

Annual Financial Report

Enterprise Funds of the State of Oregon

Housing and Community Services Department

For the Year Ended June 30, 2021

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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, 2021, 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.

Auditors Responsibility

Our responsibility is to express an opinion 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 opinion.

Opinion

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, 2021, 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, 2021, 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 opinion is 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 6-10 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 an opinion 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 2, 2021 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 2, 2021

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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) Annual Financial Report presents our discussion and analysis of financial performance for the Proprietary Funds during the fiscal year ended June 30, 2021. The selected financial data presented was derived primarily from the financial statements of OHCS, which have been audited by the Oregon Secretary of State Audits Division.

Financial Highlights

- Loans purchased or financed totaled \$95.3 million for the fiscal year, down \$72.2 million from fiscal year 2020.
- Outstanding bond debt of \$979.7 million on June 30, 2021 was \$127.9 million less than the amount outstanding on June 30, 2020. Debt issuance for the fiscal year totaled \$60.0 million (par value).
- Net position increased \$4.3 million, to \$250.1 million as of June 30, 2021. This represents an increase of 1.73%.
- Operating revenue was \$11.9 million lower and operating expenses were \$7.1 million lower in fiscal year 2021 than in fiscal year 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to OHCS's basic financial statements. The basic financial statements include proprietary fund financial statements and notes to the financial statements. OHCS'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 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, 2021 were \$1.27 billion, down \$128.1 million from June 30, 2020. The change in assets and deferred outflows of resources consists primarily of a \$28.4 million decrease in cash and cash equivalents, a \$31.3 million increase in investments, a \$126.8 million decrease in loans receivable, and a \$4.3 million decrease in accumulated decrease in fair value of hedging derivatives.

Total liabilities and deferred inflows of resources decreased by \$132.3 million to \$1.02 billion on June 30, 2021. This included a decrease of \$127.9 million in bonds payable, a decrease of \$2.0 million in accrued interest payable, a decrease of \$4.3 million in swap fair value liability, and an increase of \$1.2 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

	Business-Type Activities			
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
Assets				
Current and Other Assets	\$ 1,257,972,776	\$ 1,381,765,967	\$ (123,793,191)	-8.96%
Capital Assets	7,024	10,214	(3,190)	-31.23%
Total Assets	\$ 1,257,979,800	\$ 1,381,776,181	\$ (123,796,381)	-8.96%
Deferred Outflows of Resources	\$ 9,524,497	\$ 13,803,847	\$ (4,279,350)	-31.00%
Liabilities				
Long-Term Liabilities	\$ 936,702,090	\$ 1,043,132,969	\$ (106,430,879)	-10.20%
Other Liabilities	73,945,677	101,817,187	(27,871,510)	-27.37%
Total Liabilities	\$ 1,010,647,767	\$ 1,144,950,156	\$ (134,302,389)	-11.73%
Deferred Inflows of Resources	\$ 6,725,079	\$ 4,763,416	\$ 1,961,663	41.18%
Net Position				
Net Investment in Capital Assets	\$ 7,024	\$ 10,214	\$ (3,190)	-31.23%
Restricted for Residential Assistance	1,256,957	1,257,239	(282)	-0.02%
Restricted for Other Postemployment Benefits	20,903	72,037	(51,134)	-70.98%
Restricted by Trust Indentures	229,688,722	228,197,707	1,491,015	0.65%
Unrestricted	19,157,845	16,329,259	2,828,586	17.32%
Total Net Position	\$ 250,131,451	\$ 245,866,456	\$ 4,264,995	1.73%

Cash and Cash Equivalents

Total cash and cash equivalents decreased by \$28.4 million, or 16.9%, from June 30, 2020 to June 30, 2021.

Investments

Investments increased by \$31.3 million, or 14.0%, from June 30, 2020 to June 30, 2021.

Loans Receivable

Total mortgages and other loans receivable decreased by \$126.8 million in fiscal year 2021. This decrease included the following:

- Loans purchased or financed in fiscal year 2021 totaled \$95.3 million, \$72.2 million less than fiscal year 2020. Single-family mortgage loan purchases decreased by \$69.7 million and other loans made decreased by \$2.5 million.
- Scheduled mortgage and other loan repayments totaled \$31.5 million for fiscal year 2021.
- Prepayments on mortgage loans increased in fiscal year 2021 by \$97.0 million. Prepayments for the fiscal year totaled \$190.9 million. The large increase in prepayments is in line with refinancing trends all across the country. Mortgage loan refinancing has continued to break previous years records due to low interest rates, home value appreciation, and mortgage insurance relief. It is also notable that the COVID-19 pandemic may contribute to prepayments as well, due to homeowners' having more flexibility to work remotely.

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

borrowers of mortgage loans which are FHA insured, VA, HUD or RHS guaranteed (“USDA”), or purchased or securitized by Fannie Mae or Freddie Mac (collectively, “Federal Single Family Loans”) who are directly or indirectly experiencing economic difficulties as a result of the coronavirus can seek up to 360 days of payment forbearance. HUD, USDA and VA have extended their timeframes for homeowners with mortgages guaranteed or insured by HUD, USDA or VA to request an initial forbearance in response to COVID-19 until September 30, 2021. In addition to the foreclosure and eviction relief provided by the CARES Act, during the course of the pandemic, HUD/FHA, USDA, VA and the Federal Housing Finance Agency (“FHFA”) also ordered the servicers of Federal Single Family Loans to suspend foreclosures and evictions with respect to Federal Single Family Loans. The federal single family foreclosure moratoriums expire on July 31, 2021. HUD/FHA, USDA, VA and FHFA have extended their eviction moratoriums for single family residences until at least September 30, 2021. On June 28, 2021, the Consumer Financial Protection Bureau announced the issuance of a final rule (the “CFPB Final Rule”), which establishes a temporary COVID-19 emergency pre-foreclosure review period that generally prohibits servicers from making the first notice or filing required by applicable law for any judicial or non-judicial foreclosure process for principal residences until after December 31, 2021. The CFPB Final Rule takes effect on August 31, 2021. On June 29, 2021, FHFA announced that Fannie Mae and Freddie Mac servicers will not be permitted to make a first notice or filing for foreclosure that would be prohibited by the CFPB Final Rule before the CFPB Final Rule takes effect.

As of June 30, 2021, OHCS D has granted forbearance approvals for 347 mortgage loans, of which 43 continue to remit payments. OHCS D expects new forbearance requests (up to 6 months) and deferral requests based on the passage of Oregon House Bill 2009. The new forbearance and deferral requests are expected to have minimal (if any) financial impact.

Bonds Payable

Bonds Payable decreased by \$127.9 million from June 30, 2020 to June 30, 2021. OHCS D issued \$60.0 million (par value) in revenue bonds and bond redemptions totaled \$185.7 million (par value). The remainder of the change is from discount and premium transactions.

Net Position

Net position increased during fiscal year 2021 by 1.73%, or \$4.3 million. Of OHCS D’s \$250.1 million in net position, 92.3% is restricted to bond indentures or other financial commitments. The remaining 7.7% is unrestricted and available to pay for current agency operations. Each fiscal year, OHCS D applies the required bond indenture restrictions to assess the allowable amount that can be released for the purpose of paying for agency operations. Once these funds are officially transferred from the bond indentures, they are classified as unrestricted, but until that point in time, they are considered a pledge to the bondholders and are appropriately classified as restricted.

The results of operations for OHCS D's proprietary funds are presented below:

**Proprietary Funds
Statement of Operating Activity**

	Business-Type Activities			
	2021	2020	Change	% Change
Operating Revenues				
Interest on Loans	\$ 35,074,849	\$ 40,963,239	\$ (5,888,390)	-14.37%
Investment Income	339,398	11,696,263	(11,356,865)	-97.10%
Administrative Charges and Fees	7,650,839	5,162,478	2,488,361	48.20%
Low Income Housing Tax Credit Fees	5,256,621	3,080,015	2,176,606	70.67%
Gain on Sale of Foreclosed Property	-	78,721	(78,721)	-100.00%
Gain on Debt Extinguishment	2,694,649	1,939,403	755,246	38.94%
Miscellaneous Revenue	26,459	9,004	17,455	193.86%
Total Operating Revenues	51,042,815	62,929,123	(11,886,308)	-18.89%
Operating Expenses				
Personal Services	7,863,929	8,697,614	(833,685)	-9.59%
Services and Supplies	2,901,533	3,727,327	(825,794)	-22.16%
Mortgage Service Fees	2,958,124	3,200,538	(242,414)	-7.57%
Foreclosure Costs	143,493	13,605	129,888	954.71%
Interest Expense - Bonds	29,815,332	33,161,052	(3,345,720)	-10.09%
Interest Expense - Securities Lending	2,266	39,099	(36,833)	-94.20%
Other Related Program Expenses	2,870,685	4,850,144	(1,979,459)	-40.81%
Depreciation/Amortization	3,190	5,821	(2,631)	-45.20%
Total Operating Expenses	46,558,552	53,695,200	(7,136,648)	-13.29%
Operating Income (Loss)	4,484,263	9,233,923	(4,749,660)	-51.44%
Nonoperating Revenue/(Expenses)				
Federal Grant Subsidy	74,857	-	74,857	100.00%
Loss on Disposition of Capital Assets	-	(27,188)	27,188	-100.00%
Interest Expense - Pension-related Debt	(29,168)	(32,788)	3,620	-11.04%
Total Nonoperating Revenue/(Expenses)	45,689	(59,976)	105,665	176.18%
Income (Loss) Before Transfers	4,529,952	9,173,947	(4,643,995)	-50.62%
Transfer from Other State Agencies	-	88,521	(88,521)	-100.00%
Transfer to Other State Agencies	(264,957)	(252,022)	(12,935)	5.13%
Increase (Decrease) in Net Position	4,264,995	9,010,446	(4,745,451)	-52.67%
Net Position - Beginning	245,866,456	236,856,010	9,010,446	3.80%
Net Position - Ending	\$ 250,131,451	\$ 245,866,456	\$ 4,264,995	1.73%

OHCS D's proprietary fund revenue is generated principally from interest earned on mortgages and investments. In fiscal year 2021, revenue generated through proprietary funds totaled \$51.0 million, of which \$35.4 million, or 69.4%, is from income earned on loans and investments.

Expenses of OHCS D's proprietary funds consist largely of interest expense on debt incurred to fund lending programs. The total expenses for proprietary fund activities totaled \$46.6 million, of which \$29.8 million, or 64.0%, is bond interest expense.

Due to the large number of loan prepayments this fiscal year, the loans receivable balance declined, leading to a decrease in loan interest income. The loan prepayments were used to call bonds. Since the balance of bonds payable decreased, bond interest expense went down this fiscal year.

The change in net position for the year ended June 30, 2021 resulted in an increase of \$4.3 million compared to a \$9.0 million increase for the year ended June 30, 2020. Factors contributing to this change include:

- Interest on Loans for fiscal year 2021 was \$5.9 million lower than in fiscal year 2020.
- Investment Income for fiscal year 2021 was \$11.4 million lower than in fiscal year 2020. \$9.1 million of the decrease in investment income was from change in investment fair value. The change in investment fair value was \$6.0 million in fiscal year 2020. In fiscal year 2021, the change in investment fair value was negative \$3.1 million.
- Administrative Charges and Fees for fiscal year 2021 was \$2.5 million higher than in fiscal year 2020.
- Interest expense on bonds was \$3.3 million lower than in fiscal year 2020.
- Other Related Program Expenses was \$2.0 million lower than in fiscal year 2020.

Debt Administration

Oregon Revised Statutes authorize OHCS D to issue up to \$2.5 billion in revenue bonds to finance the construction, purchase and rehabilitation of housing for low and moderate income persons and families. OHCS D also has constitutional authority to issue general obligation bonds to finance housing for elderly and disabled persons. As of June 30, 2021, OHCS D was authorized to issue up to \$3,783,733,523 in State of Oregon General Obligation bonds for this purpose.

As of June 30, 2021, OHCS D had a total of \$960,640,000 (par value) in outstanding bond debt. During fiscal year 2021, \$60,000,000 (par value) in revenue bonds were issued for the Single-Family Mortgage Program compared to \$171,405,000 in fiscal year 2020. No Multifamily Housing Revenue Bonds or Elderly and Disabled Housing Bonds were issued in fiscal year 2021 or fiscal year 2020.

In addition, OHCS D issued \$433,618,872 (par value) of Housing Development Revenue Bonds. These bonds were issued as conduit debt obligations as described in the Notes to the Financial Statements (Note 10) and are not included in the outstanding bonds payable balance on the Statement of Net Position.

The proceeds from revenue bonds issued for the Single-Family Mortgage Program are used to 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).

