$ 1,326,705	\$ 109,189,986
2022	29,585,000	26,063,022	455,000	1,269,915	57,372,937
2023	32,700,000	25,381,752	760,000	1,246,700	60,088,452
2024	32,295,000	24,640,719	1,005,000	1,217,060	59,157,779
2025	33,250,000	23,883,809	1,265,000	1,175,803	59,574,612
2026-2030	171,625,000	107,308,109	7,630,000	5,135,935	291,699,044
2031-2035	179,480,000	84,060,145	9,490,000	3,645,916	276,676,061
2036-2040	179,690,000	61,568,877	10,260,000	1,978,536	253,497,413
2041-2045	161,545,000	39,550,501	4,835,000	440,996	206,371,497
2046-2050	118,475,000	12,581,705	135,000	3,443	131,195,148
2051-2053	2,825,000	121,591	-	-	2,946,591
Subtotal	\$ 1,018,685,000	\$ 432,813,511	\$ 38,830,000	\$ 17,441,009	\$ 1,507,769,520
Total	\$ 1,046,425,000	\$ 446,349,434	\$ 39,955,000	\$ 18,009,149	\$ 1,550,738,583

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

The Mortgage Revenue Bond and Housing Revenue Bond indentures identify the following events that would lead to a default; payment of principal is not made when due, payment of interest is not made when due, or OHCS D defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 90 days after written notice for remedy has been provided to OHCS D by the Trustee. The Trustee may give such notice at their discretion or at the written request of the owners of not less than 25% in aggregate of the principal amount of the outstanding bonds.

If a default does occur for Mortgage Revenue Bonds or Housing Revenue Bonds the Trustee may, or upon the written direction of the owners of not less than 51% of the bonds outstanding the Trustee shall, declare via written notice to OHCS D that any principal and interest related to that bond is due and payable immediately.

Notes to the Financial Statements (Continued)
June 30, 2020

The Multifamily Housing Revenue Bond indenture identifies the following events that would lead to a default; payment of principal is not made when due, payment of interest is not made when due, or OHCS D defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 60 days after written notice for remedy has been provided to OHCS D by the Trustee, or written notice provided to OHCS D and the Trustee by the owners of not less than 25% in aggregate of the principal amount of the outstanding bonds.

If a default does occur for Multifamily Housing Revenue Bond the Trustee may, or upon the written direction of the owners of not less than 25% of the bonds outstanding the Trustee shall, proceed, in its own name, to protect and enforce the rights of the bond owners. Protecting and enforcing the rights of the bond owners could include declaring all outstanding bonds due and payable.

As of June 30, 2020, various statutory or constitutional provisions limited the amount of bonds outstanding to \$2,500,000,000 in revenue bonds and \$3,578,984,548 in general obligation bonds.

Demand Bonds

Included in OHCS D's long-term debt is \$171,240,000 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 a standby bond purchase agreement with State Street Bank and Trust Company and a standby letter of credit and reimbursement agreement with Sumitomo Mitsui Banking Corporation (the "liquidity facilities") 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 liquidity facilities require 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 relevant liquidity facility. The maximum rate for both liquidity facilities is 12%. 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 installments are to be paid commencing on the first business day of the eighteenth full month following the date the bonds became liquidity provider bonds in an amount equal to three-tenths of the initial amount of the liquidity provider bonds outstanding, with seven semiannual installments due thereafter in an amount equal to one-tenth of the initial amount of liquidity provider bonds outstanding. There were no bank bonds as of June 30, 2020.

Certain terms of the liquidity facilities and remarketing agreements are listed in the following table:

Series	Outstanding Amount	Liquidity Provider	Expiration Date	Commitment Fee	Remarketing Agent	Remarketing Fee
MRB [*] 2015 C	\$ 33,600,000	Sumitomo Mitsui Banking Corporation	09/19/2024	0.3400%	J.P. Morgan Securities LLC	0.07%
MRB 2016 B	13,140,000	State Street Bank and Trust Company	09/19/2024	0.3300%	BofA Securites, Inc.	0.07%
MRB 2016 C	15,000,000	State Street Bank and Trust Company	09/19/2024	0.3300%	BofA Securites, Inc.	0.07%
MRB 2017 C	44,000,000	State Street Bank and Trust Company	09/19/2024	0.3300%	J.P. Morgan Securities LLC	0.07%
MRB 2018 E	41,000,000	Sumitomo Mitsui Banking Corporation	09/19/2024	0.3400%	BofA Securites, Inc.	0.07%
MRB 2020 B	24,500,000	Sumitomo Mitsui Banking Corporation	06/11/2023	0.6400%	BofA Securites, Inc.	0.07%

^{*} Mortgage Revenue Bonds

Notes to the Financial Statements (Continued)
June 30, 2020

NOTE 9. Debt Refundings

On June 11, 2020, OHCSO issued \$72.405 million in 2020 Series A and B Mortgage Revenue Bonds with an average interest rate of 2.1110 percent. \$22.42 million of the bond proceeds were used to refund various outstanding Housing Revenue Bonds with an average interest rate of 3.8842 percent. The current refunding was undertaken to reduce the total debt service payments over the next 21 years by \$8.1 million and resulted in an economic gain of \$4.9 million.

NOTE 10. Interest Rate Swaps

OHCSO 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. OHCSO had five swaps at the end of the fiscal year.

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. The fair value is categorized as Level 2 within the fair value hierarchy described in Note 2.

The fair value of the swaps on June 30, 2020 totaled \$(10,726,213) and the notional amount totaled \$146,740,000. The fair value of the swaps is shown on the Statement of Net Position as Accumulated Decrease in Fair Value of Hedging Derivatives. During the fiscal year the fair value of hedging derivatives decreased by \$5,504,307.

The following table lists the terms, fair values, counterparty, and credit ratings of the outstanding swaps as of June 30, 2020.

Series	Notional Amounts	Effective Date	Rate Paid	Variable Rate Received	Fair Values	Termination Date	Counterparty	Counterparty Rating
Hedging Derivative Instruments								
MRB* 2015 C	\$ 33,600,000	9/6/2018	2.751%	70.0% of 1-mo. LIBOR @@ +.05%	\$ (3,704,531)	7/1/2045	Royal Bank of Canada	Aa2 / AA- / AA
MRB 2016 B	13,140,000	1/1/2019	1.710%	66.5% of 1-mo. LIBOR +.08%	(562,982)	1/1/2033	Royal Bank of Canada	Aa2 / AA- / AA
MRB 2016 C	15,000,000	1/1/2019	2.000%	66.5% of 1-mo. LIBOR +.15%	(717,241)	7/1/2037	Royal Bank of Canada	Aa2 / AA- / AA
MRB 2017 C	44,000,000	7/1/2019	2.407%	70% of 1-mo. LIBOR +.05%	(5,355,577)	7/1/2039	Bank of America, N.A.	Aa2 / A+ / AA-
MRB 2018 E	41,000,000	5/4/2019	1.120%	@@@	(385,882)	7/1/2043	Bank of America, N.A.	Aa2 / A+ / AA-
	<u>\$ 146,740,000</u>				<u>\$ (10,726,213)</u>			

* Mortgage Revenue Bonds

** Moody's / S&P / Fitch

@@ London Interbank Offering Rate

@@@ USD SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index from the Effective Date weekly to but excluding January 1, 2028 and 70% of LIBOR thereafter.

The MRB swaps include options giving OHCSO the right to call (cancel) the swaps in whole or in part, depending on the exercise date, semiannually on or after July 1, 2023 (2016 B and 2016 C), January 1, 2025 (2015 C), July 1, 2026 (2017 C) and January 1, 2028 (2018 E). 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 OHCSO's tax exempt bonds are determined weekly by a Remarketing Agent. OHCSO is exposed to basis risk when the variable rates received, which are based on the one month LIBOR rate or the SIFMA rate, do not offset the variable rates paid on the bonds. As of June 30, 2020, the one month LIBOR rate was 0.17100% and the SIFMA rate was 0.13%. OHCSO's variable interest rates as of June 30, 2020 can be found in Note 8.

Termination Risk Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. OHCSO 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 OHCSO would then be exposed to interest rate risk. Also, if any of the swaps had a negative value at termination, OHCSO would be liable to the counterparty for a payment equal to the fair value of the swap.

Notes to the Financial Statements (Continued)
June 30, 2020

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 not exposed to rollover risk because the swap termination dates match the associated bond maturity dates.

Hedging Derivative Instrument Payments and Hedged Debt Using rates as of June 30, 2020, debt service requirements of variable-rate debt with interest rate swaps and net swap payments are as follows:

Year Ending June 30	Variable-Rate Bonds		Net Swap	
	Principal	Interest	Payments	Total
2021	\$ -	\$ 877,592	\$ 2,233,492	\$ 3,111,084
2022	-	221,222	2,713,839	2,935,061
2023	-	221,222	2,713,839	2,935,061
2024	-	221,222	2,713,839	2,935,061
2025	3,530,000	220,304	2,696,896	6,447,200
2026-2030	23,150,000	1,006,319	12,106,847	36,263,166
2031-2035	31,335,000	820,718	9,630,550	41,786,268
2036-2040	51,905,000	481,478	5,836,566	58,223,044
2041-2045	34,805,000	137,735	1,919,680	36,862,415
2046	2,015,000	1,399	25,997	2,042,396
Total	\$ 146,740,000	\$ 4,209,211	\$ 42,591,545	\$ 193,540,756

Contingencies OHCS D's 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 as determined by Moody's or BBB+ as determined by 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, 2020 of swaps that include these provisions is \$(10,726,213). As of June 30, 2020 the bonds subject to these provisions are rated Aa2 by Moody's and are not rated by Standard & Poor's.

NOTE 11. 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, 2020, the total aggregate amount of Housing Development Revenue Bonds outstanding is \$528,509,331. 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.