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OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Statement of Net Position

Proprietary Funds

June 30, 2021

	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	\$ 1,422,054	\$ 18,330,946	\$ 19,753,000
Cash and Cash Equivalents - Restricted	2,400,386	36,251,131	38,651,517
Investments - Restricted	-	47,237,872	47,237,872
Securities Lending Cash Collateral	172,690	128,841	301,531
Accounts Receivable	9	361,974	361,983
Accrued Interest Receivable	309,172	3,571,684	3,880,856
Interfund Receivable	-	22,099	22,099
Due from Governmental Funds	18,295	113,147	131,442
Prepaid Expenses	-	115	115
Loans Receivable	3,392,015	25,796,136	29,188,151
Acquired Property	-	122,985	122,985
Total Current Assets	7,714,621	131,936,930	139,651,551
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	52,657,490	29,072,641	81,730,131
Investments - Restricted	1,657,498	205,672,799	207,330,297
Loans Receivable	43,577,640	782,974,933	826,552,573
Swap Fair Value Asset	-	2,687,321	2,687,321
Net Other Postemployment Benefits Asset (RHIA)	3,700	17,203	20,903
Capital Assets (Net)	897	6,127	7,024
Total Noncurrent Assets	97,897,225	1,020,431,024	1,118,328,249
Total Assets	105,611,846	1,152,367,954	1,257,979,800
Deferred Outflows of Resources			
Accumulated Decrease in Fair Value of Hedging Derivatives	-	6,386,956	6,386,956
Loss on Debt Refundings	225	674,719	674,944
Related to Pensions	388,374	2,041,860	2,430,234
Related to Other Postemployment Benefits	5,226	27,137	32,363
Total Deferred Outflows of Resources	393,825	9,130,672	9,524,497
Total Assets and Deferred Outflows of Resources	\$ 106,005,671	\$ 1,161,498,626	\$ 1,267,504,297

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	\$ 44,095	\$ 1,095,789	\$ 1,139,884
Accrued Interest Payable	455,371	14,120,486	14,575,857
Obligations Under Securities Lending	172,690	128,841	301,531
Interfund Payable	22,099	-	22,099
Due to Governmental Funds	18,388	5,982	24,370
Due to Other Governments	-	5,776	5,776
Unearned Revenue	305	643,562	643,867
Compensated Absences Payable	30,247	155,878	186,125
Bonds Payable	1,335,000	55,665,000	57,000,000
Pension-related Debt Payable	10,074	36,094	46,168
Total Current Liabilities	2,088,269	71,857,408	73,945,677
Noncurrent Liabilities			
Compensated Absences Payable	16,287	83,935	100,222
Bonds Payable	21,646,157	901,040,088	922,686,245
Swap Fair Value Liability	-	6,386,956	6,386,956
Pension-related Debt Payable	70,930	254,140	325,070
Net Pension Liability	1,191,621	5,839,105	7,030,726
Net Other Postemployment Benefits Liability (RHIPA)	1,964	9,626	11,590
Total Other Postemployment Benefits Liability (PEBB)	27,837	133,444	161,281
Total Noncurrent Liabilities	22,954,796	913,747,294	936,702,090
Total Liabilities	25,043,065	985,604,702	1,010,647,767
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	-	2,687,321	2,687,321
Gain on Debt Refundings	-	40,482	40,482
Deferred Loan Origination Fees	341,585	3,459,995	3,801,580
Related to Pensions	27,073	132,660	159,733
Related to Other Postemployment Benefits	6,185	29,778	35,963
Total Deferred Inflows of Resources	374,843	6,350,236	6,725,079
Net Position			
Net Investment in Capital Assets	897	6,127	7,024
Restricted for Residential Assistance	-	1,256,957	1,256,957
Restricted for Other Postemployment Benefits	3,700	17,203	20,903
Restricted by Trust Indentures	76,697,159	152,991,563	229,688,722
Unrestricted	3,886,007	15,271,838	19,157,845
Total Net Position	80,587,763	169,543,688	250,131,451
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 106,005,671	\$ 1,161,498,626	\$ 1,267,504,297

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Operating Revenues			
Interest on Loans	\$ 2,312,218	\$ 32,762,631	\$ 35,074,849
Investment Income	331,274	8,124	339,398
Administrative Charges and Fees	108,361	7,542,478	7,650,839
Low Income Housing Tax Credit Fees	-	5,256,621	5,256,621
Gain (Loss) on Debt Extinguishment	-	2,694,649	2,694,649
Miscellaneous Revenue	-	26,459	26,459
Total Operating Revenues	2,751,853	48,290,962	51,042,815
Operating Expenses			
Personal Services	865,080	6,998,849	7,863,929
Services and Supplies	243,243	2,658,290	2,901,533
Mortgage Service Fees	20,494	2,937,630	2,958,124
Foreclosure Costs	-	143,493	143,493
Interest Expense - Bonds	1,262,279	28,553,053	29,815,332
Interest Expense - Securities Lending	943	1,323	2,266
Other Related Program Expenses	13,161	2,857,524	2,870,685
Depreciation/Amortization	149	3,041	3,190
Total Operating Expenses	2,405,349	44,153,203	46,558,552
Operating Income	346,504	4,137,759	4,484,263
Nonoperating Revenues (Expenses)			
Federal Grant Subsidy	13,345	61,512	74,857
Interest Expense - Pension-related Debt	(6,364)	(22,804)	(29,168)
Total Nonoperating Revenues (Expenses)	6,981	38,708	45,689
Income Before Transfers	353,485	4,176,467	4,529,952
Transfers to Other State Agencies	(37,722)	(227,235)	(264,957)
Increase in Net Position	315,763	3,949,232	4,264,995
Net Position - Beginning	80,272,000	165,594,456	245,866,456
Net Position - Ending	\$ 80,587,763	\$ 169,543,688	\$ 250,131,451

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, 2021

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Cash Flows from Operating Activities			
Received from Customers	\$ 111,736	\$ 13,063,692	\$ 13,175,428
Program Loan Principal Repayments	9,046,545	213,895,118	222,941,663
Program Loan Interest Received	2,231,559	32,027,238	34,258,797
Program Loans Made	-	(95,332,814)	(95,332,814)
Payments to Employees for Services	(1,060,156)	(6,306,613)	(7,366,769)
Payments to Suppliers for Goods and Services	(296,530)	(5,387,773)	(5,684,303)
Other Receipts (Payments)	(13,160)	(2,044,060)	(2,057,220)
Net Cash Provided (Used) in Operating Activities	10,019,994	149,914,788	159,934,782
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	-	61,927,675	61,927,675
Principal Payments - Bonds	(5,880,000)	(179,860,000)	(185,740,000)
Interest Payments - Bonds	(1,391,182)	(31,291,202)	(32,682,384)
Bond Issuance Costs	-	(803,477)	(803,477)
Bond Call Costs	-	(596)	(596)
Principal Payments - Pension-related Debt	(10,928)	(39,152)	(50,080)
Interest Payments - Pension-related Debt	(6,364)	(22,804)	(29,168)
Federal Grant Subsidy	13,345	61,512	74,857
Transfers from Other State Agencies	15,175	73,346	88,521
Transfers to Other State Agencies	(38,764)	(231,695)	(270,459)
Net Cash Provided (Used) in Noncapital Financing Activities	(7,298,718)	(150,186,393)	(157,485,111)
Cash Flows from Investing Activities			
Purchase of Investments	-	(380,551,164)	(380,551,164)
Proceeds from Sales and Maturities of Investments	123,916	345,988,538	346,112,454
Interest on Cash and Investments	500,560	3,040,754	3,541,314
Investment Income on Securities Lending	943	1,323	2,266
Interest Paid on Securities Lending	(943)	(1,323)	(2,266)
Net Cash Provided (Used) in Investing Activities	624,476	(31,521,872)	(30,897,396)
Net Increase (Decrease) in Cash and Cash Equivalents	3,345,752	(31,793,477)	(28,447,725)
Cash and Cash Equivalents Balance - Beginning	53,134,178	115,448,195	168,582,373
Cash and Cash Equivalents Balance - Ending	\$ 56,479,930	\$ 83,654,718	\$140,134,648
Cash and Cash Equivalents	\$ 1,422,054	\$ 18,330,946	\$ 19,753,000
Cash and Cash Equivalents - Restricted (Current)	2,400,386	36,251,131	38,651,517
Cash and Cash Equivalents - Restricted (Noncurrent)	52,657,490	29,072,641	81,730,131
Total Cash and Cash Equivalents	\$ 56,479,930	\$ 83,654,718	\$140,134,648

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

Continued on the next page

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	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	\$ 346,504	\$ 4,137,759	\$ 4,484,263
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	149	3,041	3,190
Investment Income Reported as Operating Revenue	(331,274)	(8,124)	(339,398)
Interest Expense Reported as Operating Expense	1,263,222	28,554,376	29,817,598
Bond Issuance Costs Reported as Operating Expense	-	742,568	742,568
(Gain) Loss on Debt Extinguishment	-	(2,694,649)	(2,694,649)
(Increase)/Decrease in Assets:			
Loan Interest Receivable	(6,221)	533,413	527,192
Accounts Receivable	3,372	(98,900)	(95,528)
Interfund Receivable	-	(9,237)	(9,237)
Due from Governmental Funds	(18,293)	278,640	260,347
Prepaid Expenses	-	(115)	(115)
Loans Receivable	9,046,545	117,756,787	126,803,332
Acquired Property	-	694,499	694,499
Net Other Postemployment Benefits Asset	13,191	37,943	51,134
(Increase)/Decrease in Deferred Outflows of Resources:			
Related to Pensions	20,651	(499,317)	(478,666)
Related to Other Postemployment Benefits	(1,750)	(12,151)	(13,901)
Increase/(Decrease) in Liabilities:			
Accounts Payable	(22,999)	(118,098)	(141,097)
Interfund Payable	9,237	-	9,237
Due to Governmental Funds	(15,854)	(13,902)	(29,756)
Due to Other Governments	-	5,776	5,776
Unearned Revenue	305	(110,907)	(110,602)
Compensated Absences Payable	(4,886)	6,248	1,362
Net Pension Liability	(152,360)	1,378,301	1,225,941
Net Other Postemployment Benefits Liability	(6,128)	(14,287)	(20,415)
Total Other Postemployment Benefits Liability	(8,225)	16,072	7,847
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	(74,743)	(569,611)	(644,354)
Related to Pensions	(37,000)	(80,004)	(117,004)
Related to Other Postemployment Benefits	(3,449)	(1,333)	(4,782)
Net Cash Provided (Used) in Operating Activities	\$ 10,019,994	\$ 149,914,788	\$ 159,934,782
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	\$ (168,300)	\$ (2,925,407)	\$ (3,093,707)
Loan Modifications	-	228,018	228,018
Total Noncash Investing, Capital, and Financing Activities	\$ (168,300)	\$ (2,697,389)	\$ (2,865,689)

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Notes to the Financial Statements
Enterprise Funds
June 30, 2021

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, deferred outflows, liabilities, deferred inflows, 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. OHCS 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 and Gain on Debt Refundings is shown as a Deferred Inflow 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 and 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, 2021 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, 2021, the book balance of cash and cash equivalents was \$140,134,648 and the bank balance was \$140,160,990. Monies held in demand accounts with the State Treasurer and amounts invested in the Oregon Short-Term Fund totaled \$98,618,917. 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, 2021 bank balance includes \$41,167,896 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 \$374,177 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 \$102,275,037 in U.S. Treasury securities, \$150,635,634 in U.S. Agency securities, and \$41,167,196 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 \$1,065,439 in U.S. Treasury Securities and \$592,059 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, 2021

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, 2021, 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		\$ 103,340,476	\$ 102,203,846	\$ 71,190	\$ -	\$ 1,065,440
U.S. Agency Securities	Aaa	AA+	46,236,859	488,537	9,854,803	15,828,682	20,064,837
U.S. Agency Securities	Not Rated	Not Rated	104,990,834	104,990,834	-	-	-
Subtotal			254,568,169	\$ 207,683,217	\$ 9,925,993	\$ 15,828,682	\$ 21,130,277
Money Market Mutual Funds **	Aaa-mf	AAAm	41,167,196				
Total			<u>\$ 295,735,365</u>				

** 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, 2021, 45.56% of OHCS D's total investments are Federal Home Loan Bank securities, 40.59% are U.S. Treasury securities, and 5.33% 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, 2021, amounts allocated to OHCS D's Enterprise Funds are as follows:

	<u>Fair Value</u>
Securities on loan	\$ 1,351,416
Securities lending cash and noncash collateral	\$ 1,379,008
Investments purchased with cash collateral	\$ 301,544

Securities on loan from the OSTF included U.S. Treasury securities (63.17%), U.S. Agency securities (17.62%), and domestic fixed income securities (19.20%). 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, 2021

NOTE 3. Loans Receivable

Loans receivable on June 30, 2021 consisted of:

	Loans Receivable
Elderly and Disabled Housing Fund	\$ 46,969,655
Housing Finance Fund:	
Single-Family Mortgage Program	
Mortgage Revenue Bonds	747,433,887
Housing Revenue Bonds	24,751,603
Multifamily Housing Revenue Bonds	34,120,633
Housing Finance Account	2,464,946
Total Housing Finance Fund	808,771,069
Total	\$ 855,740,724

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, 2021, 57.82% is federally insured or guaranteed, 0.47% is covered by pool insurance and/or private mortgage insurance and 41.71% 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 on June 30, 2021 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
Software	26,370	-	-	26,370	151,416	-	-	151,416
Total Capital Assets	27,864	-	-	27,864	155,321	-	-	155,321
Less Accumulated Depreciation/Amortization:								
Equipment	(448)	(149)	-	(597)	(1,173)	(390)	-	(1,563)
Software	(26,370)	-	-	(26,370)	(144,980)	(2,651)	-	(147,631)
Total Accumulated Depr/Amort	(26,818)	(149)	-	(26,967)	(146,153)	(3,041)	-	(149,194)
Capital Assets, Net	\$ 1,046	\$ (149)	\$ -	\$ 897	\$ 9,168	\$ (3,041)	\$ -	\$ 6,127

Notes to the Financial Statements (Continued)
June 30, 2021

NOTE 5. Interfund Balances

The following schedule summarizes interfund receivables and payables for the year ended June 30, 2021:

	Interfund Receivable	Interfund Payable
Elderly and Disabled Housing Fund	\$ -	\$ 22,099
Housing Finance Fund	22,099	-
Total	<u>\$ 22,099</u>	<u>\$ 22,099</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	\$ 1,046,425,000	\$ 60,000,000	\$ 172,770,000	\$ 933,655,000	\$ 55,540,000
Bond Principal (Direct Placements)	39,955,000	-	12,970,000	26,985,000	1,460,000
Bond Discount	(21,345)	-	(1,798)	(19,547)	-
Bond Premium	21,210,570	1,927,675	4,072,453	19,065,792	-
Bonds Payable	<u>1,107,569,225</u>	<u>61,927,675</u>	<u>189,810,655</u>	<u>979,686,245</u>	
Compensated Absences Payable	284,985	332,542	331,180	286,347	186,125
Swap Fair Value Liability	10,726,213	-	4,339,257	6,386,956	-
Pension-related Debt Payable	421,318	-	50,080	371,238	46,168
Net Pension Liability	5,804,785	2,325,304	1,099,363	7,030,726	-
Net OPEB Liability	32,005	10,549	30,964	11,590	-
Total OPEB Liability	<u>153,434</u>	<u>17,971</u>	<u>10,124</u>	<u>161,281</u>	<u>-</u>
Total Long Term Liabilities	<u>\$ 1,124,991,965</u>	<u>\$ 64,614,041</u>	<u>\$ 195,671,623</u>	<u>\$ 993,934,383</u>	<u>\$ 57,232,293</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, 2021 for each fiscal year during the next five year period ending June 30, 2026, and in five year increments thereafter.

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 46,168	\$ 25,656	\$ 71,824
2023	49,552	22,272	71,824
2024	53,184	18,640	71,824
2025	57,082	14,742	71,824
2026	61,266	10,558	71,824
2027-2028	103,986	7,315	111,301
Total	<u>\$ 371,238</u>	<u>\$ 99,183</u>	<u>\$ 470,421</u>

Notes to the Financial Statements (Continued)
June 30, 2021

NOTE 8. Long-Term Debt

The following table summarizes outstanding bonds by program and series as of June 30, 2021:

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	\$ -	\$ 185,000	\$ 1,295,000	\$ 225,000
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	4,785,000	-	3,540,000	1,245,000	155,000
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	945,000	-	355,000	590,000	385,000
2002 B	2003-2024	1.400	4.700%	37,905,000	150,000	-	140,000	10,000	-
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	19,255,000	-	540,000	18,715,000	570,000
Subtotal					27,740,000	-	4,760,000	22,980,000	1,335,000
Direct Placements									
2003 C	2013-2034	4.350	5.100%	2,930,000	1,125,000	-	1,120,000	5,000	-
Subtotal					1,125,000	-	1,120,000	5,000	-
<i>Total General Obligation Bonds</i>					\$ 28,865,000	\$ -	\$ 5,880,000	\$ 22,985,000	\$ 1,335,000

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	\$ 610,000	\$ -	\$ 610,000	\$ -	\$ -
2010 B	2011-2030	1.000	5.000%	52,540,000	2,400,000	-	2,400,000	-	-
2010 C	2042	4.750	4.750%	8,000,000	285,000	-	285,000	-	-
2013 A	2020-2043	2.200	4.050%	21,885,000	15,455,000	-	2,550,000	12,905,000	1,735,000
2013 B	2014-2034	0.450	5.000%	29,095,000	4,050,000	-	1,570,000	2,480,000	-
2013 C	2014-2033	0.350	3.564%	61,300,000	13,095,000	-	4,775,000	8,320,000	2,100,000
2013 D	2018-2043	1.650	4.200%	33,225,000	14,885,000	-	4,380,000	10,505,000	1,280,000
2013 F	2033	3.900	3.900%	8,335,000	6,090,000	-	920,000	5,170,000	-
2014 A	2019-2044	1.550	4.000%	57,710,000	37,750,000	-	9,415,000	28,335,000	2,295,000
2014 B	2015-2044	0.300	4.000%	29,960,000	4,990,000	-	1,345,000	3,645,000	195,000
2014 C	2015-2044	0.200	3.750%	30,900,000	19,795,000	-	5,010,000	14,785,000	905,000
2015 A	2019-2036	1.500	3.500%	79,195,000	44,815,000	-	18,205,000	26,610,000	2,880,000
2015 C	2045	****		33,600,000	33,600,000	-	-	33,600,000	-
2016 A	2017-2047	0.550	4.000%	56,275,000	32,630,000	-	11,740,000	20,890,000	2,120,000
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	56,675,000	-	19,980,000	36,695,000	3,405,000
2017 C	2039	****		44,000,000	44,000,000	-	-	44,000,000	-
2017 D	2022-2048	1.400	3.500%	87,390,000	80,475,000	-	13,140,000	67,335,000	1,035,000
2017 E	2018-2040	0.950	3.500%	22,775,000	15,135,000	-	4,875,000	10,260,000	2,980,000
2017 F	2042-2048	3.650	3.750%	11,440,000	10,310,000	-	1,635,000	8,675,000	470,000
2017 G	2018-2040	1.400	4.000%	43,730,000	31,530,000	-	7,000,000	24,530,000	2,440,000
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	60,205,000	-	9,355,000	50,850,000	6,045,000

Notes to the Financial Statements (Continued)
June 30, 2021

Original Issue				Bonds Outstanding				Due Within One Year	
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases		Ending Balance
2018 B	2035-2043	2.900	2.900%	30,000,000	30,000,000	-	4,435,000	25,565,000	1,325,000
2018 C	2020-2049	1.600	4.500%	87,420,000	85,890,000	-	17,345,000	68,545,000	9,635,000
2018 D	2020-2050	1.900	4.750%	82,885,000	81,460,000	-	9,370,000	72,090,000	4,675,000
2018 E	2043	****		41,000,000	41,000,000	-	-	41,000,000	-
2019 A	2020-2050	1.050	4.000%	99,000,000	98,985,000	-	2,505,000	96,480,000	3,280,000
2020 A	2021-2051	0.300	3.500%	47,905,000	47,905,000	-	3,205,000	44,700,000	2,020,000
2020 B	2037	****		24,500,000	24,500,000	-	-	24,500,000	-
2020 C	2021-2052	0.200	3.000%	60,000,000	-	60,000,000	-	60,000,000	850,000
Total Mortgage Revenue Bonds					\$ 982,765,000	\$ 60,000,000	\$ 156,050,000	\$ 886,715,000	\$ 51,670,000

**** 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 0.05% for 2015 C and 2017 C; 0.03% for 2016 B; 0.06% for 2016 C; and 0.04% for 2018 E and 2020 B.

Housing Revenue Bonds

Original Issue					Bonds Outstanding				
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2010 A	2011-2027	0.400	5.250%	\$ 12,000,000	\$ 1,910,000	\$ -	\$ 1,910,000	\$ -	\$ -
2011 A	2012-2028	0.500	5.250%	24,000,000	4,950,000	-	4,950,000	-	-
2011 B	2012-2028	0.500	5.250%	18,000,000	4,000,000	-	1,510,000	2,490,000	145,000
2012 A	2013-2042	0.350	5.000%	9,460,000	2,315,000	-	835,000	1,480,000	495,000
2012 B	2013-2042	0.300	5.000%	6,540,000	945,000	-	555,000	390,000	385,000
Subtotal					14,120,000	-	9,760,000	4,360,000	1,025,000
Direct Placements									
2009 A-3	2041	0.760	2.920%	27,000,000	9,710,000	-	2,790,000	6,920,000	440,000
2009 A-4	2041	0.800	3.090%	20,540,000	9,800,000	-	2,070,000	7,730,000	210,000
2009 A-5	2041	0.760	2.790%	18,460,000	8,040,000	-	2,350,000	5,690,000	180,000
Subtotal					27,550,000	-	7,210,000	20,340,000	830,000
Total Housing Revenue Bonds					\$ 41,670,000	\$ -	\$ 16,970,000	\$ 24,700,000	\$ 1,855,000

Notes to the Financial Statements (Continued)
June 30, 2021

Multifamily Housing Revenue Bonds

Original Issue					Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2005 A	2007-2047	3.050	5.000%	\$ 9,855,000	\$ 3,440,000	\$ -	\$ 95,000	\$ 3,345,000	\$ 70,000
2010 A	2011-2042	0.900	5.150%	77,705,000	6,950,000	-	1,845,000	5,105,000	1,175,000
2010 B	2013-2052	0.950	4.875%	16,425,000	8,605,000	-	130,000	8,475,000	135,000
2012 A	2013-2032	0.300	3.250%	1,425,000	990,000	-	70,000	920,000	70,000
2012 B	2013-2043	0.550	4.125%	35,335,000	1,815,000	-	60,000	1,755,000	60,000
Subtotal					21,800,000	-	2,200,000	19,600,000	1,510,000
Direct Placements									
2003 A	2013-2044	4.400	5.150%	5,675,000	4,345,000	-	4,345,000	-	-
2004 A	2014-2045	4.300	5.100%	5,120,000	3,935,000	-	75,000	3,860,000	80,000
2006 A	2036	4.620	4.620%	5,680,000	3,000,000	-	220,000	2,780,000	550,000
Subtotal					11,280,000	-	4,640,000	6,640,000	630,000
<i>Total Multifamily Housing Revenue Bonds</i>					\$ 33,080,000	\$ -	\$ 6,840,000	\$ 26,240,000	\$ 2,140,000
<i>Total Revenue Bonds</i>					\$ 1,057,515,000	\$ 60,000,000	\$ 179,860,000	\$ 937,655,000	\$ 55,665,000
<i>Total General Obligation and Revenue Bonds</i>					\$ 1,086,380,000	\$ 60,000,000	\$ 185,740,000	\$ 960,640,000	\$ 57,000,000

Bonds Payable:

Bonds payable are presented on the Statement of Net Position at their carrying value. The carrying value is the outstanding bond principal plus unamortized bond premium less unamortized bond discount. Bonds payable balances on June 30, 2021 are summarized below:

	Principal	Principal (Direct Placements)	Premium	Discount	Bonds Payable
General Obligation Bonds:					
Elderly and Disabled Housing Fund	\$ 22,980,000	\$ 5,000	\$ -	\$ (3,843)	\$ 22,981,157
Revenue Bonds (Housing Finance Fund):					
Mortgage Revenue Bonds	886,715,000	-	18,896,919	-	905,611,919
Housing Revenue Bonds	4,360,000	20,340,000	168,873	-	24,868,873
Multifamily Housing Revenue Bonds	19,600,000	6,640,000	-	(15,704)	26,224,296
Total Revenue Bonds	910,675,000	26,980,000	19,065,792	(15,704)	956,705,088
Total General Obligation and Revenue Bonds	\$ 933,655,000	\$ 26,985,000	\$ 19,065,792	\$ (19,547)	\$ 979,686,245

Notes to the Financial Statements (Continued)
June 30, 2021

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, 2021 for each fiscal year during the next five year period ending June 30, 2026, and in five year increments thereafter.

Fiscal	Bonds					
Year Ending	Direct Placements					
June 30	Principal	Interest	Principal	Interest	Total	
General Obligation Bonds						
2022	\$ 1,335,000	\$ 1,065,131	\$ -	\$ 255	\$ 2,400,386	
2023	1,485,000	999,951	-	255	2,485,206	
2024	1,045,000	938,988	-	255	1,984,243	
2025	1,105,000	886,006	-	255	1,991,261	
2026	1,155,000	830,314	-	255	1,985,569	
2027-2031	4,820,000	3,410,022	-	1,275	8,231,297	
2032-2036	5,525,000	2,277,353	5,000	893	7,808,246	
2037-2041	5,030,000	877,680	-	-	5,907,680	
2042-2046	1,070,000	228,826	-	-	1,298,826	
2047-2048	410,000	24,581	-	-	434,581	
Subtotal	\$ 22,980,000	\$ 11,538,852	\$ 5,000	\$ 3,443	\$ 34,527,295	
Revenue Bonds						
2022	\$ 54,205,000	\$ 23,570,526	\$ 1,460,000	\$ 899,547	\$ 80,135,073	
2023	29,395,000	22,384,699	530,000	864,460	53,174,159	
2024	28,955,000	21,750,408	740,000	844,792	52,290,200	
2025	30,510,000	21,110,120	955,000	815,376	53,390,496	
2026	30,695,000	20,467,508	960,000	781,951	52,904,459	
2027-2031	160,905,000	91,599,427	6,445,000	3,303,236	262,252,663	
2032-2036	168,125,000	71,393,363	7,125,000	2,169,671	248,813,034	
2037-2041	166,185,000	52,249,551	7,075,000	1,004,403	226,513,954	
2042-2046	149,475,000	32,325,134	1,690,000	153,351	183,643,485	
2047-2051	90,615,000	8,060,394	-	-	98,675,394	
2052-2052	1,610,000	49,959	-	-	1,659,959	
Subtotal	\$ 910,675,000	\$ 364,961,089	\$ 26,980,000	\$ 10,836,787	\$ 1,313,452,876	
Total	\$ 933,655,000	\$ 376,499,941	\$ 26,985,000	\$ 10,840,230	\$ 1,347,980,171	

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.