Notes to the Financial Statements (Continued)
June 30, 2020

NOTE 12. Segment Information

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

	Mortgage Revenue Bonds	Housing Revenue Bonds	Multifamily Housing Revenue Bonds
Condensed Statement of Net Position			
Assets:			
Interfund Receivables	\$ 58,802	\$ -	\$ -
Other Current Assets	124,471,655	14,027,262	4,837,525
Noncurrent Assets	987,559,589	34,860,653	64,490,975
Total Assets	1,112,090,046	48,887,915	69,328,500
Deferred Outflows of Resources	11,732,216	-	100,202
Liabilities:			
Interfund Payables	6,613	58,802	749
Other Current Liabilities	82,953,948	12,307,394	1,836,443
Noncurrent Liabilities	946,579,062	30,567,721	32,078,687
Total Liabilities	1,029,539,623	42,933,917	33,915,879
Deferred Inflows of Resources	3,497,745	121,536	410,325
Net Position			
Restricted by Trust Indentures	90,784,894	5,832,462	35,102,498
Total Net Position	\$ 90,784,894	\$ 5,832,462	\$ 35,102,498

Condensed Statement of Revenues, Expenses, and Changes in Net Position			
Interest on Loans	\$ 31,891,665	\$ 2,561,368	\$ 3,152,274
Investment Income	7,574,917	365,136	870,293
Other Operating Revenues	1,955,844	73,134	(5,050)
Operating Expenses	(34,775,007)	(2,295,864)	(2,016,824)
Operating Income (Loss)	6,647,419	703,774	2,000,693
Transfers In	23,171,904	22,420,000	-
Transfers Out	(28,220,000)	(22,494,978)	(3,828)
Increase (Decrease) in Net Position	1,599,323	628,796	1,996,865
Beginning Net Position	89,185,571	5,203,666	33,105,633
Ending Net Position	\$ 90,784,894	\$ 5,832,462	\$ 35,102,498

Condensed Statement of Cash Flows			
Net Cash Provided (Used) by:			
Operating Activities	\$ (35,907,859)	\$ 12,295,468	\$ 18,887,449
Noncapital Financing Activities	46,938,929	(10,418,053)	(17,185,866)
Investing Activities	52,817,342	2,410,945	8,466,796
Net Increase (Decrease)	63,848,412	4,288,360	10,168,379
Beginning Cash and Cash Equivalents	19,903,973	2,007,012	810,179
Ending Cash and Cash Equivalents	\$ 83,752,385	\$ 6,295,372	\$ 10,978,558

Notes to the Financial Statements (Continued)
June 30, 2020

NOTE 13. Restricted Assets

Restricted asset account balances are as follows:

<u>Purpose:</u>	Elderly and Disabled Housing Fund	Housing Finance Fund
Loan Acquisition	\$ -	\$ 93,399,248
Current Debt Service	2,797,894	111,423,478
Future Debt Service	45,950,632	38,271,390
Debt Reserves	5,773,157	38,316,592
Insurance Reserves	-	20,294,168
Combined Program Account	-	20,776,739
Residential Assistance	-	915,537
Total	<u>\$ 54,521,683</u>	<u>\$ 323,397,152</u>
<u>Statement of Net Position Amounts:</u>		
Restricted Cash and Cash Equivalents – Current	\$ 2,797,894	\$ 69,315,903
Restricted Cash and Cash Equivalents – Noncurrent	49,774,075	32,807,797
Restricted Investments – Current	-	42,508,056
Restricted Investments - Noncurrent	1,949,714	178,765,396
Total	<u>\$ 54,521,683</u>	<u>\$ 323,397,152</u>

NOTE 14. 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.

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, 2020 were 20.76% for Tier One and Tier Two General Service Members and 14.48% for OPSRP Pension Program General Service Members.

The Oregon Public Employees Retirement System annual financial report and Actuarial Valuation is located at www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

At June 30, 2020, the State of Oregon reported a liability of \$4.955 billion for its proportionate share of the net pension liability. OHCS D's allocated amount of the proportionate share of the net pension liability for its enterprise funds was \$5,804,785. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the State's proportion was 28.64% (the State's proportion at June 30, 2018 was 27.29%). As part of the State of Oregon, OHCS D's enterprise funds were allocated 0.11827834% of the State's proportionate share.

Notes to the Financial Statements (Continued)
June 30, 2020

For the year ended June 30, 2020, OHCSO recognized pension expense of \$2,787,625. At June 30, 2020, OHCSO 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 fund contributions and proportionate share of contributions	\$ 213,005	\$ 112,177
Difference between expected and actual experience	320,117	-
Net difference between projected and actual earnings on investments	-	164,560
Change in Assumptions	787,486	-
Subtotal	1,320,608	276,737
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	1,043,871	
Contributions subsequent to measurement date	630,960	
Net Deferred Outflows (Inflows) of Resources	1,674,831	

NOTE 15. Other Postemployment Benefit Plans

OHCSO'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. The Oregon Public Employees Retirement System annual financial report is located at www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

At June 30, 2020, OHCSO reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between fund contributions and proportionate share of contributions	\$ 220	\$ 315
Difference between expected and actual experience	-	13,270
Net difference between projected and actual earnings on investments	-	4,562
Change in Assumptions	4,311	22,598
Subtotal	4,531	40,745
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	(36,214)	
Contributions subsequent to measurement date	13,931	
Net Deferred Outflows (Inflows) of Resources	(22,283)	

Retirement Health Insurance Account plan

The Retirement Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Public Employees Retirement Board. The plan provides a payment of up to \$60 toward the monthly cost of health insurance for eligible PERS members. OHCSO is required by statute to contribute actuarially computed amounts as determined by PERS. The rates in effect for the fiscal year ended June 30, 2020 were 0.06% for Tier One and Tier Two General Service Members and zero for OPSRP Pension Program General Service Members.

Notes to the Financial Statements (Continued)
June 30, 2020

At June 30, 2020, the State of Oregon reported an asset of \$58.8 million for its proportionate share of the net OPEB asset. OHCSO's allocated amount of the proportionate share of the net OPEB asset for its enterprise funds was \$72,037. The net OPEB asset was measured as of June 30, 2019 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The State's proportion of the net OPEB asset is determined by comparing the State's actual, legally required contributions made during the fiscal year with the total actual contributions made in the fiscal year of all employers. At June 30, 2019, the State's proportion was 30.43% (the State's proportion at June 30, 2018 was 30.05%). As part of the State of Oregon, OHCSO's enterprise funds were allocated 0.12363997% of the State's proportionate share. OHCSO's share of the net OPEB asset for the RHIA plan is shown on the Statement of Net Position as Net Other Postemployment Benefits Asset. For the year ended June 30, 2020, OHCSO recognized OPEB income for RHIA of \$17,226.

Retiree Health Insurance Premium Account plan

The Retiree Health Insurance Premium Account (RHIPA) is a single-employer OPEB plan administered by the Oregon Public Employees Retirement Board (Board). The plan provides for payment of the average difference between the health insurance premiums paid by retired state employees, under contracts entered into by the Board, and health insurance premiums paid by active state employees. OHCSO is required by statute to contribute actuarially computed amounts as determined by PERS. The rates in effect for the fiscal year ended June 30, 2020 were 0.39% for Tier One and Tier Two General Service Members and 0.27% for OPSRP Pension Program General Service Members.

At June 30, 2020, the State of Oregon reported a net OPEB liability of \$25.3 million. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. As part of the State of Oregon, OHCSO's enterprise funds were allocated 0.12634577% of the State's internal allocation, which was based on fiscal year 2019 actual contributions. OHCSO's share of the net OPEB liability for the RHIPA plan on June 30, 2020 for its enterprise funds was \$32,005. It is shown on the Statement of Net Position as Net Other Postemployment Benefits Liability. For the year ended June 30, 2020, OHCSO recognized OPEB expense for RHIPA of \$15,819.

Public Employees' Benefit Board Plan

The Public Employees' Benefit Board (PEBB) plan is a single-employer plan administered by the Oregon Public Employees' Benefit Board. The PEBB plan allows qualifying retired employees to continue their "active" health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. The premium amount is based on a blended rate that is determined by pooling the qualifying retirees with active employees, thus, creating an "implicit rate subsidy. PEBB does not issue a separate, publicly available financial report.

At June 30, 2020, the State of Oregon reported a total OPEB liability of \$146.7 million. As part of the State of Oregon, OHCSO's enterprise funds were allocated 0.10459274% of the State's total. The State's internal allocation of the total OPEB liability is based on fiscal year 2020 health insurance premium costs. OHCSO's share of the total OPEB liability on June 30, 2020 for its enterprise funds was \$153,434. It is shown on the Statement of Net Position as Total Other Postemployment Benefits Liability. For the year ended June 30, 2020, OHCSO recognized OPEB expense for the PEBB plan of \$1,070.

NOTE 16. Other Commitments

As of June 30, 2020, OHCSO has made commitments for loans in the Single-Family Mortgage Program totaling \$31,841,051.

NOTE 17. Risk Financing

Under Oregon Revised Statutes (ORS) Chapter 278 and ORS 30.260-300, the state pays its own cost of resolving tort liability claims. The state Insurance Fund provides self-insurance that pays the state's legal liability for torts and legal defense cost. These services are provided to state agencies by the Department of Administrative Services, Enterprise Goods & Services Risk Management program. As a state agency, OHCSO participates in the Insurance Fund.

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

Notes to the Financial Statements (Continued)
June 30, 2020

NOTE 18. Subsequent Events

On July 1, 2020, OHCSO called the following Housing Revenue Bonds prior to maturity:

	<u>Amount Called</u>
2009 Series A-3	\$ 1,150,000
2009 Series A-4	760,000
2009 Series A-5	700,000
2010 Series A	95,000
2011 Series A	535,000
2011 Series B	400,000
2012 Series A	140,000
2012 Series B	50,000

On July 1, 2020, OHCSO called the following Mortgage Revenue Bonds prior to maturity:

	<u>Amount Called</u>		<u>Amount Called</u>
2010 Series A	\$ 420,000	2017 Series A	\$ 5,840,000
2010 Series B	240,000	2017 Series D	4,750,000
2010 Series C	200,000	2017 Series E	520,000
2013 Series B	180,000	2017 Series F	160,000
2013 Series C	800,000	2017 Series G	275,000
2013 Series D	955,000	2018 Series A	2,140,000
2013 Series F	280,000	2018 Series B	980,000
2014 Series A	3,060,000	2018 Series C	3,990,000
2014 Series C	2,025,000	2018 Series D	2,120,000
2015 Series A	6,460,000	2019 Series A	255,000
2016 Series A	5,015,000		

On July 6, 2020, OHCSO called the following Housing Revenue Bonds prior to maturity:

	<u>Amount Called</u>
2010 Series A	\$ 1,630,000
2011 Series A	3,710,000

On July 9, 2020, OHCSO entered into a swap transaction for MRB 2020 Series B. The notional amount of the swap is \$24,500,000, the effective date is July 13, 2020, and the termination date is July 1, 2037. OHCSO will pay the counterparty (Royal Bank of Canada) a fixed rate of 0.899% and receive a variable payment of 100% of the USD-SIFMA Municipal Swap Index for the calculation periods from (and including) the effective date to (but excluding) July 1, 2026. For the calculation periods from (and including) July 1, 2026 to (but excluding) the termination date the variable payment received will be 70% of USD-LIBOR BBA.