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

Notes to the Financial Statements (Continued)
June 30, 2021

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, 2021, various statutory or constitutional provisions limited the amount of bonds outstanding to \$2,500,000,000 in revenue bonds and \$3,783,733,523 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 on June 30, 2021.

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%	Bank of America Securites, Inc.	0.07%
MRB 2016 C	15,000,000	State Street Bank and Trust Company	09/19/2024	0.3300%	Bank of America 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%	Bank of America Securites, Inc.	0.07%
MRB 2020 B	24,500,000	Sumitomo Mitsui Banking Corporation	06/11/2023	0.6400%	Bank of America Securites, Inc.	0.07%

* Mortgage Revenue Bonds

Notes to the Financial Statements (Continued)
June 30, 2021

NOTE 9. Interest Rate Swaps

OHCS D has entered into pay-fixed, receive-variable interest rate swaps to hedge against changes in variable rate interest and to lower borrowing costs compared to fixed-rate bonds. OHCS D had six 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, 2021 totaled \$(3,699,635) and the notional amount totaled \$171,240,000. The fair value of the swaps with negative fair values are shown on the Statement of Net Position as Swap Fair Value Liability and Accumulated Decrease in Fair Value of Hedging Derivatives. The fair value of the swaps with positive fair values are shown on the Statement of Net Position as Swap Fair Value Asset and Accumulated Increase in Fair Value of Hedging Derivatives. During the fiscal year the fair value of hedging derivatives increased by \$7,026,578.

The following table lists the terms, fair values, counterparty, and credit ratings of the outstanding swaps as of June 30, 2021.

Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap 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%	\$ (2,343,773)	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%	(279,286)	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%	(337,500)	7/1/2037	Royal Bank of Canada	Aa2 / AA- / AA
MRB 2017 C	44,000,000	7/1/2019	2.407%	70.0% of 1-mo. LIBOR +.05%	(3,426,397)	7/1/2039	Bank of America, N.A.	Aa2 / A+ / AA
MRB 2018 E	41,000,000	5/4/2019	1.120%	@@	1,845,468	7/1/2043	Bank of America, N.A.	Aa2 / A+ / AA
MRB 2020 B	24,500,000	7/13/2020	0.899%	@@@	841,853	7/1/2037	Royal Bank of Canada	Aa2 / AA- / AA
	<u>\$ 171,240,000</u>				<u>\$ (3,699,635)</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.

@@@ USD SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index from the Effective Date weekly to, but excluding, July 1, 2026 and 70% of LIBOR thereafter.

The MRB swaps include options giving OHCS D 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 2020 B) 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 OHCS D's tax exempt bonds are determined weekly by a Remarketing Agent. OHCS D is exposed to basis risk when the variable rates received, which are based on the one-month LIBOR rate or the SIFMA rate, do not offset the variable rates paid on the bonds. As of June 30, 2021, the one-month LIBOR rate was 0.10025% and the SIFMA rate was 0.03%. OHCS D's variable interest rates as of June 30, 2021 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. OHCS D or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the swap agreement. If any of the swaps are terminated, the associated variable-rate bonds would no longer carry synthetic fixed interest rates and OHCS D would then be exposed to interest rate risk. Also, if any of the swaps had a negative value at termination, OHCS D would be liable to the counterparty for a payment equal to the fair value of the swap.

Notes to the Financial Statements (Continued)
June 30, 2021

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, 2021, debt service requirements of variable-rate debt with interest rate swaps and net swap payments are as follows:

Fiscal Year Ending June 30	Variable-Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2022	\$ -	\$ 92,857	\$ 3,008,390	\$ 3,101,247
2023	-	77,942	3,020,600	3,098,542
2024	-	77,942	3,020,600	3,098,542
2025	3,530,000	77,648	3,003,526	6,611,174
2026	4,235,000	75,648	2,915,950	7,226,598
2027-2031	29,470,000	345,197	12,975,497	42,790,694
2032-2036	51,315,000	262,320	9,816,385	61,393,705
2037-2041	54,095,000	124,224	5,115,860	59,335,084
2042-2046	28,595,000	28,363	1,318,023	29,941,386
Total	\$ 171,240,000	\$ 1,162,141	\$ 44,194,831	\$ 216,596,972

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, 2021 of swaps that include these provisions is \$(3,699,635). As of June 30, 2021 the bonds subject to these provisions are rated Aa2 by Moody's and are not rated by Standard & Poor's.

NOTE 10. Conduit Debt Obligations

Bonds issued under the Housing Development Revenue Bond program are limited obligations of OHCS D payable only out of the trust estate specifically pledged to each bond issue. As of June 30, 2021, the total aggregate amount of Housing Development Revenue Bonds outstanding is \$671,771,734. 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, 2021

NOTE 11. 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	\$ 30,605	\$ -	\$ -
Other Current Assets	103,902,912	3,697,076	5,106,698
Noncurrent Assets	913,843,631	26,137,189	56,526,458
Total Assets	1,017,777,148	29,834,265	61,633,156
Deferred Outflows of Resources	6,983,971	-	77,704
Liabilities:			
Interfund Payables	-	30,605	-
Other Current Liabilities	65,433,683	2,275,829	2,766,689
Noncurrent Liabilities	860,328,875	23,013,873	24,084,296
Total Liabilities	925,762,558	25,320,307	26,850,985
Deferred Inflows of Resources	5,787,082	87,539	313,177
Net Position			
Restricted by Trust Indentures	93,211,479	4,426,419	34,546,698
Total Net Position	\$ 93,211,479	\$ 4,426,419	\$ 34,546,698
Condensed Statement of Revenues, Expenses, and Changes in Net Position			
Interest on Loans	\$ 29,255,753	\$ 1,129,282	\$ 2,349,838
Investment Income	(65,524)	18,817	29,812
Other Operating Revenues	2,653,895	67,652	(8,938)
Operating Expenses	(32,214,325)	(925,008)	(1,426,512)
Operating Income (Loss)	(370,201)	290,743	944,200
Transfers In	2,888,027	91,241	-
Transfers Out	(91,241)	(1,788,027)	(1,500,000)
Increase (Decrease) in Net Position	2,426,585	(1,406,043)	(555,800)
Beginning Net Position	90,784,894	5,832,462	35,102,498
Ending Net Position	\$ 93,211,479	\$ 4,426,419	\$ 34,546,698
Condensed Statement of Cash Flows			
Net Cash Provided (Used) by:			
Operating Activities	\$ 125,045,500	\$ 8,137,602	\$ 12,049,936
Noncapital Financing Activities	(121,427,608)	(19,171,036)	(9,828,956)
Investing Activities	(36,270,404)	8,831,202	(4,255,088)
Net Increase (Decrease)	(32,652,512)	(2,202,232)	(2,034,108)
Beginning Cash and Cash Equivalents	83,752,385	6,295,372	10,978,558
Ending Cash and Cash Equivalents	\$ 51,099,873	\$ 4,093,140	\$ 8,944,450

Notes to the Financial Statements (Continued)
June 30, 2021

NOTE 12. Restricted Assets

Restricted asset account balances are as follows:

<u>Purpose:</u>	Elderly and Disabled Housing Fund	Housing Finance Fund
Loan Acquisition	\$ -	\$ 57,071,945
Current Debt Service	2,400,386	83,143,462
Future Debt Service	48,740,092	100,666,340
Debt Reserves	5,574,896	34,438,731
Insurance Reserves	-	21,312,394
Combined Program Account	-	20,654,978
Residential Assistance	-	946,593
Total	<u>\$ 56,715,374</u>	<u>\$ 318,234,443</u>
<u>Statement of Net Position Amounts:</u>		
Restricted Cash and Cash Equivalents – Current	\$ 2,400,386	\$ 36,251,131
Restricted Cash and Cash Equivalents – Noncurrent	52,657,490	29,072,641
Restricted Investments – Current	-	47,237,872
Restricted Investments - Noncurrent	1,657,498	205,672,799
Total	<u>\$ 56,715,374</u>	<u>\$ 318,234,443</u>

NOTE 13. Employee Retirement Plans

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

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The rates in effect for the fiscal year ended June 30, 2021 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, 2021, the State of Oregon reported a liability of \$6.262 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 \$7,030,726. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the State's proportion was 28.69% (the State's proportion at June 30, 2019 was 27.92%). As part of the State of Oregon, OHCS D's enterprise funds were allocated 0.11360573% of the State's proportionate share.

Notes to the Financial Statements (Continued)
June 30, 2021

For the year ended June 30, 2021, OHCSO recognized pension expense of \$1,320,801. At June 30, 2021, 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	\$ 226,226	\$ 146,512
Difference between expected and actual experience	309,437	-
Net difference between projected and actual earnings on investments	826,722	-
Change in Assumptions	377,317	13,221
Subtotal	1,739,702	159,733
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	1,579,969	
Contributions subsequent to measurement date	690,532	
Net Deferred Outflows (Inflows) of Resources	2,270,501	

NOTE 14. 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, 2021, 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	\$ 8,690	\$ 83
Difference between expected and actual experience	-	7,168
Net difference between projected and actual earnings on investments	4,967	-
Change in Assumptions	4,150	28,712
Subtotal	17,807	35,963
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	(18,156)	
Contributions subsequent to measurement date	14,556	
Net Deferred Outflows (Inflows) of Resources	(3,600)	

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, 2021 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, 2021

At June 30, 2021, the State of Oregon reported an asset of \$34.2 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 \$20,903. The net OPEB asset was measured as of June 30, 2020 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018. 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, 2020, the State's proportion was 16.80% (the State's proportion at June 30, 2019 was 30.43%). As part of the State of Oregon, OHCSO's enterprise funds were allocated 0.06224033% 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, 2021, OHCSO recognized OPEB expense for RHIA of \$30,056.

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, 2021 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, 2021, the State of Oregon reported a net OPEB liability of \$10.0 million. The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. As part of the State of Oregon, OHCSO's enterprise funds were allocated 0.11622324% of the State's internal allocation, which was based on fiscal year 2020 actual contributions. OHCSO's share of the net OPEB liability for the RHIPA plan on June 30, 2021 for its enterprise funds was \$11,590. It is shown on the Statement of Net Position as Net Other Postemployment Benefits Liability. For the year ended June 30, 2021, OHCSO recognized OPEB income for RHIPA of \$726.

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, 2021, the State of Oregon reported a total OPEB liability of \$151.1 million. As part of the State of Oregon, OHCSO's enterprise funds were allocated 0.10674442% of the State's total. The State's internal allocation of the total OPEB liability is based on fiscal year 2021 health insurance premium costs. OHCSO's share of the total OPEB liability on June 30, 2021 for its enterprise funds was \$161,281. It is shown on the Statement of Net Position as Total Other Postemployment Benefits Liability. For the year ended June 30, 2021, OHCSO recognized OPEB expense for the PEBB plan of \$15,176.

NOTE 15. Other Commitments

As of June 30, 2021, OHCSO has made commitments for loans in the Single-Family Mortgage Program totaling \$56,111,876 and for grants totaling \$134,457.

Notes to the Financial Statements (Continued)
June 30, 2021

NOTE 16. 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, OHCS D participates in the Insurance Fund.

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

NOTE 17. Subsequent Events

On July 1, 2021, OHCS D called the following Housing Revenue Bonds prior to maturity:

	<u>Amount Called</u>
2009 Series A-3	\$ 440,000
2009 Series A-4	210,000
2009 Series A-5	140,000
2011 Series B	145,000
2012 Series A	30,000
2012 Series B	5,000

On July 1, 2021, OHCS D called the following Mortgage Revenue Bonds prior to maturity:

	<u>Amount Called</u>		<u>Amount Called</u>
2013 Series A	\$ 135,000	2017 Series F	\$ 470,000
2013 Series D	270,000	2017 Series G	670,000
2014 Series A	200,000	2018 Series A	4,300,000
2014 Series B	195,000	2018 Series B	1,325,000
2014 Series C	345,000	2018 Series C	8,090,000
2015 Series A	1,590,000	2018 Series D	2,175,000
2016 Series A	1,110,000	2019 Series A	1,145,000
2017 Series A	2,085,000	2020 Series A	1,420,000
2017 Series D	1,035,000	2020 Series C	50,000
2017 Series E	430,000		

On July 1, 2021, OHCS D called the following Multifamily Housing Revenue Bonds prior to maturity:

	<u>Amount Called</u>
2006 Series A	\$ 355,000
2010 Series A	1,000,000

On August 31, 2021, OHCS D issued the following Mortgage Revenue Bonds:

	<u>Amount Issued</u>
2021 Series A	\$ 99,000,000

Notes to the Financial Statements (Continued)
June 30, 2021

On October 1, 2021, OHCS D called the following Housing Revenue Bonds prior to maturity:

	<u>Amount Called</u>
2009 Series A-3	\$ 250,000
2009 Series A-4	330,000
2009 Series A-5	520,000
2011 Series B	75,000
2012 Series A	35,000
2012 Series B	5,000

On October 1, 2021, OHCS D called the following Mortgage Revenue Bonds prior to maturity:

	<u>Amount Called</u>		<u>Amount Called</u>
2013 Series A	\$ 1,370,000	2017 Series D	\$ 13,980,000
2013 Series B	650,000	2017 Series E	1,255,000
2013 Series C	1,740,000	2017 Series F	800,000
2013 Series D	1,690,000	2017 Series G	2,165,000
2013 Series F	680,000	2018 Series A	7,810,000
2014 Series A	3,390,000	2018 Series B	5,090,000
2014 Series B	715,000	2018 Series C	5,000,000
2014 Series C	1,380,000	2018 Series D	11,360,000
2015 Series A	10,530,000	2019 Series A	1,940,000
2016 Series A	7,175,000	2020 Series A	3,715,000
2017 Series A	12,405,000	2020 Series C	105,000

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Supplementary Information

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Net Position - Housing Finance Fund
June 30, 2021

	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	30,091,231	2,701,402	3,324,037
Investments - Restricted	47,237,872	-	-
Securities Lending Cash Collateral	53,835	3,103	13,450
Accounts Receivable	3,000	-	-
Accrued Interest Receivable	3,141,496	112,985	136,794
Interfund Receivable	30,605	-	-
Due from Governmental Funds	-	-	-
Prepaid Expenses	-	-	-
Loans Receivable	23,252,493	879,586	1,632,417
Acquired Property	122,985	-	-
Total Current Assets	103,933,517	3,697,076	5,106,698
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	21,008,642	1,391,738	5,620,413
Investments - Restricted	165,966,274	873,434	18,417,829
Loans Receivable	724,181,394	23,872,017	32,488,216
Swap Fair Value Asset	2,687,321	-	-
Net Other Postemployment Benefits Asset	-	-	-
Capital Assets (Net)	-	-	-
Total Noncurrent Assets	913,843,631	26,137,189	56,526,458
Total Assets	1,017,777,148	29,834,265	61,633,156
Deferred Outflows of Resources			
Accumulated Decrease in Fair Value of Hedging Derivatives	6,386,956	-	-
Loss on Debt Refundings	597,015	-	77,704
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Outflows of Resources	6,983,971	-	77,704
Total Assets and Deferred Outflows of Resources	\$1,024,761,119	\$ 29,834,265	\$ 61,710,860

Combined Program Account	Housing Finance Account	Total
\$ -	\$ 18,330,946	\$ 18,330,946
-	134,461	36,251,131
-	-	47,237,872
-	58,453	128,841
-	358,974	361,974
151,989	28,420	3,571,684
-	22,099	52,704 **
-	113,147	113,147
-	115	115
-	31,640	25,796,136
-	-	122,985
<u>151,989</u>	<u>19,078,255</u>	<u>131,967,535</u>
239,716	812,132	29,072,641
20,415,262	-	205,672,799
-	2,433,306	782,974,933
-	-	2,687,321
-	17,203	17,203
-	6,127	6,127
<u>20,654,978</u>	<u>3,268,768</u>	<u>1,020,431,024</u>
<u>20,806,967</u>	<u>22,347,023</u>	<u>1,152,398,559</u>
-	-	6,386,956
-	-	674,719
-	2,041,860	2,041,860
-	27,137	27,137
<u>-</u>	<u>2,068,997</u>	<u>9,130,672</u>
<u>\$ 20,806,967</u>	<u>\$ 24,416,020</u>	<u>\$1,161,529,231</u>

Continued on the next page

** Interfund Receivables and Payables within the Housing Finance Fund totaling \$30,605 are not included in the Statement of Net Position on pages 12 and 13.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Net Position - Housing Finance Fund
June 30, 2021

Continued from the previous page

	Single-Family Mortgage Program		Multifamily
	Mortgage	Housing	Housing
	Revenue	Revenue	Revenue
	Bonds	Bonds	Bonds
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 594,465	\$ 11,104	\$ 462
Accrued Interest Payable	13,101,633	406,076	612,777
Obligations Under Securities Lending	53,835	3,103	13,450
Interfund Payable	-	30,605	-
Due to Governmental Funds	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	13,750	546	-
Compensated Absences Payable	-	-	-
Bonds Payable	51,670,000	1,855,000	2,140,000
Pension-related Debt Payable	-	-	-
Total Current Liabilities	65,433,683	2,306,434	2,766,689
Noncurrent Liabilities			
Compensated Absences Payable	-	-	-
Bonds Payable	853,941,919	23,013,873	24,084,296
Swap Fair Value Liability	6,386,956	-	-
Pension-related Debt Payable	-	-	-
Net Pension Liability	-	-	-
Net Other Postemployment Benefits Liability	-	-	-
Total Other Postemployment Benefits Liability	-	-	-
Total Noncurrent Liabilities	860,328,875	23,013,873	24,084,296
Total Liabilities	925,762,558	25,320,307	26,850,985
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	2,687,321	-	-
Gain on Debt Refundings	40,482	-	-
Deferred Loan Origination Fees	3,059,279	87,539	313,177
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Inflows of Resources	5,787,082	87,539	313,177
Net Position			
Net Investment in Capital Assets	-	-	-
Restricted for Residential Assistance	-	-	-
Restricted for Other Postemployment Benefits	-	-	-
Restricted by Trust Indentures	93,211,479	4,426,419	34,546,698
Unrestricted	-	-	-
Total Net Position	93,211,479	4,426,419	34,546,698
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$1,024,761,119	\$ 29,834,265	\$ 61,710,860

Combined Program Account	Housing Finance Account	Total
\$ -	\$ 489,758	\$ 1,095,789
-	-	14,120,486
-	58,453	128,841
-	-	30,605 **
-	5,982	5,982
-	5,776	5,776
-	629,266	643,562
-	155,878	155,878
-	-	55,665,000
-	36,094	36,094
-	1,381,207	71,888,013
-	83,935	83,935
-	-	901,040,088
-	-	6,386,956
-	254,140	254,140
-	5,839,105	5,839,105
-	9,626	9,626
-	133,444	133,444
-	6,320,250	913,747,294
-	7,701,457	985,635,307
-	-	2,687,321
-	-	40,482
-	-	3,459,995
-	132,660	132,660
-	29,778	29,778
-	162,438	6,350,236
-	6,127	6,127
-	1,256,957	1,256,957
-	17,203	17,203
20,806,967	-	152,991,563
-	15,271,838	15,271,838
20,806,967	16,552,125	169,543,688
\$ 20,806,967	\$ 24,416,020	\$1,161,529,231

** Interfund Receivables and Payables within the Housing Finance Fund totaling \$30,605 are not included in the Statement of Net Position on pages 12 and 13.

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, 2021

	Single-Family Mortgage Program		Multifamily
	Mortgage Revenue Bonds	Housing Revenue Bonds	Housing Revenue Bonds
Operating Revenues			
Interest on Loans	\$ 29,255,753	\$ 1,129,282	\$ 2,349,838
Investment Income	(65,524)	18,817	29,812
Administrative Charges and Fees	-	-	-
Low Income Housing Tax Credit Fees	-	-	-
Gain (Loss) on Debt Extinguishment	2,635,935	67,652	(8,938)
Miscellaneous Revenue	17,960	-	-
Total Operating Revenues	31,844,124	1,215,751	2,370,712
Operating Expenses			
Personal Services	-	-	-
Services and Supplies	188,525	-	84,699
Mortgage Service Fees	2,814,672	115,989	6,969
Foreclosure Costs	153,927	(10,434)	-
Interest Expense - Bonds	26,398,913	819,409	1,334,731
Interest Expense - Securities Lending	920	44	113
Other Related Program Expenses	2,657,368	-	-
Depreciation/Amortization	-	-	-
Total Operating Expenses	32,214,325	925,008	1,426,512
Operating Income (Loss)	(370,201)	290,743	944,200
Nonoperating Revenues (Expenses)			
Federal Grant Subsidy	-	-	-
Interest Expense - Pension-related Debt	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	-
Income (Loss) Before Transfers	(370,201)	290,743	944,200
Transfers from Other Funds	2,888,027	91,241	-
Transfers to Other Funds	(91,241)	(1,788,027)	(1,500,000)
Transfers to Other State Agencies	-	-	-
Increase (Decrease) in Net Position	2,426,585	(1,406,043)	(555,800)
Net Position - Beginning	90,784,894	5,832,462	35,102,498
Net Position - Ending	\$ 93,211,479	\$ 4,426,419	\$ 34,546,698

Combined Program Account	Housing Finance Account	Total
\$ -	\$ 27,758	\$ 32,762,631
(89,777)	114,796	8,124
-	7,542,478	7,542,478
-	5,256,621	5,256,621
-	-	2,694,649
-	8,499	26,459
(89,777)	12,950,152	48,290,962
-	6,998,849	6,998,849
-	2,385,066	2,658,290
-	-	2,937,630
-	-	143,493
-	-	28,553,053
-	246	1,323
-	200,156	2,857,524
-	3,041	3,041
-	9,587,358	44,153,203
(89,777)	3,362,794	4,137,759
-	61,512	61,512
-	(22,804)	(22,804)
-	38,708	38,708
(89,777)	3,401,502	4,176,467
-	1,500,000	4,479,268 **
-	(1,100,000)	(4,479,268) **
-	(227,235)	(227,235)
(89,777)	3,574,267	3,949,232
20,896,744	12,977,858	165,594,456
<u>\$ 20,806,967</u>	<u>\$ 16,552,125</u>	<u>\$ 169,543,688</u>

** Transfers within the Housing Finance Fund totaling \$4,479,268 are not included in the Statement of Revenues, Expenses, and Changes in Fund Net Position on page 14.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Cash Flows - Housing Finance Fund
For the Year Ended June 30, 2021

	Single-Family Mortgage Program		Multifamily
	Mortgage Revenue Bonds	Housing Revenue Bonds	Housing Revenue Bonds
Cash Flows from Operating Activities			
Received from Customers	\$ 476,665	\$ -	\$ -
Program Loan Principal Repayments	196,258,882	7,158,921	9,815,989
Program Loan Interest Received	28,572,025	1,115,956	2,326,552
Program Loans Made	(95,332,814)	-	-
Payments to Employees for Services	-	-	-
Payments to Suppliers for Goods and Services	(3,087,543)	(119,512)	(92,605)
Other Receipts (Payments)	(1,841,715)	(17,763)	-
Net Cash Provided (Used) in Operating Activities	125,045,500	8,137,602	12,049,936
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	61,927,675	-	-
Principal Payments - Bonds	(156,050,000)	(16,970,000)	(6,840,000)
Interest Payments - Bonds	(28,541,854)	(1,260,392)	(1,488,956)
Bond Issuance Costs	(803,477)	-	-
Bond Call Costs	-	(596)	-
Principal Payments - Pension-related Debt	-	-	-
Interest Payments - Pension-related Debt	-	-	-
Federal Grant Subsidy	-	-	-
Transfers from Other Funds	2,040,048	-	-
Transfers to Other Funds	-	(940,048)	(1,500,000)
Transfers from Other State Agencies	-	-	-
Transfers to Other State Agencies	-	-	-
Net Cash Provided (Used) in Noncapital Financing Activities	(121,427,608)	(19,171,036)	(9,828,956)
Cash Flows from Investing Activities			
Purchase of Investments	(329,668,982)	(1,696,505)	(31,906,927)
Proceeds from Sales and Maturities of Investments	291,327,580	10,453,738	27,402,770
Interest on Cash and Investments	2,070,998	73,969	249,069
Investment Income on Securities Lending	920	44	113
Interest Paid on Securities Lending	(920)	(44)	(113)
Net Cash Provided (Used) in Investing Activities	(36,270,404)	8,831,202	(4,255,088)
Net Increase (Decrease) in Cash and Cash Equivalents	(32,652,512)	(2,202,232)	(2,034,108)
Cash and Cash Equivalents Balance - Beginning	83,752,385	6,295,372	10,978,558
Cash and Cash Equivalents Balance - Ending	\$ 51,099,873	\$ 4,093,140	\$ 8,944,450
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted (Current)	30,091,231	2,701,402	3,324,037
Cash and Cash Equivalents - Restricted (Noncurrent)	21,008,642	1,391,738	5,620,413
Total Cash and Cash Equivalents	\$ 51,099,873	\$ 4,093,140	\$ 8,944,450