On August 31, 2020, OHCSO called the following Elderly and Disabled Housing Bonds prior to maturity:

	<u>Amount Called</u>
1993 Series C	\$ 185,000

Notes to the Financial Statements (Continued)
June 30, 2020

On August 31, 2020, OHCS D called the following Multifamily Housing Revenue Bonds prior to maturity:

	<u>Amount Called</u>
2003 Series A	\$ 4,300,000

On October 1, 2020, OHCS D called the following Housing Revenue Bonds prior to maturity:

	<u>Amount Called</u>
2009 Series A-3	\$ 30,000
2009 Series A-4	170,000
2009 Series A-5	110,000
2011 Series B	10,000
2012 Series A	20,000
2012 Series B	5,000

On October 1, 2020, OHCS D called the following Mortgage Revenue Bonds prior to maturity:

	<u>Amount Called</u>		<u>Amount Called</u>
2010 Series B	\$ 815,000	2017 Series A	\$ 2,030,000
2013 Series B	420,000	2017 Series D	730,000
2013 Series C	745,000	2017 Series E	305,000
2013 Series D	455,000	2017 Series F	385,000
2014 Series A	670,000	2017 Series G	1,840,000
2014 Series B	670,000	2018 Series C	120,000
2014 Series C	85,000	2018 Series D	55,000
2015 Series A	1,335,000	2019 Series A	25,000
2016 Series A	580,000	2020 Series A	85,000

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Supplementary Information

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Net Position - Housing Finance Fund
June 30, 2020

	Single-Family Mortgage Program		Multifamily
	Mortgage	Housing	Housing
	Revenue	Revenue	Revenue
	Bonds	Bonds	Bonds
Assets and Deferred Outflows of Resources			
Assets			
Current Assets			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted	61,359,358	5,271,123	2,544,768
Investments - Restricted	34,945,234	7,562,822	-
Securities Lending Cash Collateral	158,942	14,879	69,623
Accounts Receivable	-	-	-
Accrued Interest Receivable	3,656,349	152,127	271,795
Interfund Receivable	58,802	-	-
Due from Governmental Funds	-	-	-
Due from Other State Agencies	-	-	-
Loans Receivable	23,534,288	1,026,311	1,951,339
Acquired Property	817,484	-	-
Total Current Assets	124,530,457	14,027,262	4,837,525
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	22,393,027	1,024,249	8,433,790
Investments - Restricted	141,964,376	2,117,212	14,088,917
Loans Receivable	823,202,186	31,719,192	41,968,268
Net Other Postemployment Benefits Asset	-	-	-
Capital Assets (Net)	-	-	-
Total Noncurrent Assets	987,559,589	34,860,653	64,490,975
Total Assets	1,112,090,046	48,887,915	69,328,500
Deferred Outflows of Resources			
Accumulated Decrease in Fair Value of Hedging Derivatives	10,726,213	-	-
Loss on Debt Refundings	1,006,003	-	100,202
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Outflows of Resources	11,732,216	-	100,202
Total Assets and Deferred Outflows of Resources	\$1,123,822,262	\$ 48,887,915	\$ 69,428,702

Combined Program Account	Housing Finance Account	Total
\$ -	\$ 13,324,495	\$ 13,324,495
-	140,654	69,315,903
-	-	42,508,056
-	211,017	454,461
-	263,074	263,074
120,005	13,367	4,213,643
-	20,224	79,026 **
-	391,787	391,787
-	73,346	73,346
-	31,325	26,543,263
-	-	817,484
120,005	14,469,289	157,984,538
181,848	774,883	32,807,797
20,594,891	-	178,765,396
-	3,094,947	899,984,593
-	55,146	55,146
-	9,168	9,168
20,776,739	3,934,144	1,111,622,100
20,896,744	18,403,433	1,269,606,638
-	-	10,726,213
-	-	1,106,205
-	1,542,543	1,542,543
-	14,986	14,986
-	1,557,529	13,389,947
\$ 20,896,744	\$ 19,960,962	\$1,282,996,585

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** Interfund Receivables and Payables within the Housing Finance Fund totaling \$66,164 are not included in the Statement of Net Position on pages 10 and 11.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Combining Statement of Net Position - Housing Finance Fund

June 30, 2020

Continued from the previous page

	Single-Family Mortgage Program		Multifamily
	Mortgage Revenue Bonds	Housing Revenue Bonds	Housing Revenue Bonds
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 666,251	\$ 14,627	\$ 649
Accrued Interest Payable	14,425,133	747,700	781,171
Obligations Under Securities Lending	158,942	14,879	69,623
Interfund Payable	6,613	58,802	749
Due to Governmental Funds	-	-	-
Unearned Revenue	8,622	188	-
Compensated Absences Payable	-	-	-
Bonds Payable	67,695,000	11,530,000	985,000
Pension-related Debt Payable	-	-	-
Total Current Liabilities	82,960,561	12,366,196	1,837,192
Noncurrent Liabilities			
Compensated Absences Payable	-	-	-
Bonds Payable	935,852,849	30,567,721	32,078,687
Swap Fair Value Liability	10,726,213	-	-
Pension-related Debt Payable	-	-	-
Net Pension Liability	-	-	-
Net Other Postemployment Benefits Liability	-	-	-
Total Other Postemployment Benefits Liability	-	-	-
Total Noncurrent Liabilities	946,579,062	30,567,721	32,078,687
Total Liabilities	1,029,539,623	42,933,917	33,915,879
Deferred Inflows of Resources			
Deferred Loan Origination Fees	3,497,745	121,536	410,325
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Inflows of Resources	3,497,745	121,536	410,325
Net Position			
Net Investment in Capital Assets	-	-	-
Restricted for Residential Assistance	-	-	-
Restricted for Other Postemployment Benefits	-	-	-
Restricted by Trust Indentures	90,784,894	5,832,462	35,102,498
Unrestricted	-	-	-
Total Net Position	90,784,894	5,832,462	35,102,498
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$1,123,822,262	\$ 48,887,915	\$ 69,428,702

Combined Program Account	Housing Finance Account	Total
\$ -	\$ 597,729	\$ 1,279,256
-	-	15,954,004
-	211,017	454,461
-	-	66,164 **
-	19,884	19,884
-	745,659	754,469
-	151,817	151,817
-	-	80,210,000
-	34,208	34,208
-	1,760,314	98,924,263
-	81,748	81,748
-	-	998,499,257
-	-	10,726,213
-	295,178	295,178
-	4,460,804	4,460,804
-	23,913	23,913
-	117,372	117,372
-	4,979,015	1,014,204,485
-	6,739,329	1,113,128,748
-	-	4,029,606
-	212,664	212,664
-	31,111	31,111
-	243,775	4,273,381
-	9,168	9,168
-	1,257,239	1,257,239
-	55,146	55,146
20,896,744	-	152,616,598
-	11,656,305	11,656,305
20,896,744	12,977,858	165,594,456
\$ 20,896,744	\$ 19,960,962	\$1,282,996,585

** Interfund Receivables and Payables within the Housing Finance Fund totaling \$66,164 are not included in the Statement of Net Position on pages 10 and 11.

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, 2020

	Single-Family Mortgage Program		Multifamily
	Mortgage Revenue Bonds	Housing Revenue Bonds	Housing Revenue Bonds
Operating Revenues			
Interest on Loans	\$ 31,891,665	\$ 2,561,368	\$ 3,152,274
Investment Income	7,574,917	365,136	870,293
Administrative Charges and Fees	-	-	-
Low Income Housing Tax Credit Fees	-	-	-
Gain on Sale of Foreclosed Property	78,721	-	-
Gain (Loss) on Debt Extinguishment	1,875,147	73,134	(8,878)
Miscellaneous Revenue	1,976	-	3,828
Total Operating Revenues	41,422,426	2,999,638	4,017,517
Operating Expenses			
Personal Services	-	-	-
Services and Supplies	290,220	682	123,233
Mortgage Service Fees	2,919,851	246,218	8,887
Foreclosure Costs	48,605	(35,000)	-
Interest Expense - Bonds	27,816,515	2,082,524	1,840,602
Interest Expense - Securities Lending	10,810	1,440	2,039
Other Related Program Expenses	3,689,006	-	42,063
Depreciation/Amortization	-	-	-
Total Operating Expenses	34,775,007	2,295,864	2,016,824
Operating Income (Loss)	6,647,419	703,774	2,000,693
Nonoperating Revenues (Expenses)			
Loss on Disposition of Capital Assets	-	-	-
Interest Expense - Pension-related Debt	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	-
Income (Loss) Before Transfers	6,647,419	703,774	2,000,693
Transfers from Other Funds	23,171,904	22,420,000	-
Transfers to Other Funds	(28,220,000)	(22,494,978)	(3,828)
Transfers from Other State Agencies	-	-	-
Transfers to Other State Agencies	-	-	-
Increase (Decrease) in Net Position	1,599,323	628,796	1,996,865
Net Position - Beginning	89,185,571	5,203,666	33,105,633
Net Position - Ending	\$ 90,784,894	\$ 5,832,462	\$ 35,102,498

Combined Program Account	Housing Finance Account	Total
\$ -	\$ 15,903	\$ 37,621,210
1,198,105	365,116	10,373,567
-	5,045,477	5,045,477
-	3,080,015	3,080,015
-	-	78,721
-	-	1,939,403
-	3,200	9,004
1,198,105	8,509,711	58,147,397
-	7,115,781	7,115,781
-	2,966,415	3,380,550
-	-	3,174,956
-	-	13,605
-	-	31,739,641
-	6,217	20,506
-	1,111,669	4,842,738
-	5,234	5,234
-	11,205,316	50,293,011
1,198,105	(2,695,605)	7,854,386
-	(22,663)	(22,663)
-	(25,634)	(25,634)
-	(48,297)	(48,297)
1,198,105	(2,743,902)	7,806,089
-	5,803,828	51,395,732 **
-	(676,926)	(51,395,732) **
-	73,346	73,346
-	(209,425)	(209,425)
1,198,105	2,246,921	7,670,010
19,698,639	10,730,937	157,924,446
\$ 20,896,744	\$ 12,977,858	\$ 165,594,456

** Transfers within the Housing Finance Fund totaling \$51,395,732 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, 2020

	Single-Family Mortgage Program		Multifamily
	Mortgage Revenue Bonds	Housing Revenue Bonds	Housing Revenue Bonds
Cash Flows from Operating Activities			
Received from Customers	\$ 825,161	\$ -	\$ -
Program Loan Principal Repayments	102,629,016	10,018,929	16,194,441
Program Loan Interest Received	30,687,809	2,549,303	2,881,849
Program Loans Made	(165,032,101)	-	-
Payments to Employees for Services	-	-	-
Payments to Suppliers for Goods and Services	(3,046,942)	(258,468)	(131,163)
Other Receipts (Payments)	(1,970,802)	(14,296)	(57,678)
Net Cash Provided (Used) in Operating Activities	(35,907,859)	12,295,468	18,887,449
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	177,018,587	-	-
Principal Payments - Bonds	(73,465,000)	(30,010,000)	(15,090,000)
Interest Payments - Bonds	(27,907,538)	(2,753,053)	(2,111,481)
Bond Issuance Costs	(1,424,262)	-	-
Principal Payments - Pension-related Debt	-	-	-
Interest Payments - Pension-related Debt	-	-	-
Transfers from Other Funds	937,142	22,420,000	19,443
Transfers to Other Funds	(28,220,000)	(75,000)	(3,828)
Transfers to Other State Agencies	-	-	-
Net Cash Provided (Used) in Noncapital Financing Activities	46,938,929	(10,418,053)	(17,185,866)
Cash Flows from Investing Activities			
Purchase of Investments	(353,520,433)	(13,795,946)	(15,391,378)
Proceeds from Sales and Maturities of Investments	403,362,037	15,989,308	23,268,200
Interest on Cash and Investments	2,975,738	217,583	589,974
Investment Income on Securities Lending	10,810	1,440	2,039
Interest Paid on Securities Lending	(10,810)	(1,440)	(2,039)
Net Cash Provided (Used) in Investing Activities	52,817,342	2,410,945	8,466,796
Net Increase (Decrease) in Cash and Cash Equivalents	63,848,412	4,288,360	10,168,379
Cash and Cash Equivalents Balance - Beginning	19,903,973	2,007,012	810,179
Cash and Cash Equivalents Balance - Ending	\$ 83,752,385	\$ 6,295,372	\$ 10,978,558
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted (Current)	61,359,358	5,271,123	2,544,768
Cash and Cash Equivalents - Restricted (Noncurrent)	22,393,027	1,024,249	8,433,790
Total Cash and Cash Equivalents	\$ 83,752,385	\$ 6,295,372	\$ 10,978,558

Combined Program Account	Housing Finance Account	Total	
\$ -	\$ 7,824,667	\$ 8,649,828	
-	30,722	128,873,108	
-	3,503	36,122,464	
-	(2,548,628)	(167,580,729)	
-	(5,329,989)	(5,329,989)	
-	(3,028,808)	(6,465,381)	
-	(1,341,300)	(3,384,076)	
-	(4,389,833)	(9,114,775)	
-	-	177,018,587	
-	-	(118,565,000)	
-	-	(32,772,072)	
-	-	(1,424,262)	
-	(33,364)	(33,364)	
-	(25,634)	(25,634)	
-	5,803,828	29,180,413	**
-	(881,585)	(29,180,413)	**
-	(205,200)	(205,200)	
-	4,658,045	23,993,055	
(30,420,028)	-	(413,127,785)	
29,959,099	963,630	473,542,274	
557,915	346,588	4,687,798	
-	6,217	20,506	
-	(6,217)	(20,506)	
96,986	1,310,218	65,102,287	
96,986	1,578,430	79,980,567	
84,862	12,661,602	35,467,628	
\$ 181,848	\$ 14,240,032	\$ 115,448,195	
\$ -	\$ 13,324,495	\$ 13,324,495	
-	140,654	69,315,903	
181,848	774,883	32,807,797	
\$ 181,848	\$ 14,240,032	\$ 115,448,195	

Continued on the next page

** Transfers within the Housing Finance Fund totaling \$29,180,413 are not included in the Statement of Cash Flows on page 14.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Combining Statement of Cash Flows - Housing Finance Fund

For the Year Ended June 30, 2020

Continued from the previous page

	Single-Family Mortgage Program		Multifamily
	Mortgage Revenue Bonds	Housing Revenue Bonds	Housing Revenue Bonds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 6,647,419	\$ 703,774	\$ 2,000,693
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	-	-	-
Investment Income Reported as Operating Revenue	(7,574,917)	(365,136)	(870,293)
Interest Expense Reported as Operating Expense	27,827,325	2,083,964	1,842,641
Bond Issuance Costs Reported as Operating Expense	1,544,687	-	-
(Gain) Loss on Debt Extinguishment	(1,875,147)	(73,134)	8,878
(Increase)/Decrease in Assets:			
Loan Interest Receivable	(543,171)	122,648	(44,586)
Accounts Receivable	45,991	-	-
Interfund Receivable	14,296	-	-
Due from Governmental Funds	-	-	-
Prepaid Expenses	-	-	-
Loans Receivable	(62,366,977)	10,010,768	16,194,441
Acquired Property	199,391	-	-
Net Other Postemployment Benefit Asset	-	-	-
(Increase)/Decrease in Deferred Outflows of Resources:			
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Increase/(Decrease) in Liabilities:			
Accounts Payable	(112,633)	(46,568)	(19,235)
Interfund Payable	4,503	(14,296)	749
Due to Governmental Funds	-	-	-
Unearned Revenue	(1,761)	(982)	-
Compensated Absences Payable	-	-	-
Net Pension Liability	-	-	-
Net Other Postemployment Benefit Liability	-	-	-
Total Other Postemployment Benefit Liability	-	-	-
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	283,135	(125,570)	(225,839)
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Net Cash Provided (Used) in Operating Activities	<u>\$ (35,907,859)</u>	<u>\$ 12,295,468</u>	<u>\$ 18,887,449</u>
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	\$ 4,630,254	\$ 154,773	\$ 322,205
Foreclosed Property	955,306	-	-
Loan Modifications	116,897	8,161	-
Loans Transferred Between Programs	22,419,978	(22,419,978)	-
Total Noncash Investing, Capital, and Financing Activities	<u>\$ 28,122,435</u>	<u>\$ (22,257,044)</u>	<u>\$ 322,205</u>

Combined Program Account	Housing Finance Account	Total	
\$ 1,198,105	\$ (2,695,605)	\$ 7,854,386	
-	5,234	5,234	
(1,198,105)	(365,116)	(10,373,567)	
-	6,217	31,760,147	
-	-	1,544,687	
-	-	(1,939,403)	
-	(12,401)	(477,510)	
-	(169,331)	(123,340)	
-	62,965	77,261	**
-	(277,737)	(277,737)	
-	4,563	4,563	
-	(2,517,906)	(38,679,674)	
-	-	199,391	
-	(31,969)	(31,969)	
-	(502,464)	(502,464)	
-	16,158	16,158	
-	55,165	(123,271)	
-	-	(9,044)	**
-	(28,104)	(28,104)	
-	(119,394)	(122,137)	
-	9,750	9,750	
-	2,090,529	2,090,529	
-	(1,346)	(1,346)	
-	(18,584)	(18,584)	
-	-	(68,274)	
-	79,441	79,441	
-	20,102	20,102	
<u>\$ -</u>	<u>\$ (4,389,833)</u>	<u>\$ (9,114,775)</u>	
\$ 671,090	\$ 16,189	\$ 5,794,511	
-	-	955,306	
-	-	125,058	
-	-	-	
<u>\$ 671,090</u>	<u>\$ 16,189</u>	<u>\$ 6,874,875</u>	

** Interfund Receivables and Payables within the Housing Finance Fund totaling an increase of \$9,044 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 OHCSO's overall financial health.

Financial Trends

Pages 50-57 contain trend information to help the reader understand how OHCSO's financial performance has changed over time.

Revenue Capacity

Pages 58 and 59 contain information to help the reader understand OHCSO's most significant revenue source, Interest on Loans.

Debt Capacity

Pages 60 and 61 contain information to help the reader assess OHCSO's current levels of outstanding debt and the capacity to issue debt in the future.

Demographic and Economic Information

Pages 62 and 63 contain demographic, economic, and employment data to help the reader understand the environment OHCSO operates in.

Operating Information

Pages 64-71 contain information to help the reader understand how the information in the financial report relates to activities of OHCSO.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position

Enterprise Funds

Last Ten Fiscal Years

	2020	2019	2018	2017
Assets				
Cash and Cash Equivalents	\$ 13,886,704	\$ 12,630,562	\$ 9,388,621	\$ 9,915,911
Cash and Cash Equivalents - Restricted	154,695,669	65,370,939	68,372,203	59,447,712
Investments - Restricted	223,223,166	277,597,803	244,508,334	232,640,617
Securities Lending Cash Collateral	1,248,701	2,101,856	1,191,697	357,168
Accounts Receivable	266,455	139,932	29,182,712	409,631
Accrued Interest Receivable	4,518,523	4,133,592	3,924,987	3,729,012
Interfund Receivable	12,862	81,079	80,220	16,939
Due from Governmental Funds	391,789	114,050	24,797	82,468
Due from Other State Agencies	88,521	-	-	-
Prepaid Expenses	-	4,563	1,140	514
Acquired Property	817,484	1,016,875	1,841,751	2,995,957
Deferred Charges	-	-	-	-
Loans Receivable (Net)	982,544,056	954,607,414	834,207,159	804,071,640
Swap Fair Value Asset	-	-	1,514,014	899,578
Net Pension Asset	-	-	-	-
Net Other Postemployment Benefits Asset	72,037	31,100	11,451	-
Capital Assets (Net)	10,214	43,223	51,674	59,925
Total Assets	1,381,776,181	1,317,872,988	1,194,300,760	1,114,627,072
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	10,726,213	5,221,906	137,728	1,864,021
Loss on Debt Refunding	1,107,604	1,435,973	1,942,159	1,761,830
Related to Pensions	1,951,568	1,386,060	1,183,656	2,170,765
Related to Other Postemployment Benefits	18,462	40,861	26,968	-
Total Deferred Outflows of Resources	13,803,847	8,084,800	3,290,511	5,796,616
Total Assets and Deferred Outflows of Resources	\$ 1,395,580,028	\$ 1,325,957,788	\$ 1,197,591,271	\$ 1,120,423,688

Unaudited

2016	2015	2014	2013	2012	2011
\$ 8,730,328	\$ 10,077,977	\$ 4,060,107	\$ 5,469,303	\$ 5,746,697	\$ 5,873,763
80,466,457	66,585,531	64,782,925	61,578,919	78,600,165	54,144,451
278,624,844	229,912,957	310,056,935	359,607,162	266,227,125	320,169,513
2,041,190	4,032,437	3,393,772	3,849,298	5,600,831	18,153,910
131,122	177,215	189,304	166,750	150,640	1,351,777
4,209,653	4,618,750	5,443,641	5,899,925	7,336,307	7,708,720
6,780	607	164	4,019	11,434	1,252
23,931	1,795	10,979	79,323	32,697	53,013
-	-	-	-	-	-
28,996	675	8,655	15,305	44,401	1,900
3,766,377	4,407,890	7,135,654	3,809,023	10,640,035	10,783,923
-	-	-	9,019,358	9,522,524	10,526,280
847,251,131	918,003,978	1,009,415,693	1,079,738,292	1,223,594,532	1,288,879,901
-	-	-	-	-	-
-	558,607	-	-	-	-
-	-	-	-	-	-
62,637	70,549	22,340	9,874	11,074	-
1,225,343,446	1,238,448,968	1,404,520,169	1,529,246,551	1,607,518,462	1,717,648,403
6,906,793	11,379,103	17,276,495	27,550,227	37,196,930	25,409,179
2,092,930	2,344,757	2,262,264	-	-	-
407,457	206,746	-	-	-	-
-	-	-	-	-	-
9,407,180	13,930,606	19,538,759	27,550,227	37,196,930	25,409,179
\$ 1,234,750,626	\$ 1,252,379,574	\$ 1,424,058,928	\$ 1,556,796,778	\$ 1,644,715,392	\$ 1,743,057,582

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OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position

Enterprise Funds

Last Ten Fiscal Years

	2020	2019	2018	2017
Liabilities				
Accounts Payable	\$ 1,347,392	\$ 1,292,103	\$ 609,703	\$ 808,431
Accrued Interest Payable	16,540,642	16,741,051	13,660,865	13,031,173
Obligations Under Securities Lending	1,248,701	2,101,856	1,191,697	357,168
Interfund Payable	12,862	81,079	80,220	16,939
Due to Governmental Funds	54,126	64,554	53,689	6,959
Unearned Revenue	754,469	878,196	998,823	1,130,510
Compensated Absences Payable	284,985	289,020	344,492	271,186
Bonds Payable	1,107,569,224	1,053,780,476	943,483,358	869,050,314
Swap Fair Value Liability	10,726,213	5,221,906	137,728	1,864,021
Arbitrage Rebate Liability	-	-	-	-
Loans Payable	-	-	-	-
Pension-related Debt Payable	421,318	463,993	501,032	531,182
Net Pension Liability	5,804,785	3,180,583	3,275,674	4,116,951
Net Other Postemployment Benefits Liability	32,005	33,673	41,439	-
Total Other Postemployment Benefits Liability	153,434	182,434	124,593	-
Net Other Postemployment Benefits Obligation	-	-	-	87,445
Total Liabilities	1,144,950,156	1,084,310,924	964,503,313	891,272,279
Deferred Inflows of Resources				
Accumulated Increase in Fair Value of Hedging Derivatives	-	-	1,514,014	899,578
Deferred Loan Origination Fees	4,445,934	4,597,314	4,261,350	4,354,736
Related to Pensions	276,737	178,767	27,367	39,119
Related to Other Postemployment Benefits	40,745	14,773	8,471	-
Total Deferred Inflows of Resources	4,763,416	4,790,854	5,811,202	5,293,433
Net Position				
Net Investment in Capital Assets	10,214	43,223	51,674	59,925
Restricted for Residential Assistance	1,257,239	2,058,567	2,089,298	2,074,043
Restricted for Other Postemployment Benefits	72,037	31,100	11,451	-
Restricted by Trust Indentures	228,197,707	220,241,383	212,669,994	207,706,209
Unrestricted	16,329,259	14,481,737	12,454,339	14,017,799
Total Net Position	245,866,456	236,856,010	227,276,756	223,857,976
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,395,580,028	\$ 1,325,957,788	\$ 1,197,591,271	\$ 1,120,423,688