Combined Program Account	Housing Finance Account	Total	
\$ -	\$ 12,587,027	\$ 13,063,692	
-	661,326	213,895,118	
-	12,705	32,027,238	
-	-	(95,332,814)	
-	(6,306,613)	(6,306,613)	
-	(2,088,113)	(5,387,773)	
-	(184,582)	(2,044,060)	
-	4,681,750	149,914,788	
-	-	61,927,675	
-	-	(179,860,000)	
-	-	(31,291,202)	
-	-	(803,477)	
-	-	(596)	
-	(39,152)	(39,152)	
-	(22,804)	(22,804)	
-	61,512	61,512	
-	1,500,000	3,540,048	**
-	(1,100,000)	(3,540,048)	**
-	73,346	73,346	
-	(231,695)	(231,695)	
-	241,207	(150,186,393)	
(17,278,750)	-	(380,551,164)	
16,804,450	-	345,988,538	
532,168	114,550	3,040,754	
-	246	1,323	
-	(246)	(1,323)	
57,868	114,550	(31,521,872)	
57,868	5,037,507	(31,793,477)	
181,848	14,240,032	115,448,195	
\$ 239,716	\$ 19,277,539	\$ 83,654,718	
\$ -	\$ 18,330,946	\$ 18,330,946	
-	134,461	36,251,131	
239,716	812,132	29,072,641	
\$ 239,716	\$ 19,277,539	\$ 83,654,718	

Continued on the next page

** Transfers within the Housing Finance Fund totaling \$3,540,048 are not included in the Statement of Cash Flows on page 16.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Combining Statement of Cash Flows - Housing Finance Fund

For the Year Ended June 30, 2021

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)	\$ (370,201)	\$ 290,743	\$ 944,200
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	-	-	-
Investment Income Reported as Operating Revenue	65,524	(18,817)	(29,812)
Interest Expense Reported as Operating Expense	26,399,833	819,453	1,334,844
Bond Issuance Costs Reported as Operating Expense	742,568	-	-
(Gain) Loss on Debt Extinguishment	(2,635,935)	(67,652)	8,938
(Increase)/Decrease in Assets:			
Loan Interest Receivable	424,277	33,313	90,876
Accounts Receivable	(3,000)	-	-
Interfund Receivable	28,197	-	-
Due from Governmental Funds	-	-	-
Prepaid Expenses	-	-	-
Loans Receivable	100,150,566	7,145,921	9,798,974
Acquired Property	694,499	-	-
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	(10,877)	(3,523)	(187)
Interfund Payable	(6,613)	(28,197)	(749)
Due to Governmental Funds	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	5,128	358	-
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	(438,466)	(33,997)	(97,148)
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Net Cash Provided (Used) in Operating Activities	\$ 125,045,500	\$ 8,137,602	\$ 12,049,936
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	\$ (2,046,866)	\$ (49,367)	\$ (175,245)
Loan Modifications	198,003	13,000	17,015
Loans Transferred Between Programs	847,979	(847,979)	-
Other NonCash Liabilities Transferred Between Programs	(91,241)	91,241	-
Total Noncash Investing, Capital, and Financing Activities	\$ (1,092,125)	\$ (793,105)	\$ (158,230)

Combined Program Account	Housing Finance Account	Total	
\$ (89,777)	\$ 3,362,794	\$ 4,137,759	
-	3,041	3,041	
89,777	(114,796)	(8,124)	
-	246	28,554,376	
-	-	742,568	
-	-	(2,694,649)	
-	(15,053)	533,413	
-	(95,900)	(98,900)	
-	(1,875)	26,322	**
-	278,640	278,640	
-	(115)	(115)	
-	661,326	117,756,787	
-	-	694,499	
-	37,943	37,943	
-	(499,317)	(499,317)	
-	(12,151)	(12,151)	
-	(103,511)	(118,098)	
-	-	(35,559)	**
-	(13,902)	(13,902)	
-	5,776	5,776	
-	(116,393)	(110,907)	
-	6,248	6,248	
-	1,378,301	1,378,301	
-	(14,287)	(14,287)	
-	16,072	16,072	
-	-	(569,611)	
-	(80,004)	(80,004)	
-	(1,333)	(1,333)	
<u>\$ -</u>	<u>\$ 4,681,750</u>	<u>\$ 149,914,788</u>	
\$ (653,929)	\$ -	\$ (2,925,407)	
-	-	228,018	
-	-	-	
-	-	-	
<u>\$ (653,929)</u>	<u>\$ -</u>	<u>\$ (2,697,389)</u>	

** Interfund Receivables and Payables within the Housing Finance Fund totaling an increase of \$35,559 are not included in the Statement of Cash Flows on page 17.

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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 52-59 contain trend information to help the reader understand how OHCSO's financial performance has changed over time.

Revenue Capacity

Pages 60 and 61 contain information to help the reader understand OHCSO's most significant revenue source, Interest on Loans.

Debt Capacity

Pages 62 and 63 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 64 and 65 contain demographic, economic, and employment data to help the reader understand the environment OHCSO operates in.

Operating Information

Pages 66-73 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

	2021	2020	2019	2018
Assets				
Cash and Cash Equivalents	\$ 19,753,000	\$ 13,886,704	\$ 12,630,562	\$ 9,388,621
Cash and Cash Equivalents - Restricted	120,381,648	154,695,669	65,370,939	68,372,203
Investments - Restricted	254,568,169	223,223,166	277,597,803	244,508,334
Securities Lending Cash Collateral	301,531	1,248,701	2,101,856	1,191,697
Accounts Receivable	361,983	266,455	139,932	29,182,712
Accrued Interest Receivable	3,880,856	4,518,523	4,133,592	3,924,987
Interfund Receivable	22,099	12,862	81,079	80,220
Due from Governmental Funds	131,442	391,789	114,050	24,797
Due from Other State Agencies	-	88,521	-	-
Prepaid Expenses	115	-	4,563	1,140
Acquired Property	122,985	817,484	1,016,875	1,841,751
Deferred Charges	-	-	-	-
Loans Receivable (Net)	855,740,724	982,544,056	954,607,414	834,207,159
Swap Fair Value Asset	2,687,321	-	-	1,514,014
Net Pension Asset	-	-	-	-
Net Other Postemployment Benefits Asset	20,903	72,037	31,100	11,451
Capital Assets (Net)	7,024	10,214	43,223	51,674
Total Assets	1,257,979,800	1,381,776,181	1,317,872,988	1,194,300,760
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	6,386,956	10,726,213	5,221,906	137,728
Loss on Debt Refunding	674,944	1,107,604	1,435,973	1,942,159
Related to Pensions	2,430,234	1,951,568	1,386,060	1,183,656
Related to Other Postemployment Benefits	32,363	18,462	40,861	26,968
Total Deferred Outflows of Resources	9,524,497	13,803,847	8,084,800	3,290,511
Total Assets and Deferred Outflows of Resources	\$ 1,267,504,297	\$ 1,395,580,028	\$ 1,325,957,788	\$ 1,197,591,271

Unaudited

2017	2016	2015	2014	2013	2012
\$ 9,915,911	\$ 8,730,328	\$ 10,077,977	\$ 4,060,107	\$ 5,469,303	\$ 5,746,697
59,447,712	80,466,457	66,585,531	64,782,925	61,578,919	78,600,165
232,640,617	278,624,844	229,912,957	310,056,935	359,607,162	266,227,125
357,168	2,041,190	4,032,437	3,393,772	3,849,298	5,600,831
409,631	131,122	177,215	189,304	166,750	150,640
3,729,012	4,209,653	4,618,750	5,443,641	5,899,925	7,336,307
16,939	6,780	607	164	4,019	11,434
82,468	23,931	1,795	10,979	79,323	32,697
-	-	-	-	-	-
514	28,996	675	8,655	15,305	44,401
2,995,957	3,766,377	4,407,890	7,135,654	3,809,023	10,640,035
-	-	-	-	9,019,358	9,522,524
804,071,640	847,251,131	918,003,978	1,009,415,693	1,079,738,292	1,223,594,532
899,578	-	-	-	-	-
-	-	558,607	-	-	-
-	-	-	-	-	-
59,925	62,637	70,549	22,340	9,874	11,074
1,114,627,072	1,225,343,446	1,238,448,968	1,404,520,169	1,529,246,551	1,607,518,462
1,864,021	6,906,793	11,379,103	17,276,495	27,550,227	37,196,930
1,761,830	2,092,930	2,344,757	2,262,264	-	-
2,170,765	407,457	206,746	-	-	-
-	-	-	-	-	-
5,796,616	9,407,180	13,930,606	19,538,759	27,550,227	37,196,930
\$ 1,120,423,688	\$ 1,234,750,626	\$ 1,252,379,574	\$ 1,424,058,928	\$ 1,556,796,778	\$ 1,644,715,392

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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

Continued from the previous page

	2021	2020	2019	2018
Liabilities				
Accounts Payable	\$ 1,139,884	\$ 1,347,392	\$ 1,292,103	\$ 609,703
Accrued Interest Payable	14,575,857	16,540,642	16,741,051	13,660,865
Obligations Under Securities Lending	301,531	1,248,701	2,101,856	1,191,697
Interfund Payable	22,099	12,862	81,079	80,220
Due to Governmental Funds	24,370	54,126	64,554	53,689
Due to Other Governments	5,776	-	-	-
Unearned Revenue	643,867	754,469	878,196	998,823
Compensated Absences Payable	286,347	284,985	289,020	344,492
Bonds Payable	979,686,245	1,107,569,224	1,053,780,476	943,483,358
Swap Fair Value Liability	6,386,956	10,726,213	5,221,906	137,728
Arbitrage Rebate Liability	-	-	-	-
Loans Payable	-	-	-	-
Pension-related Debt Payable	371,238	421,318	463,993	501,032
Net Pension Liability	7,030,726	5,804,785	3,180,583	3,275,674
Net Other Postemployment Benefits Liability	11,590	32,005	33,673	41,439
Total Other Postemployment Benefits Liability	161,281	153,434	182,434	124,593
Net Other Postemployment Benefits Obligation	-	-	-	-
Total Liabilities	1,010,647,767	1,144,950,156	1,084,310,924	964,503,313
Deferred Inflows of Resources				
Accumulated Increase in Fair Value of Hedging Derivatives	2,687,321	-	-	1,514,014
Gain on Debt Refunding	40,482	-	-	-
Deferred Loan Origination Fees	3,801,580	4,445,934	4,597,314	4,261,350
Related to Pensions	159,733	276,737	178,767	27,367
Related to Other Postemployment Benefits	35,963	40,745	14,773	8,471
Total Deferred Inflows of Resources	6,725,079	4,763,416	4,790,854	5,811,202
Net Position				
Net Investment in Capital Assets	7,024	10,214	43,223	51,674
Restricted for Residential Assistance	1,256,957	1,257,239	2,058,567	2,089,298
Restricted for Other Postemployment Benefits	20,903	72,037	31,100	11,451
Restricted by Trust Indentures	229,688,722	228,197,707	220,241,383	212,669,994
Unrestricted	19,157,845	16,329,259	14,481,737	12,454,339
Total Net Position	250,131,451	245,866,456	236,856,010	227,276,756
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,267,504,297	\$ 1,395,580,028	\$ 1,325,957,788	\$ 1,197,591,271

Unaudited

2017	2016	2015	2014	2013	2012
\$ 808,431	\$ 626,684	\$ 495,218	\$ 1,021,618	\$ 979,108	\$ 913,537
13,031,173	15,411,597	17,957,672	20,477,454	23,731,731	27,843,800
357,168	2,041,190	4,032,437	3,393,772	3,849,298	5,600,831
16,939	6,780	607	164	4,019	11,434
6,959	50,880	101,511	47,284	23	7,092
-	-	-	-	-	-
1,130,510	1,265,880	1,402,406	1,539,946	1,666,618	1,250,739
271,186	252,162	276,849	296,128	263,931	208,313
869,050,314	979,243,468	997,155,163	1,170,857,616	1,281,246,940	1,349,497,180
1,864,021	6,906,793	11,379,103	17,276,495	27,550,227	37,196,930
-	-	-	-	366,889	482,076
-	-	-	-	1,500,000	1,500,000
531,182	556,146	575,223	600,689	616,550	-
4,116,951	1,580,442	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
87,445	85,234	92,770	88,299	84,812	75,366
891,272,279	1,008,027,256	1,033,468,959	1,215,599,465	1,341,860,146	1,424,587,298
899,578	-	-	-	-	-
-	-	-	-	-	-
4,354,736	4,733,476	5,281,561	5,905,347	-	-
39,119	384,804	1,077,887	-	-	-
-	-	-	-	-	-
5,293,433	5,118,280	6,359,448	5,905,347	-	-
59,925	62,637	70,549	22,340	9,874	11,074
2,074,043	2,098,015	2,029,118	2,019,413	2,272,946	2,581,560
-	-	-	-	-	-
207,706,209	213,665,954	201,453,112	196,447,800	208,167,826	211,381,841
14,017,799	5,778,484	8,998,388	4,064,563	4,485,986	6,153,619
223,857,976	221,605,090	212,551,167	202,554,116	214,936,632	220,128,094
<u>\$ 1,120,423,688</u>	<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>