Unaudited

2016	2015	2014	2013	2012	2011
\$ 626,684	\$ 495,218	\$ 1,021,618	\$ 979,108	\$ 913,537	\$ 742,263
15,411,597	17,957,672	20,477,454	23,731,731	27,843,800	28,943,961
2,041,190	4,032,437	3,393,772	3,849,298	5,600,831	18,153,910
6,780	607	164	4,019	11,434	1,252
50,880	101,511	47,284	23	7,092	15,511
1,265,880	1,402,406	1,539,946	1,666,618	1,250,739	1,045,713
252,162	276,849	296,128	263,931	208,313	246,027
979,243,468	997,155,163	1,170,857,616	1,281,246,940	1,349,497,180	1,456,870,106
6,906,793	11,379,103	17,276,495	27,550,227	37,196,930	25,409,179
-	-	-	366,889	482,076	102,194
-	-	-	1,500,000	1,500,000	1,500,000
556,146	575,223	600,689	616,550	-	-
1,580,442	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
85,234	92,770	88,299	84,812	75,366	66,597
1,008,027,256	1,033,468,959	1,215,599,465	1,341,860,146	1,424,587,298	1,533,096,713
-	-	-	-	-	-
4,733,476	5,281,561	5,905,347	-	-	-
384,804	1,077,887	-	-	-	-
-	-	-	-	-	-
5,118,280	6,359,448	5,905,347	-	-	-
62,637	70,549	22,340	9,874	11,074	-
2,098,015	2,029,118	2,019,413	2,272,946	2,581,560	2,219,237
-	-	-	-	-	-
213,665,954	201,453,112	196,447,800	208,167,826	211,381,841	200,498,355
5,778,484	8,998,388	4,064,563	4,485,986	6,153,619	7,243,277
221,605,090	212,551,167	202,554,116	214,936,632	220,128,094	209,960,869
<u>\$ 1,234,750,626</u>	<u>\$ 1,252,379,574</u>	<u>\$ 1,424,058,928</u>	<u>\$ 1,556,796,778</u>	<u>\$ 1,644,715,392</u>	<u>\$ 1,743,057,582</u>

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

	2020	2019	2018	2017
Operating Revenues				
Interest on Loans	\$ 40,963,239	\$ 40,504,975	\$ 36,644,795	\$ 39,626,363
Investment Income (Loss)	11,696,263	11,846,649	3,650,448	332,374
Administrative Charges and Fees	5,162,478	4,358,237	3,295,836	2,537,227
Low Income Housing Tax Credit Fees	3,080,015	3,364,208	2,924,199	1,604,511
Gain (Loss) on Sale of Foreclosed Property	78,721	45,379	146,174	373,502
Gain (Loss) on Debt Extinguishment	1,939,403	984,697	1,129,267	1,039,870
Miscellaneous Revenue	9,004	6,938	93,062	358,328
Total Operating Revenues	62,929,123	61,111,083	47,883,781	45,872,175
Operating Expenses				
Personal Services	8,697,614	5,712,702	5,206,618	5,126,065
Services and Supplies	3,727,327	2,886,332	3,084,561	2,508,940
Mortgage Service Fees	3,200,538	2,931,395	2,394,668	2,264,580
Foreclosure Costs	13,605	215,168	438,500	616,407
Interest Expense - Bonds	33,161,052	31,556,074	27,235,723	28,487,108
Interest Expense - Securities Lending	39,099	95,991	21,699	1,974
Interest Expense - Loans	-	-	-	-
Other Related Program Expenses	4,850,144	7,832,586	5,778,673	4,346,935
Depreciation/Amortization	5,821	8,451	8,452	7,910
Bad Debt Expense	-	-	-	33,583
Amortization of Deferred Bond Issuance Costs	-	-	-	-
Total Operating Expenses	53,695,200	51,238,699	44,168,894	43,393,502
Operating Income (Loss)	9,233,923	9,872,384	3,714,887	2,478,673
Nonoperating Revenue/(Expenses)				
Gain/(Loss) on Disposition of Capital Assets	(27,188)	-	-	-
Interest Expense - Pension-related Debt	(32,788)	(31,857)	(32,996)	(38,010)
Total Nonoperating Revenue/(Expenses)	(59,976)	(31,857)	(32,996)	(38,010)
Transfers				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	-	-	-
Transfers from Other State Agencies	88,521	-	-	-
Transfers to Other State Agencies	(252,022)	(261,273)	(184,404)	(187,777)
Increase (Decrease) in Net Position	\$ 9,010,446	\$ 9,579,254	\$ 3,497,487	\$ 2,252,886
Net Position - Beginning	236,856,010	227,276,756	223,857,976	221,605,090
Prior Period Adjustment	-	-	-	-
Change in Accounting Principle	-	-	(78,707)	-
Net Position - Beginning (Restated)	236,856,010	227,276,756	223,779,269	221,605,090
Net Position - Ending	\$ 245,866,456	\$ 236,856,010	\$ 227,276,756	\$ 223,857,976

Unaudited

2016	2015	2014	2013	2012	2011
\$ 46,381,931	\$ 50,954,045	\$ 52,542,197	\$ 59,217,071	\$ 68,917,920	\$ 72,357,706
6,767,972	3,484,174	4,844,825	(2,508,456)	13,938,305	3,319,834
2,111,542	2,444,692	833,012	1,465,554	1,598,870	3,696,833
1,126,415	3,174,641	1,566,180	2,350,450	1,968,720	2,149,904
314,222	288,970	548,575	408,021	(276,931)	(259,296)
1,034,419	1,311,768	1,329,839	1,625,184	1,601,630	2,262,920
115,962	60,801	16,350	2,474,127	110,579	14,230
57,852,463	61,719,091	61,680,978	65,031,951	87,859,093	83,542,131
5,828,772	3,868,949	4,250,998	3,982,480	4,091,672	4,194,543
2,437,292	2,392,345	2,429,232	2,139,476	2,753,928	3,600,289
2,393,209	2,619,687	2,820,877	3,148,492	3,534,690	3,665,713
422,662	324,684	995,546	1,728,780	1,427,384	1,902,931
33,287,518	38,491,579	43,280,173	52,057,391	58,695,970	62,458,803
22,326	12,347	13,410	42,107	20,787	79,233
-	-	24,575	48,750	48,801	48,814
4,169,306	2,740,696	4,554,711	5,598,394	3,986,853	3,348,124
7,912	4,394	2,034	1,200	934	233
-	-	-	-	2,211,594	(54,028)
-	-	-	641,555	752,880	884,674
48,568,997	50,454,681	58,371,556	69,388,625	77,525,493	80,129,329
9,283,466	11,264,410	3,309,422	(4,356,674)	10,333,600	3,412,802
-	-	-	-	-	(2,371)
(37,729)	(39,019)	(38,942)	(40,754)	-	-
(37,729)	(39,019)	(38,942)	(40,754)	-	(2,371)
-	-	-	68,726	117,816	117,816
-	-	-	(68,726)	(117,816)	(117,816)
-	-	-	-	-	-
(191,814)	(211,415)	(185,435)	(163,735)	(166,375)	(173,511)
\$ 9,053,923	\$ 11,013,976	\$ 3,085,045	\$ (4,561,163)	\$ 10,167,225	\$ 3,236,920
212,551,167	202,554,116	214,936,632	220,128,094	209,960,869	206,723,949
-	2,979	(6,448,203)	(630,299)	-	-
-	(1,019,904)	(9,019,358)	-	-	-
212,551,167	201,537,191	199,469,071	219,497,795	209,960,869	206,723,949
\$ 221,605,090	\$ 212,551,167	\$ 202,554,116	\$ 214,936,632	\$ 220,128,094	\$ 209,960,869

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Cash Flows

Enterprise Funds

Last Ten Fiscal Years

	2020	2019	2018
Cash Flows from Operating Activities			
Received from Customers	\$ 8,763,454	\$ 8,876,105	\$ 7,079,496
Program Loan Principal Repayments	139,616,140	113,960,119	126,654,062
Program Loan Interest Received	39,340,959	38,764,669	35,717,096
Program Loans Made	(167,580,729)	(233,252,858)	(156,182,704)
Payments to Employees for Services	(6,488,553)	(5,930,708)	(5,025,280)
Payments to Suppliers for Goods and Services	(6,787,757)	(5,841,075)	(5,422,079)
Other Receipts (Payments)	(3,391,482)	(5,473,021)	(3,658,826)
Net Cash Provided (Used) in Operating Activities	3,472,032	(88,896,769)	(838,235)
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	177,018,587	216,176,306	280,205,736
Principal Payments - Bonds	(120,100,000)	(103,615,000)	(203,460,000)
Interest Payments - Bonds	(34,221,158)	(29,029,187)	(27,367,083)
Bond Issuance Costs	(1,424,262)	(1,677,569)	(1,763,294)
Bond Call Costs	-	-	-
Principal Payments - Loans	-	-	-
Interest Payments - Loans	-	-	-
Principal Payments - Pension-related Debt	(42,675)	(37,039)	(30,150)
Interest Payments - Pension-related Debt	(32,788)	(31,857)	(32,996)
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Transfers to Other State Agencies	(249,712)	(243,488)	(203,500)
Net Cash Provided (Used) in Noncapital Financing Activities	20,947,992	81,542,166	47,348,713
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	-	-	5,445
Net Cash Provided (Used) in Capital and Related Financing Activities	-	-	5,445
Cash Flows from Investing Activities			
Purchase of Investments	(413,127,785)	(510,891,434)	(498,137,269)
Proceeds from Sales and Maturities of Investments	473,542,274	512,301,216	456,787,746
Interest on Cash and Investments	5,746,359	6,185,498	3,230,801
Investment Income on Securities Lending	39,099	95,991	21,699
Interest Paid on Securities Lending	(39,099)	(95,991)	(21,699)
Net Cash Provided (Used) in Investing Activities	66,160,848	7,595,280	(38,118,722)
Net Increase (Decrease) in Cash and Cash Equivalents	90,580,872	240,677	8,397,201
Cash and Cash Equivalents Balance - Beginning	78,001,501	77,760,824	69,363,623
Cash and Cash Equivalents Balance - Ending	\$ 168,582,373	\$ 78,001,501	\$ 77,760,824

2017	2016	2015	2014	2013	2012	2011
\$ 4,163,809	\$ 3,569,340	\$ 5,721,238	\$ 2,596,251	\$ 4,231,488	\$ 3,817,788	\$ 5,950,885
138,955,178	142,159,092	145,611,724	120,322,978	195,141,571	136,040,641	117,147,144
38,803,932	44,151,928	50,261,428	54,750,757	61,595,811	68,928,782	72,665,054
(97,014,283)	(71,715,430)	(54,220,431)	(61,116,633)	(50,657,880)	(80,485,104)	(90,650,348)
(4,707,259)	(4,609,749)	(4,587,915)	(4,175,801)	(3,955,271)	(4,127,721)	(4,331,258)
(4,650,950)	(4,923,555)	(5,064,173)	(5,182,403)	(5,279,251)	(6,491,400)	(7,626,701)
(791,680)	47,139	941,970	1,431,972	1,740,694	3,336,124	5,103,222
74,758,747	108,678,765	138,663,841	108,627,121	202,817,162	121,019,110	98,257,998
134,026,831	211,033,001	31,377,604	139,605,754	156,930,314	28,790,153	229,409,935
(242,255,000)	(227,045,000)	(202,930,000)	(249,975,000)	(222,950,000)	(134,265,000)	(328,800,000)
(31,402,394)	(36,186,445)	(40,849,857)	(46,745,465)	(56,418,920)	(60,092,434)	(66,122,552)
(774,512)	(1,514,836)	(565,215)	(1,409,003)	(1,564,025)	(489,166)	(2,599,161)
-	-	-	-	-	-	(50,101)
-	-	-	(1,500,000)	-	-	-
-	-	-	(36,729)	(48,709)	(48,946)	(48,685)
(24,964)	(19,077)	(22,487)	(15,861)	-	-	-
(38,010)	(37,729)	(39,019)	(38,942)	-	-	-
-	-	-	-	68,726	117,816	117,816
-	-	-	-	(68,726)	(117,816)	(117,816)
(188,958)	(191,894)	(209,314)	(186,039)	(163,389)	(166,413)	(173,241)
(140,657,007)	(53,961,980)	(213,238,288)	(160,301,285)	(124,214,729)	(166,271,806)	(168,383,805)
(10,844)	-	(52,603)	(14,500)	-	(12,008)	-
(10,844)	-	(52,603)	(14,500)	-	(12,008)	-
(368,836,911)	(441,963,836)	(289,867,498)	(390,462,021)	(574,207,348)	(725,126,170)	(1,956,792,819)
411,676,140	396,996,896	370,368,568	440,622,813	473,758,011	788,529,034	1,986,224,054
3,236,713	2,783,432	1,946,456	3,322,682	4,548,264	6,190,488	4,852,216
1,974	22,326	12,347	13,410	42,107	20,787	79,233
(1,974)	(22,326)	(12,347)	(13,410)	(42,107)	(20,787)	(79,233)
46,075,942	(42,183,508)	82,447,526	53,483,474	(95,901,073)	69,593,352	34,283,451
(19,833,162)	12,533,277	7,820,476	1,794,810	(17,298,640)	24,328,648	(35,842,356)
89,196,785	76,663,508	68,843,032	67,048,222	84,346,862	60,018,214	95,860,570
\$ 69,363,623	\$ 89,196,785	\$ 76,663,508	\$ 68,843,032	\$ 67,048,222	\$ 84,346,862	\$ 60,018,214

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Weighted Average Interest Rate - New Mortgage Loans

Enterprise Funds

Unaudited

Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Overall Weighted Average Interest Rate	3.07%	4.05%	3.62%	3.26%	3.44%	3.29%	3.18%	3.24%	3.79%	4.65%
Elderly and Disabled Housing Program	-	-	-	-	-	-	-	-	-	5.97%
Mortgage Revenue Bonds	3.07%	4.05%	3.62%	3.26%	3.44%	3.29%	3.09%	0.45%	0.60%	0.91%
Housing Revenue Bonds	-	-	-	-	-	-	3.30%	3.63%	3.95%	4.46%
Multifamily Housing Revenue Bonds	-	-	-	-	-	-	-	-	6.25%	-

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

Unaudited

Current Year and Nine Years Ago

	Fiscal Year 2020			Fiscal Year 2011		
	Rank	Program Loan Interest Received	Percent of Total Program Loan Interest Received	Rank	Program Loan Interest Received	Percent of Total Program Loan Interest Received
Emeralde Pointe	1	\$ 1,088,446	2.81%			
Willamette Garden Apts	2	772,127	1.99%	4	847,577	1.07%
Beaver State Apartments	3	549,120	1.42%			
Westridge Meadows Apartments	4	455,963	1.18%	2	967,101	1.22%
The Hazelwood	5	342,247	0.88%	6	430,807	0.55%
Troutdale Terrace Apts	6	293,793	0.76%	3	884,621	1.12%
Autumn Park	7	273,112	0.70%			
Gateway Park Apts	8	267,341	0.69%	7	422,175	0.53%
Fifth Avenue Court	9	250,834	0.65%	10	401,132	0.51%
Arbor Glen	10	244,594	0.63%			
Woodridge Apartments				1	991,225	1.25%
Lake Crest Apts				5	607,067	0.77%
Buckman Heights Apts				8	419,609	0.53%
Cascadia Village Retirement Center				9	408,869	0.52%
Total		<u>\$ 4,537,577</u>	<u>11.71%</u>		<u>\$ 6,380,183</u>	<u>8.07%</u>

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Ratio of Outstanding Debt

Enterprise Fund

Last Ten Fiscal Years

Unaudited

Fiscal Year	Business-Type Activities - Enterprise Funds				Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
	General Obligation Bonds ⁽¹⁾	Revenue Bonds ⁽²⁾	Loans Payable	Total		
2020	\$ 28,865,000	\$ 1,057,515,000	\$ -	\$ 1,086,380,000	0.48%	\$ 258
2019	30,400,000	1,004,675,000	-	1,035,075,000	0.48%	248
2018	36,915,000	890,470,000	-	927,385,000	0.46%	224
2017	44,710,000	812,105,000	-	856,815,000	0.45%	209
2016	50,810,000	917,700,000	-	968,510,000	0.53%	241
2015	85,480,000	904,220,000	-	989,700,000	0.59%	250
2014	112,615,000	1,049,115,000	-	1,161,730,000	0.74%	296
2013	119,985,000	1,156,130,000	1,500,000	1,277,615,000	0.83%	328
2012	124,985,000	1,218,500,000	1,500,000	1,344,985,000	0.92%	347
2011	146,945,000	1,303,345,000	1,500,000	1,451,790,000	1.05%	378

⁽¹⁾ Elderly and Disabled Housing Bonds

⁽²⁾ Mortgage Revenue Bonds, Housing Revenue Bonds, Multifamily Housing Revenue Bonds, and Multiple Purpose Bonds (FY 2011 - FY 2014)

⁽³⁾ Personal Income and Population Source: Bureau of Economic Analysis, U.S. Department of Commerce (SAINC1)
<https://apps.bea.gov/iTable/iTable.cfm?acrdn=6&isuri=1&reqid=70&step=1#reqid=70&step=1&isuri=1>

Population and Personal Income information can be found on page 62.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Legal Debt Margin Information

Enterprise Fund

Unaudited

Last Ten Fiscal Years

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
<u>General Obligation Bonds</u>				
2020	\$ 3,578,984,548	\$ 28,865,000	\$ 3,550,119,548	0.81%
2019	3,384,375,594	30,400,000	3,353,975,594	0.90%
2018	3,104,548,584	36,915,000	3,353,975,594	1.19%
2017	2,795,635,633	44,710,000	3,067,633,584	1.60%
2016	2,530,877,318	50,810,000	2,750,925,633	2.01%
2015	2,347,393,704	85,480,000	2,480,067,318	3.64%
2014	2,167,365,136	112,615,000	2,261,913,704	5.20%
2013	2,107,955,009	119,985,000	2,054,750,136	5.69%
2012	2,172,146,238	124,985,000	1,987,970,009	5.75%
2011	2,292,594,338	146,945,000	2,047,161,238	6.41%
<u>Revenue Bonds</u>				
2020	\$ 2,500,000,000	\$ 1,057,515,000	\$ 1,442,485,000	42.30%
2019	2,500,000,000	1,004,675,000	1,495,325,000	40.19%
2018	2,500,000,000	890,470,000	1,609,530,000	35.62%
2017	2,500,000,000	812,105,000	1,687,895,000	32.48%
2016	2,500,000,000	917,700,000	1,582,300,000	36.71%
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%

Legal Debt Margin for Fiscal Year 2020

General Obligation Bonds

True cash value of all taxable property in the state	\$ 715,796,909,641
Debt Limit (0.5% of true cash value)	3,578,984,548
Less: Debt applicable to the limit (Elderly and Disabled Housing Bonds)	(28,865,000)
Legal Debt Margin	<u>\$ 3,550,119,548</u>

Revenue Bonds

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

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Demographic and Economic Data - State of Oregon

Last Ten Years

Unaudited

Calendar Year	Population ⁽¹⁾	Personal Income ⁽¹⁾ (in millions)	Per Capita Personal Income	Annual Unemployment Rate ⁽²⁾
2019	4,217,737	\$ 224,346.4	\$ 53,191	3.7%
2018	4,181,886	215,365.4	51,500	4.1%
2017	4,143,625	202,051.5	48,762	4.1%
2016	4,089,976	190,534.2	46,586	4.8%
2015	4,015,792	181,367.0	45,163	5.6%
2014	3,963,244	168,408.8	42,493	6.8%
2013	3,922,468	156,977.1	40,020	7.9%
2012	3,899,001	154,408.5	39,602	8.8%
2011	3,872,036	146,432.2	37,818	9.5%
2010	3,837,491	138,618.0	36,122	10.6%

⁽¹⁾ Source: Bureau of Economic Analysis, U.S. Department of Commerce (SAINC1)

<https://apps.bea.gov/iTable/iTable.cfm?acrdn=6&isuri=1&reqid=70&step=1#reqid=70&step=1&isuri=1>

⁽²⁾ Source: Oregon Employment Department - <https://www.qualityinfo.org/ed-uesti/?at=1&t1=4101000000~unemprate~n~2010~2019>

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Employment Data - State of Oregon

Current Year and Nine Years Ago

Unaudited

	Calendar Year 2019		Calendar Year 2010		Change
	Number of Employees	Percent of Total	Number of Employees	Percent of Total	
Health Care and Social Assistance	304,559	11.63%	252,065	11.59%	20.83%
Retail Trade	259,275	9.90%	227,763	10.48%	13.84%
Manufacturing	214,380	8.18%	176,802	8.13%	21.25%
Accommodation and Food Services	204,388	7.80%	153,331	7.05%	33.30%
Professional, Scientific, and Technical Services	177,223	6.77%	131,571	6.05%	34.70%
Construction	146,955	5.61%	102,550	4.72%	43.30%
Administrative and Support Services	129,034	4.93%	105,736	4.86%	22.03%
Real Estate and Rental and Leasing	124,714	4.76%	102,732	4.72%	21.40%
Transportation and Warehousing	102,047	3.90%	61,071	2.81%	67.10%
Finance and Insurance	99,576	3.80%	90,623	4.17%	9.88%
Wholesale Trade	84,334	3.22%	80,544	3.70%	4.71%
Arts, Entertainment, and Recreation	69,436	2.65%	52,546	2.42%	32.14%
Farm Employment	68,602	2.62%	67,704	3.11%	1.33%
Educational Services	57,097	2.18%	53,197	2.45%	7.33%
Management of Companies and Enterprises	52,968	2.02%	31,608	1.45%	67.58%
Information	44,083	1.68%	40,248	1.85%	9.53%
Forestry, Fishing, and Related Activities	33,668	1.29%	29,117	1.34%	15.63%
Waste Management and Remediation Services	6,280	0.24%	5,369	0.25%	16.97%
Utilities	5,069	0.19%	4,863	0.22%	4.24%
Mining, quarrying, and oil and gas extraction	4,341	0.17%	4,836	0.22%	-10.24%
Other Services	135,281	5.16%	112,108	5.16%	20.67%
Federal Government (Civilian)	28,548	1.09%	30,581	1.41%	-6.65%
Military	11,388	0.43%	12,323	0.57%	-7.59%
State Government	41,178	1.57%	60,540	2.78%	-31.98%
Local Government	215,200	8.21%	184,496	8.49%	16.64%
Total Employment	<u>2,619,624</u>	<u>100.00%</u>	<u>2,174,324</u>	<u>100.00%</u>	20.48%