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

	2021	2020	2019	2018
Operating Revenues				
Interest on Loans	\$ 35,074,849	\$ 40,963,239	\$ 40,504,975	\$ 36,644,795
Investment Income (Loss)	339,398	11,696,263	11,846,649	3,650,448
Administrative Charges and Fees	7,650,839	5,162,478	4,358,237	3,295,836
Low Income Housing Tax Credit Fees	5,256,621	3,080,015	3,364,208	2,924,199
Gain (Loss) on Sale of Foreclosed Property	-	78,721	45,379	146,174
Gain (Loss) on Debt Extinguishment	2,694,649	1,939,403	984,697	1,129,267
Miscellaneous Revenue	26,459	9,004	6,938	93,062
Total Operating Revenues	51,042,815	62,929,123	61,111,083	47,883,781
Operating Expenses				
Personal Services	7,863,929	8,697,614	5,712,702	5,206,618
Services and Supplies	2,901,533	3,727,327	2,886,332	3,084,561
Mortgage Service Fees	2,958,124	3,200,538	2,931,395	2,394,668
Foreclosure Costs	143,493	13,605	215,168	438,500
Interest Expense - Bonds	29,815,332	33,161,052	31,556,074	27,235,723
Interest Expense - Securities Lending	2,266	39,099	95,991	21,699
Interest Expense - Loans	-	-	-	-
Other Related Program Expenses	2,870,685	4,850,144	7,832,586	5,778,673
Depreciation/Amortization	3,190	5,821	8,451	8,452
Bad Debt Expense	-	-	-	-
Amortization of Deferred Bond Issuance Costs	-	-	-	-
Total Operating Expenses	46,558,552	53,695,200	51,238,699	44,168,894
Operating Income (Loss)	4,484,263	9,233,923	9,872,384	3,714,887
Nonoperating Revenue/(Expenses)				
Federal Grant Subsidy	74,857	0	-	-
Gain/(Loss) on Disposition of Capital Assets	-	(27,188)	-	-
Interest Expense - Pension-related Debt	(29,168)	(32,788)	(31,857)	(32,996)
Total Nonoperating Revenue/(Expenses)	45,689	(59,976)	(31,857)	(32,996)
Transfers				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	-	-	-
Transfers from Other State Agencies	-	88,521	-	-
Transfers to Other State Agencies	(264,957)	(252,022)	(261,273)	(184,404)
Total Transfers	(264,957)	(163,501)	(261,273)	(184,404)
Increase (Decrease) in Net Position	\$ 4,264,995	\$ 9,010,446	\$ 9,579,254	\$ 3,497,487
Net Position - Beginning	245,866,456	236,856,010	227,276,756	223,857,976
Prior Period Adjustment	-	-	-	-
Change in Accounting Principle	-	-	-	(78,707)
Net Position - Beginning (Restated)	245,866,456	236,856,010	227,276,756	223,779,269
Net Position - Ending	\$ 250,131,451	\$ 245,866,456	\$ 236,856,010	\$ 227,276,756

Unaudited

2017	2016	2015	2014	2013	2012
\$ 39,626,363	\$ 46,381,931	\$ 50,954,045	\$ 52,542,197	\$ 59,217,071	\$ 68,917,920
332,374	6,767,972	3,484,174	4,844,825	(2,508,456)	13,938,305
2,537,227	2,111,542	2,444,692	833,012	1,465,554	1,598,870
1,604,511	1,126,415	3,174,641	1,566,180	2,350,450	1,968,720
373,502	314,222	288,970	548,575	408,021	(276,931)
1,039,870	1,034,419	1,311,768	1,329,839	1,625,184	1,601,630
358,328	115,962	60,801	16,350	2,474,127	110,579
45,872,175	57,852,463	61,719,091	61,680,978	65,031,951	87,859,093
5,126,065	5,828,772	3,868,949	4,250,998	3,982,480	4,091,672
2,508,940	2,437,292	2,392,345	2,429,232	2,139,476	2,753,928
2,264,580	2,393,209	2,619,687	2,820,877	3,148,492	3,534,690
616,407	422,662	324,684	995,546	1,728,780	1,427,384
28,487,108	33,287,518	38,491,579	43,280,173	52,057,391	58,695,970
1,974	22,326	12,347	13,410	42,107	20,787
-	-	-	24,575	48,750	48,801
4,346,935	4,169,306	2,740,696	4,554,711	5,598,394	3,986,853
7,910	7,912	4,394	2,034	1,200	934
33,583	-	-	-	-	2,211,594
-	-	-	-	641,555	752,880
43,393,502	48,568,997	50,454,681	58,371,556	69,388,625	77,525,493
2,478,673	9,283,466	11,264,410	3,309,422	(4,356,674)	10,333,600
-	-	-	-	-	-
-	-	-	-	-	-
(38,010)	(37,729)	(39,019)	(38,942)	(40,754)	-
(38,010)	(37,729)	(39,019)	(38,942)	(40,754)	-
-	-	-	-	68,726	117,816
-	-	-	-	(68,726)	(117,816)
-	-	-	-	-	-
(187,777)	(191,814)	(211,415)	(185,435)	(163,735)	(166,375)
(187,777)	(191,814)	(211,415)	(185,435)	(163,735)	(166,375)
\$ 2,252,886	\$ 9,053,923	\$ 11,013,976	\$ 3,085,045	\$ (4,561,163)	\$ 10,167,225
221,605,090	212,551,167	202,554,116	214,936,632	220,128,094	209,960,869
-	-	2,979	(6,448,203)	(630,299)	-
-	-	(1,019,904)	(9,019,358)	-	-
221,605,090	212,551,167	201,537,191	199,469,071	219,497,795	209,960,869
\$ 223,857,976	\$ 221,605,090	\$ 212,551,167	\$ 202,554,116	\$ 214,936,632	\$ 220,128,094

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Cash Flows
Enterprise Funds
Last Ten Fiscal Years

	2021	2020	2019
Cash Flows from Operating Activities			
Received from Customers	\$ 13,175,428	\$ 8,763,454	\$ 8,876,105
Program Loan Principal Repayments	222,941,663	139,616,140	113,960,119
Program Loan Interest Received	34,258,797	39,340,959	38,764,669
Program Loans Made	(95,332,814)	(167,580,729)	(233,252,858)
Payments to Employees for Services	(7,366,769)	(6,488,553)	(5,930,708)
Payments to Suppliers for Goods and Services	(5,684,303)	(6,787,757)	(5,841,075)
Other Receipts (Payments)	(2,057,220)	(3,391,482)	(5,473,021)
Net Cash Provided (Used) in Operating Activities	159,934,782	3,472,032	(88,896,769)
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	61,927,675	177,018,587	216,176,306
Principal Payments - Bonds	(185,740,000)	(120,100,000)	(103,615,000)
Interest Payments - Bonds	(32,682,384)	(34,221,158)	(29,029,187)
Bond Issuance Costs	(803,477)	(1,424,262)	(1,677,569)
Bond Call Costs	(596)	-	-
Principal Payments - Loans	-	-	-
Interest Payments - Loans	-	-	-
Principal Payments - Pension-related Debt	(50,080)	(42,675)	(37,039)
Interest Payments - Pension-related Debt	(29,168)	(32,788)	(31,857)
Federal Grant Subsidy	74,857	-	-
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Transfers from Other State Agencies	88,521	-	-
Transfers to Other State Agencies	(270,459)	(249,712)	(243,488)
Net Cash Provided (Used) in Noncapital Financing Activities	(157,485,111)	20,947,992	81,542,166
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	-	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities			
Purchase of Investments	(380,551,164)	(413,127,785)	(510,891,434)
Proceeds from Sales and Maturities of Investments	346,112,454	473,542,274	512,301,216
Interest on Cash and Investments	3,541,314	5,746,359	6,185,498
Investment Income on Securities Lending	2,266	39,099	95,991
Interest Paid on Securities Lending	(2,266)	(39,099)	(95,991)
Net Cash Provided (Used) in Investing Activities	(30,897,396)	66,160,848	7,595,280
Net Increase (Decrease) in Cash and Cash Equivalents	(28,447,725)	90,580,872	240,677
Cash and Cash Equivalents Balance - Beginning	168,582,373	78,001,501	77,760,824
Cash and Cash Equivalents Balance - Ending	\$ 140,134,648	\$ 168,582,373	\$ 78,001,501

2018	2017	2016	2015	2014	2013	2012
\$ 7,079,496	\$ 4,163,809	\$ 3,569,340	\$ 5,721,238	\$ 2,596,251	\$ 4,231,488	\$ 3,817,788
126,654,062	138,955,178	142,159,092	145,611,724	120,322,978	195,141,571	136,040,641
35,717,096	38,803,932	44,151,928	50,261,428	54,750,757	61,595,811	68,928,782
(156,182,704)	(97,014,283)	(71,715,430)	(54,220,431)	(61,116,633)	(50,657,880)	(80,485,104)
(5,025,280)	(4,707,259)	(4,609,749)	(4,587,915)	(4,175,801)	(3,955,271)	(4,127,721)
(5,422,079)	(4,650,950)	(4,923,555)	(5,064,173)	(5,182,403)	(5,279,251)	(6,491,400)
(3,658,826)	(791,680)	47,139	941,970	1,431,972	1,740,694	3,336,124
(838,235)	74,758,747	108,678,765	138,663,841	108,627,121	202,817,162	121,019,110
280,205,736	134,026,831	211,033,001	31,377,604	139,605,754	156,930,314	28,790,153
(203,460,000)	(242,255,000)	(227,045,000)	(202,930,000)	(249,975,000)	(222,950,000)	(134,265,000)
(27,367,083)	(31,402,394)	(36,186,445)	(40,849,857)	(46,745,465)	(56,418,920)	(60,092,434)
(1,763,294)	(774,512)	(1,514,836)	(565,215)	(1,409,003)	(1,564,025)	(489,166)
-	-	-	-	-	-	-
-	-	-	-	(1,500,000)	-	-
-	-	-	-	(36,729)	(48,709)	(48,946)
(30,150)	(24,964)	(19,077)	(22,487)	(15,861)	-	-
(32,996)	(38,010)	(37,729)	(39,019)	(38,942)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	68,726	117,816
-	-	-	-	-	(68,726)	(117,816)
-	-	-	-	-	-	-
(203,500)	(188,958)	(191,894)	(209,314)	(186,039)	(163,389)	(166,413)
47,348,713	(140,657,007)	(53,961,980)	(213,238,288)	(160,301,285)	(124,214,729)	(166,271,806)
5,445	(10,844)	-	(52,603)	(14,500)	-	(12,008)
5,445	(10,844)	-	(52,603)	(14,500)	-	(12,008)
(498,137,269)	(368,836,911)	(441,963,836)	(289,867,498)	(390,462,021)	(574,207,348)	(725,126,170)
456,787,746	411,676,140	396,996,896	370,368,568	440,622,813	473,758,011	788,529,034
3,230,801	3,236,713	2,783,432	1,946,456	3,322,682	4,548,264	6,190,488
21,699	1,974	22,326	12,347	13,410	42,107	20,787
(21,699)	(1,974)	(22,326)	(12,347)	(13,410)	(42,107)	(20,787)
(38,118,722)	46,075,942	(42,183,508)	82,447,526	53,483,474	(95,901,073)	69,593,352
8,397,201	(19,833,162)	12,533,277	7,820,476	1,794,810	(17,298,640)	24,328,648
69,363,623	89,196,785	76,663,508	68,843,032	67,048,222	84,346,862	60,018,214
\$ 77,760,824	\$ 69,363,623	\$ 89,196,785	\$ 76,663,508	\$ 68,843,032	\$ 67,048,222	\$ 84,346,862

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Weighted Average Interest Rate - New Mortgage Loans

Enterprise Funds

Unaudited

Last Ten Fiscal Years

	<u>2021</u>	<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>
Overall Weighted Average Interest Rate	2.60%	3.07%	4.05%	3.62%	3.26%	3.44%	3.29%	3.18%	3.24%	3.79%
Elderly and Disabled Housing Program	-	-	-	-	-	-	-	-	-	-
Mortgage Revenue Bonds	2.60%	3.07%	4.05%	3.62%	3.26%	3.44%	3.29%	3.09%	0.45%	0.60%
Housing Revenue Bonds	-	-	-	-	-	-	-	3.30%	3.63%	3.95%
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 2021			Fiscal Year 2012		
	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	\$ 1,058,192	3.09%	1	\$ 1,072,128	1.56%
Beaver State Apartments	2	538,590	1.57%			
Autumn Park	3	264,152	0.77%			
Gateway Park Apts	4	242,231	0.71%	7	405,712	0.59%
Fifth Avenue Court	5	218,604	0.64%	10	337,955	0.49%
North Main Apartments	6	177,279	0.52%			
Arbor Glen	7	160,828	0.47%			
Princeton Village Apartments	8	108,024	0.32%			
The Oaks Apartments	9	87,669	0.26%			
Brentwood Oaks Apartments	10	83,125	0.24%			
Woodridge Apartments				2	973,693	1.41%
Troutdale Terrace Apts				3	868,787	1.26%
Westridge Meadows Apartments				4	849,725	1.23%
Willamette Garden Apts				5	834,082	1.21%
Lake Crest Apts				6	517,325	0.75%
Cascadia Village Retirement Center				8	391,894	0.57%
Buckman Heights Apts				9	352,365	0.51%
Total		<u>\$ 2,938,694</u>	<u>8.59%</u>		<u>\$ 6,603,666</u>	<u>9.58%</u>

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Ratio of Outstanding Debt

Enterprise Fund

Unaudited

Last Ten Fiscal Years

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		
2021	\$ 22,985,000	\$ 937,655,000	\$ -	\$ 960,640,000	0.40%	\$ 226
2020	28,865,000	1,057,515,000	-	1,086,380,000	0.49%	258
2019	30,400,000	1,004,675,000	-	1,035,075,000	0.49%	247
2018	36,915,000	890,470,000	-	927,385,000	0.47%	224
2017	44,710,000	812,105,000	-	856,815,000	0.46%	209
2016	50,810,000	917,700,000	-	968,510,000	0.54%	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

⁽¹⁾ Elderly and Disabled Housing Bonds

⁽²⁾ Mortgage Revenue Bonds, Housing Revenue Bonds, Multifamily Housing Revenue Bonds, and Multiple Purpose Bonds (FY 2012 - FY 2014)

⁽³⁾ Personal Income and Population Source: Bureau of Economic Analysis, U.S. Department of Commerce (SAINC1)

1 <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 64.