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Loans Outstanding - by Interest Rate

Enterprise Funds

Unaudited

Current Year and Nine Years Ago

Interest Rate	June 30, 2020				June 30, 2011			
	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
0.00 - 2.99%	656	10.78%	\$ 142,710,626	14.52%	99	1.20%	\$ 11,705,196	0.91%
3.00 - 3.99%	2,330	38.29%	402,177,758	40.93%	81	0.98%	14,735,217	1.14%
4.00 - 4.99%	1,695	27.85%	267,405,481	27.22%	2,341	28.25%	289,443,094	22.44%
5.00 - 5.99%	904	14.85%	118,039,626	12.01%	3,960	47.79%	588,753,222	45.63%
6.00 - 6.99%	304	5.00%	44,919,386	4.57%	1,243	15.00%	285,596,458	22.14%
7.00 - 7.99%	159	2.61%	6,638,420	0.68%	388	4.68%	69,687,859	5.40%
8.00 - 8.99%	38	0.62%	652,759	0.07%	136	1.64%	16,069,162	1.25%
9.00 - 9.99%	-	-	-	-	13	0.16%	9,350,628	0.72%
10.00% or More	-	-	-	-	25	0.30%	4,817,961	0.37%
Total	6,086	100.00%	\$ 982,544,056	100.00%	8,286	100.00%	\$ 1,290,158,797	100.00%

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Loans Outstanding - by Monthly Payment Amount

Enterprise Funds

Unaudited

Current Year and Nine Years Ago

Monthly Payment ⁽¹⁾	June 30, 2020				June 30, 2011			
	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
<u>Single Family Loans</u> ⁽²⁾								
\$ 0 - \$ 200	31	0.53%	\$ 627,535	0.07%	50	0.64%	\$ 1,353,883	0.14%
\$ 201 - \$ 400	336	5.76%	13,285,066	1.51%	582	7.41%	24,380,364	2.53%
\$ 401 - \$ 600	1,171	20.06%	86,760,044	9.86%	1,831	23.29%	137,411,529	14.27%
\$ 601 - \$ 800	1,465	25.10%	171,288,177	19.48%	2,157	27.45%	242,817,635	25.24%
\$ 801 - \$1,000	1,248	21.38%	211,258,628	24.02%	1,643	20.91%	242,035,093	25.16%
\$1,001 - \$1,200	849	14.54%	187,903,121	21.37%	964	12.27%	174,871,507	18.18%
\$1,201 - \$1,400	459	7.86%	121,310,146	13.79%	480	6.11%	101,581,582	10.56%
\$1,401 - \$1,600	210	3.60%	63,751,023	7.25%	113	1.44%	27,117,033	2.82%
\$1,601 - \$1,800	59	1.01%	19,879,732	2.26%	34	0.43%	9,309,134	0.97%
\$1,801 - \$2,000	8	0.14%	3,042,488	0.35%	4	0.05%	1,226,775	0.13%
\$2,001 or more	1	0.02%	376,017	0.04%	-	-	-	-
Total	5,837	100.00%	879,481,977	100.00%	7,858	100.00%	962,104,535	100.00%
<u>Multi-Family Loans</u> ⁽³⁾								
\$ 0 - \$ 1,000	158	63.45%	3,754,771	3.64%	232	54.21%	9,404,799	2.87%
\$ 1,001 - \$ 5,000	44	17.67%	11,759,687	11.41%	62	14.49%	19,045,182	5.81%
\$ 5,001 - \$10,000	20	8.03%	13,793,337	13.38%	32	7.48%	26,040,699	7.93%
\$10,001 - \$15,000	6	2.41%	6,448,365	6.26%	34	7.94%	43,178,736	13.16%
\$15,001 - \$20,000	5	2.01%	7,467,058	7.25%	20	4.67%	38,404,991	11.71%
\$20,001 - \$25,000	3	1.21%	5,065,209	4.92%	16	3.74%	42,412,550	12.93%
\$25,001 - \$30,000	3	1.20%	9,213,037	8.94%	6	1.40%	22,729,517	6.93%
\$30,001 or more	6	2.41%	42,775,903	41.50%	15	3.50%	123,385,288	37.61%
Due at Maturity	4	1.61%	2,784,712	2.70%	11	2.57%	3,452,500	1.05%
Total	249	100.00%	103,062,079	100.00%	428	100.00%	328,054,262	100.00%
Grand Total	6,086		\$ 982,544,056		8,286		\$ 1,290,158,797	

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

⁽²⁾ Mortgage Revenue Bonds and Housing Revenue Bonds

⁽³⁾ Elderly and Disabled Housing Fund, Multifamily Housing Revenue Bond, and Housing Finance Account Loans

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Loans Outstanding - By County

Enterprise Funds

June 30, 2020

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	\$ 96,550	24	\$ 1,866,155	-	-
Benton	7	1,590,460	64	8,066,585	-	-
Clackamas	14	2,645,498	362	71,827,364	2	7,253,065
Clatsop	2	28,893	17	2,245,095	-	-
Columbia	5	496,809	85	16,496,311	1	1,251,204
Coos	4	57,498	127	16,479,973	-	-
Crook	-	-	57	9,089,144	-	-
Curry	2	12,330	8	1,102,611	-	-
Deschutes	2	74,702	330	55,727,199	-	-
Douglas	2	58,791	112	12,980,293	1	980,446
Gilliam	2	265,252	1	17,878	-	-
Grant	-	-	4	515,229	-	-
Harney	2	1,020,627	12	844,013	-	-
Hood River	1	6,767	15	2,493,828	-	-
Jackson	7	1,991,265	324	51,298,539	1	770,545
Jefferson	-	-	68	10,087,725	-	-
Josephine	3	700,239	455	78,248,180	-	-
Klamath	-	-	191	17,433,187	-	-
Lake	1	63,610	17	1,364,476	-	-
Lane	15	851,487	277	27,694,264	1	1,272,142
Lincoln	5	2,503,675	47	4,340,707	-	-
Linn	10	976,230	152	20,718,962	-	-
Malheur	3	858,375	34	1,815,114	-	-
Marion	41	22,956,184	497	56,798,834	2	963,245
Morrow	-	-	26	1,540,531	-	-
Multnomah	49	12,461,165	1,614	267,556,874	9	19,851,077
Polk	6	950,848	89	12,240,480	-	-
Sherman	1	149,136	1	165,303	-	-
Tillamook	1	338,833	16	2,250,454	-	-
Umatilla	4	25,468	150	10,173,928	-	-
Union	2	310,430	47	3,880,840	2	1,241,733
Wallowa	1	731,698	5	338,332	1	8,658,149
Wasco	1	9,109	7	1,192,753	-	-
Washington	13	2,297,553	440	80,456,843	1	1,678,001
Wheeler	1	89,439	1	201,459	-	-
Yamhill	8	1,397,279	161	29,932,514	-	-
Total	216	\$ 56,016,200	5,837	\$ 879,481,977	21	\$ 43,919,607

Housing Finance Account		Total	
Number of Loans	Principal Amount	Number of Loans	Principal Amount
-	-	25	\$ 1,962,705
-	-	71	9,657,045
-	-	378	81,725,927
-	-	19	2,273,988
1	1,600,000	92	19,844,324
-	-	131	16,537,471
-	-	57	9,089,144
-	-	10	1,114,941
1	630,000	333	56,431,901
-	-	115	14,019,530
-	-	3	283,130
-	-	4	515,229
-	-	14	1,864,640
-	-	16	2,500,595
-	-	332	54,060,349
6	271,072	74	10,358,797
-	-	458	78,948,419
-	-	191	17,433,187
-	-	18	1,428,086
-	-	293	29,817,893
-	-	52	6,844,382
-	-	162	21,695,192
-	-	37	2,673,489
-	-	540	80,718,263
-	-	26	1,540,531
-	-	1,672	299,869,116
-	-	95	13,191,328
-	-	2	314,439
-	-	17	2,589,287
-	-	154	10,199,396
1	270,000	52	5,703,003
-	-	7	9,728,179
1	284,712	9	1,486,574
2	70,488	456	84,502,885
-	-	2	290,898
-	-	169	31,329,793
12	\$ 3,126,272	6,086	\$ 982,544,056

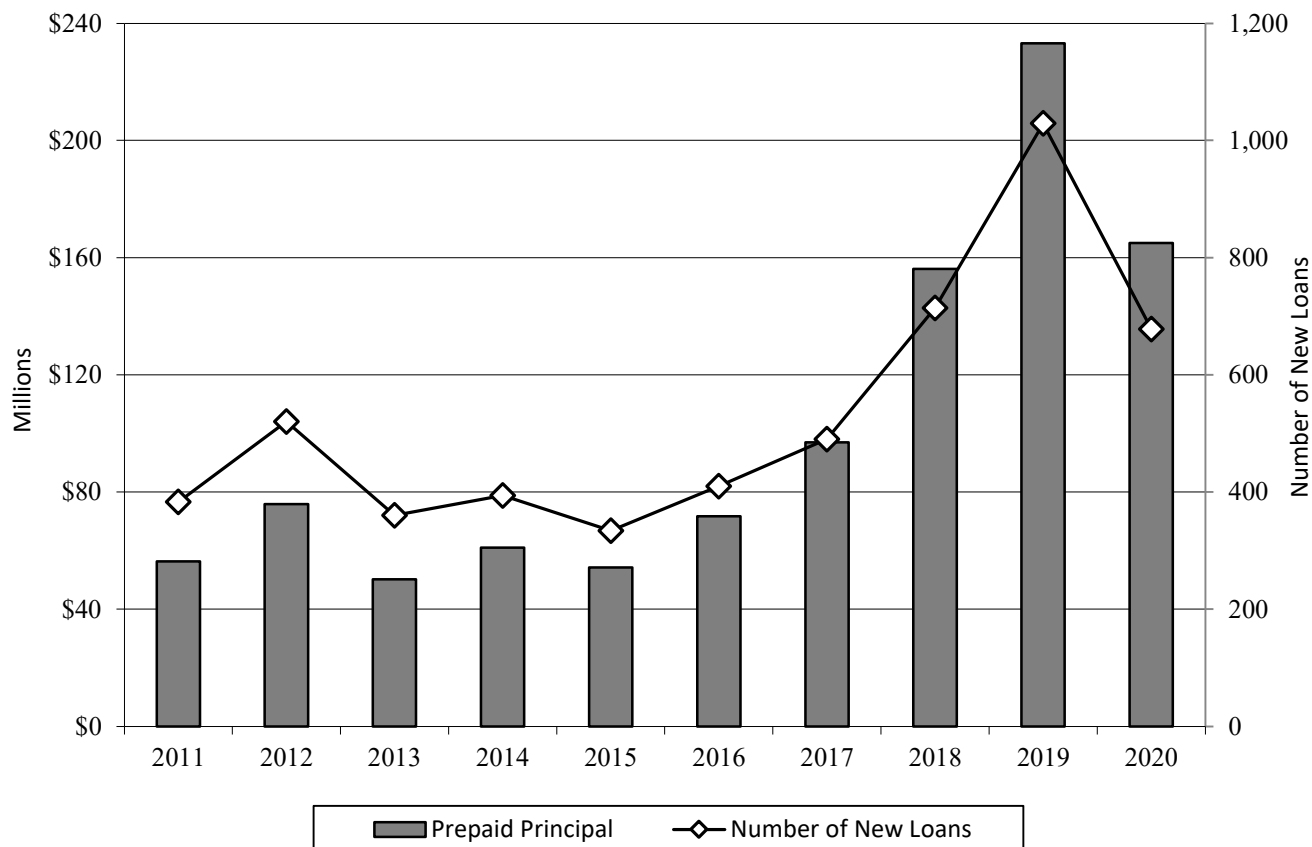
OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

New Mortgage Loans - Single-Family Mortgage Program

Enterprise Funds

Last Ten Fiscal Years

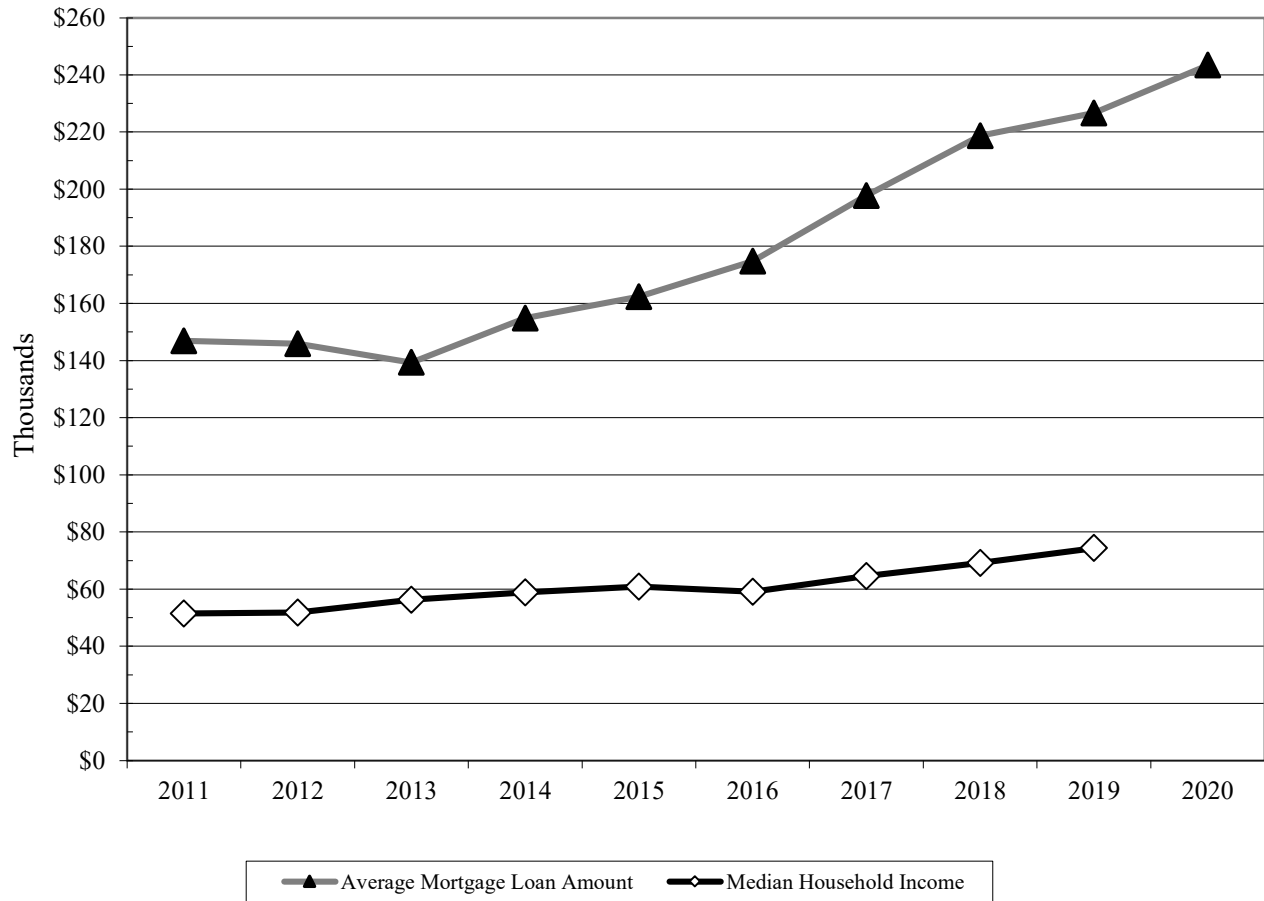
Unaudited



<u>Fiscal Year</u>	<u>Number of New Loans</u>	<u>Original Loan Amount</u>
2020	678	\$ 165,032,101
2019	1,029	233,203,348
2018	714	156,131,888
2017	490	96,914,554
2016	410	71,664,632
2015	334	54,219,431
2014	394	61,016,633
2013	360	50,176,880
2012	520	75,861,516
2011	383	56,271,932

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Average New Mortgage Loan Amount Versus Median Household Income -
Single Family Mortgage Program
Enterprise Funds
Last Ten Years

Unaudited

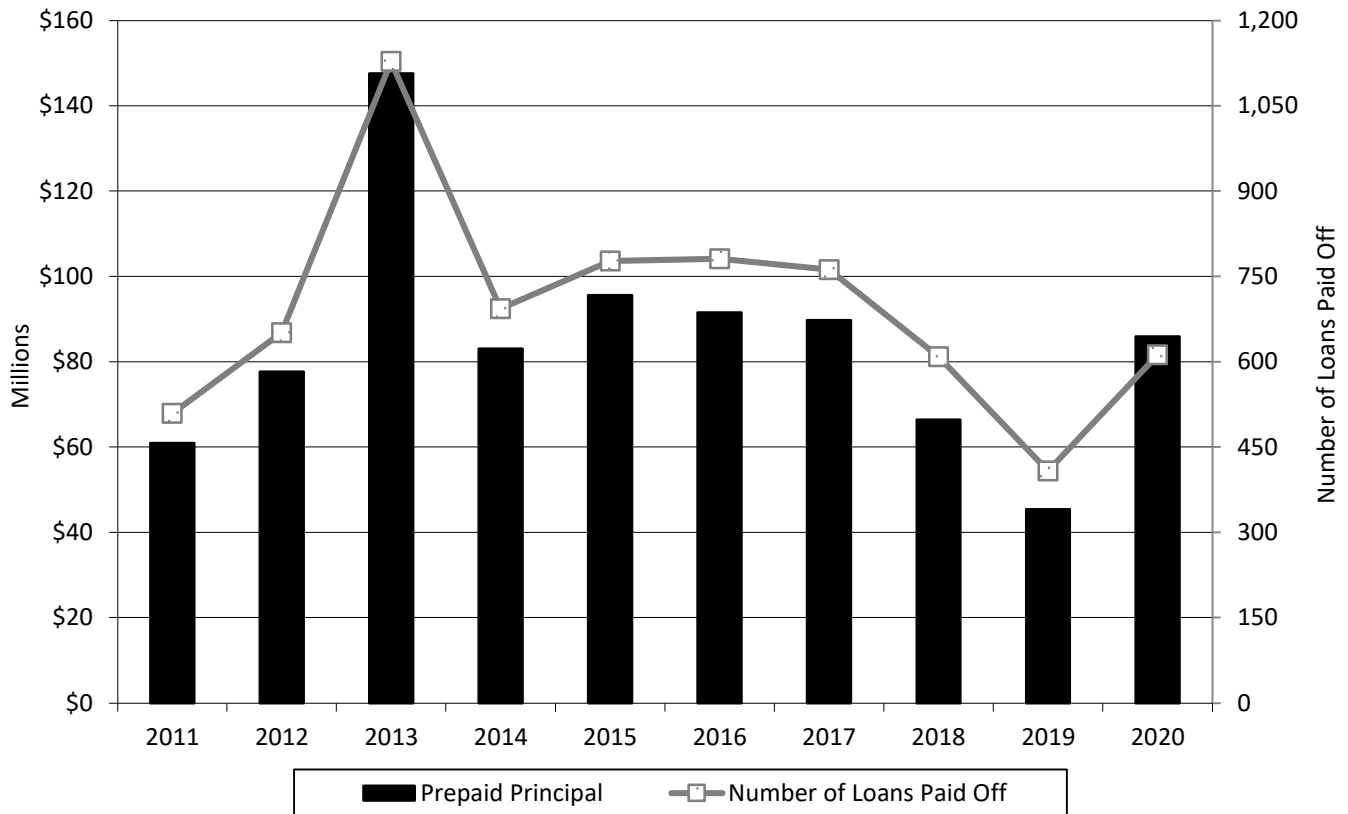


<u>Fiscal Year</u>	<u>Average Loan Amount</u>	<u>Calendar Year</u>	<u>Median Household Income in the State of Oregon</u> ⁽¹⁾
2020	\$ 243,410		
2019	226,631	2019	\$ 74,413
2018	218,672	2018	69,165
2017	197,785	2017	64,610
2016	174,792	2016	59,135
2015	162,334	2015	60,834
2014	154,865	2014	58,875
2013	139,380	2013	56,307
2012	145,888	2012	51,775
2011	146,924	2011	51,526

⁽¹⁾ Source: US Census Bureau - <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html> (Table H-8)

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Mortgage Loans Paid Off - Single-Family Mortgage Program
Enterprise Funds
Last Ten Fiscal Years

Unaudited



Fiscal Year	Number of Loans Paid Off	Prepaid Principal
2020	612	\$ 85,890,206
2019	408	45,414,416
2018	609	66,400,638
2017	762	89,704,744
2016	781	91,544,807
2015	777	95,583,596
2014	693	83,050,591
2013	1,128	147,566,970
2012	651	77,679,998
2011	509	60,939,133

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Number of Employees

Last Ten Fiscal Years

Unaudited

	Full-Time-Equivalent Employees as of June 30									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Director's Office	3.0	3.0	3.0	13.0	11.0	10.0	2.0	5.0	6.0	8.0
Deputy Director's Office	52.0									
Public Affairs Division	11.0	9.0	9.0	7.0	7.0	10.0	9.0	13.0	15.0	
Housing Stabilization Division	25.8	32.8	32.8	29.5	23.5	27.8				
Homeownership Division	24.0									
Affordable Rental Housing Division	60.0									
Housing Finance Division		79.0	71.0	65.5	51.5	53.5				
Chief Financial Office		19.0	19.0	22.0	21.0	20.0				
Chief Operations Office		21.0	18.0							
Business Operations Division							54.5	50.0	46.8	
Program Delivery Division							60.0	79.5	84.5	
Community Resources Division										33.0
Housing Division										31.0
Asset & Property Management Division										30.0
Financial Management Division										21.8
Information Services Division										15.0
Human Resources										3.0
Total	<u>175.8</u>	<u>163.8</u>	<u>152.8</u>	<u>137.0</u>	<u>114.0</u>	<u>121.3</u>	<u>125.5</u>	<u>147.5</u>	<u>152.3</u>	<u>141.8</u>

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Other Reports



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 Salazar Director, Oregon Housing and Community Services Department

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, 2020, 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 18, 2020.

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) as a basis for designing 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 18, 2020