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>				
2021	\$ 3,783,733,523	\$ 22,985,000	\$ 3,760,748,523	0.61%
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	3,067,633,584	1.19%
2017	2,795,635,633	44,710,000	2,750,925,633	1.60%
2016	2,530,877,318	50,810,000	2,480,067,318	2.01%
2015	2,347,393,704	85,480,000	2,261,913,704	3.64%
2014	2,167,365,136	112,615,000	2,054,750,136	5.20%
2013	2,107,955,009	119,985,000	1,987,970,009	5.69%
2012	2,172,146,238	124,985,000	2,047,161,238	5.75%
<u>Revenue Bonds</u>				
2021	\$ 2,500,000,000	\$ 937,655,000	\$ 1,562,345,000	37.51%
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%

Legal Debt Margin for Fiscal Year 2020

General Obligation Bonds

True cash value of all taxable property in the state	\$ 756,746,704,516
Debt Limit (0.5% of true cash value)	3,783,733,523
Less: Debt applicable to the limit (Elderly and Disabled Housing Bonds)	(22,985,000)
Legal Debt Margin	<u>\$ 3,760,748,523</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⁾
2020	4,241,507	\$ 238,847.1	\$ 56,312	7.6%
2019	4,216,116	221,186.4	52,462	3.7%
2018	4,183,538	211,414.6	50,535	4.0%
2017	4,147,294	198,995.7	47,982	4.1%
2016	4,093,271	188,283.3	45,998	4.7%
2015	4,018,542	179,600.2	44,693	5.5%
2014	3,965,447	167,077.3	42,133	6.7%
2013	3,924,110	156,130.0	39,787	7.8%
2012	3,900,102	153,548.0	39,370	8.8%
2011	3,872,672	145,596.1	37,596	9.6%

⁽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 - www.qualityinfo.org/ed-uesti/?at=1&t1=4101000000~unemprate~n~2011~2020

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Employment Data - State of Oregon Current Year and Nine Years Ago

Unaudited

	Calendar Year 2020		Calendar Year 2011		Change
	Number of Employees	Percent of Total	Number of Employees	Percent of Total	
Health Care and Social Assistance	305,564	12.46%	253,972	11.54%	20.31%
Retail Trade	246,265	10.04%	230,628	10.48%	6.78%
Manufacturing	200,504	8.18%	182,471	8.29%	9.88%
Professional, Scientific, and Technical Services	171,523	6.99%	134,833	6.12%	27.21%
Accommodation and Food Services	159,028	6.49%	157,345	7.15%	1.07%
Construction	144,006	5.87%	101,510	4.61%	41.86%
Administrative and Support Services	119,317	4.87%	106,645	4.84%	11.88%
Real Estate and Rental and Leasing	113,554	4.63%	103,356	4.69%	9.87%
Transportation and Warehousing	105,429	4.30%	62,781	2.85%	67.93%
Finance and Insurance	95,942	3.91%	95,273	4.33%	0.70%
Wholesale Trade	81,380	3.32%	82,247	3.74%	-1.05%
Farm Employment	60,052	2.45%	67,967	3.09%	-11.65%
Management of Companies and Enterprises	51,195	2.09%	31,484	1.43%	62.61%
Educational Services	50,956	2.08%	53,579	2.43%	-4.90%
Arts, Entertainment, and Recreation	50,695	2.07%	53,708	2.44%	-5.61%
Information	40,992	1.67%	40,716	1.85%	0.68%
Forestry, Fishing, and Related Activities	32,270	1.32%	29,337	1.33%	10.00%
Waste Management and Remediation Services	6,290	0.26%	5,473	0.25%	14.93%
Utilities	5,139	0.21%	4,734	0.21%	8.56%
Mining, quarrying, and oil and gas extraction	4,067	0.17%	4,462	0.20%	-8.85%
Other Services	121,955	4.97%	115,326	5.24%	5.75%
Federal Government (Civilian)	29,271	1.19%	28,827	1.31%	1.54%
Military	11,304	0.46%	12,385	0.56%	-8.73%
State Government	41,551	1.69%	62,220	2.83%	-33.22%
Local Government	203,721	8.31%	180,274	8.19%	13.01%
Total Employment	<u>2,451,970</u>	<u>100.00%</u>	<u>2,201,553</u>	<u>100.00%</u>	11.37%

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Loans Outstanding - by Interest Rate

Enterprise Funds

Unaudited

Current Year and Nine Years Ago

Interest Rate	June 30, 2021				June 30, 2012			
	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
0.00 - 2.99%	945	17.68%	\$ 213,203,850	24.91%	98	1.23%	\$ 10,894,855	0.89%
3.00 - 3.99%	1,912	35.77%	318,904,841	37.27%	386	4.85%	56,943,879	4.64%
4.00 - 4.99%	1,311	24.53%	189,062,306	22.09%	2,372	29.78%	291,403,292	23.77%
5.00 - 5.99%	745	13.94%	98,219,481	11.48%	3,553	44.61%	521,421,612	42.53%
6.00 - 6.99%	268	5.01%	32,790,819	3.83%	1,050	13.18%	255,113,457	20.81%
7.00 - 7.99%	133	2.49%	3,347,437	0.39%	352	4.42%	65,748,688	5.36%
8.00 - 8.99%	31	0.58%	211,990	0.03%	129	1.62%	13,799,996	1.13%
9.00 - 9.99%	-	-	-	-	13	0.16%	8,750,418	0.71%
10.00% or More	-	-	-	-	12	0.15%	1,970,166	0.16%
Total	5,345	100.00%	\$ 855,740,724	100.00%	7,965	100.00%	\$ 1,226,046,363	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, 2021				June 30, 2012			
	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
<u>Single Family Loans</u> ⁽²⁾								
\$ 0 - \$ 200	28	0.55%	\$ 530,280	0.07%	49	0.65%	\$ 1,295,791	0.14%
\$ 201 - \$ 400	289	5.65%	11,340,984	1.47%	574	7.59%	24,308,388	2.66%
\$ 401 - \$ 600	1,033	20.21%	73,791,114	9.56%	1,812	23.98%	138,449,415	15.17%
\$ 601 - \$ 800	1,285	25.15%	148,531,609	19.24%	2,126	28.13%	240,452,382	26.33%
\$ 801 - \$1,000	1,090	21.33%	187,825,258	24.32%	1,573	20.81%	230,632,135	25.25%
\$1,001 - \$1,200	770	15.07%	172,834,324	22.38%	882	11.67%	159,343,110	17.45%
\$1,201 - \$1,400	390	7.63%	105,720,152	13.69%	413	5.46%	86,846,134	9.51%
\$1,401 - \$1,600	168	3.29%	51,616,084	6.68%	98	1.30%	23,377,820	2.56%
\$1,601 - \$1,800	49	0.96%	16,978,687	2.20%	27	0.36%	7,320,901	0.80%
\$1,801 - \$2,000	7	0.14%	2,649,456	0.34%	4	0.05%	1,206,674	0.13%
\$2,001 or more	1	0.02%	367,542	0.05%	-	-	-	-
Total	5,110	100.00%	772,185,490	100.00%	7,558	100.00%	913,232,750	100.00%
<u>Multi-Family Loans</u> ⁽³⁾								
\$ 0 - \$ 1,000	156	66.38%	3,183,120	3.81%	229	56.27%	8,691,061	2.78%
\$ 1,001 - \$ 5,000	41	17.45%	9,593,072	11.48%	57	14.00%	17,860,154	5.71%
\$ 5,001 - \$10,000	19	8.08%	11,722,457	14.03%	26	6.40%	22,051,918	7.04%
\$10,001 - \$15,000	5	2.13%	4,923,627	5.89%	27	6.63%	36,022,018	11.52%
\$15,001 - \$20,000	4	1.70%	6,984,725	8.36%	20	4.91%	36,910,857	11.80%
\$20,001 - \$25,000	1	0.43%	1,760,626	2.11%	15	3.69%	36,475,555	11.66%
\$25,001 - \$30,000	2	0.85%	6,583,311	7.88%	6	1.47%	22,165,940	7.09%
\$30,001 or more	4	1.70%	36,649,584	43.86%	16	3.93%	129,511,360	41.40%
Due at Maturity	3	1.28%	2,154,712	2.58%	11	2.70%	3,124,750	1.00%
Total	235	100.00%	83,555,234	100.00%	407	100.00%	312,813,613	100.00%
Grand Total	5,345		\$ 855,740,724		7,965		\$ 1,226,046,363	

⁽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, 2021

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	\$ 84,899	21	\$ 1,597,490	-	-
Benton	7	1,464,962	50	5,821,761	-	-
Clackamas	13	246,809	293	58,366,221	2	7,130,733
Clatsop	2	21,975	14	1,748,428	-	-
Columbia	5	415,920	79	15,710,917	1	1,148,785
Coos	4	39,754	107	13,365,436	-	-
Crook	-	-	53	8,341,204	-	-
Curry	1	1,327	8	1,063,598	-	-
Deschutes	2	68,207	295	49,487,603	-	-
Douglas	2	51,600	108	13,015,220	1	914,018
Gilliam	2	204,461	1	15,698	-	-
Grant	-	-	4	504,344	-	-
Harney	2	899,634	10	720,507	-	-
Hood River	1	1,764	14	2,256,965	-	-
Jackson	5	41,005	292	47,246,413	1	756,972
Jefferson	-	-	74	12,483,925	-	-
Josephine	3	601,590	383	66,321,205	-	-
Klamath	-	-	172	15,755,461	-	-
Lake	1	59,925	15	1,259,646	-	-
Lane	14	713,681	239	23,132,301	1	1,199,371
Lincoln	5	2,269,654	44	4,207,937	-	-
Linn	10	911,991	133	18,128,437	-	-
Malheur	3	797,004	31	1,646,904	-	-
Marion	39	20,824,293	417	45,611,522	2	890,593
Morrow	-	-	19	1,233,262	-	-
Multnomah	49	11,943,279	1,442	241,721,165	7	12,667,471
Polk	6	810,420	71	9,874,015	-	-
Sherman	1	141,689	1	165,303	-	-
Tillamook	1	269,161	13	1,761,637	-	-
Umatilla	3	3,982	136	9,114,185	-	-
Union	2	255,255	42	3,450,177	1	844,371
Wallowa	1	664,608	4	297,234	1	8,568,319
Wasco	1	4,321	7	1,167,706	-	-
Washington	13	2,062,304	383	71,216,976	-	-
Wheeler	1	59,723	1	197,077	-	-
Yamhill	7	1,034,458	134	24,177,610	-	-
Total	207	\$ 46,969,655	5,110	\$ 772,185,490	17	\$ 34,120,633

Housing Finance Account		Total	
Number of Loans	Principal Amount	Number of Loans	Principal Amount
-	-	22	\$ 1,682,389
-	-	57	7,286,723
-	-	308	65,743,763
-	-	16	1,770,403
1	1,600,000	86	18,875,622
-	-	111	13,405,190
-	-	53	8,341,204
-	-	9	1,064,925
-	-	297	49,555,810
-	-	111	13,980,838
-	-	3	220,159
-	-	4	504,344
-	-	12	1,620,141
-	-	15	2,258,729
-	-	298	48,044,390
6	260,160	80	12,744,085
-	-	386	66,922,795
-	-	172	15,755,461
-	-	16	1,319,571
-	-	254	25,045,353
-	-	49	6,477,591
-	-	143	19,040,428
-	-	34	2,443,908
-	-	458	67,326,408
-	-	19	1,233,262
-	-	1,498	266,331,915
-	-	77	10,684,435
-	-	2	306,992
-	-	14	2,030,798
-	-	139	9,118,167
1	270,000	46	4,819,803
-	-	6	9,530,161
1	284,712	9	1,456,739
2	50,074	398	73,329,354
-	-	2	256,800
-	-	141	25,212,068
11	\$ 2,464,946	5,345	\$ 855,740,724

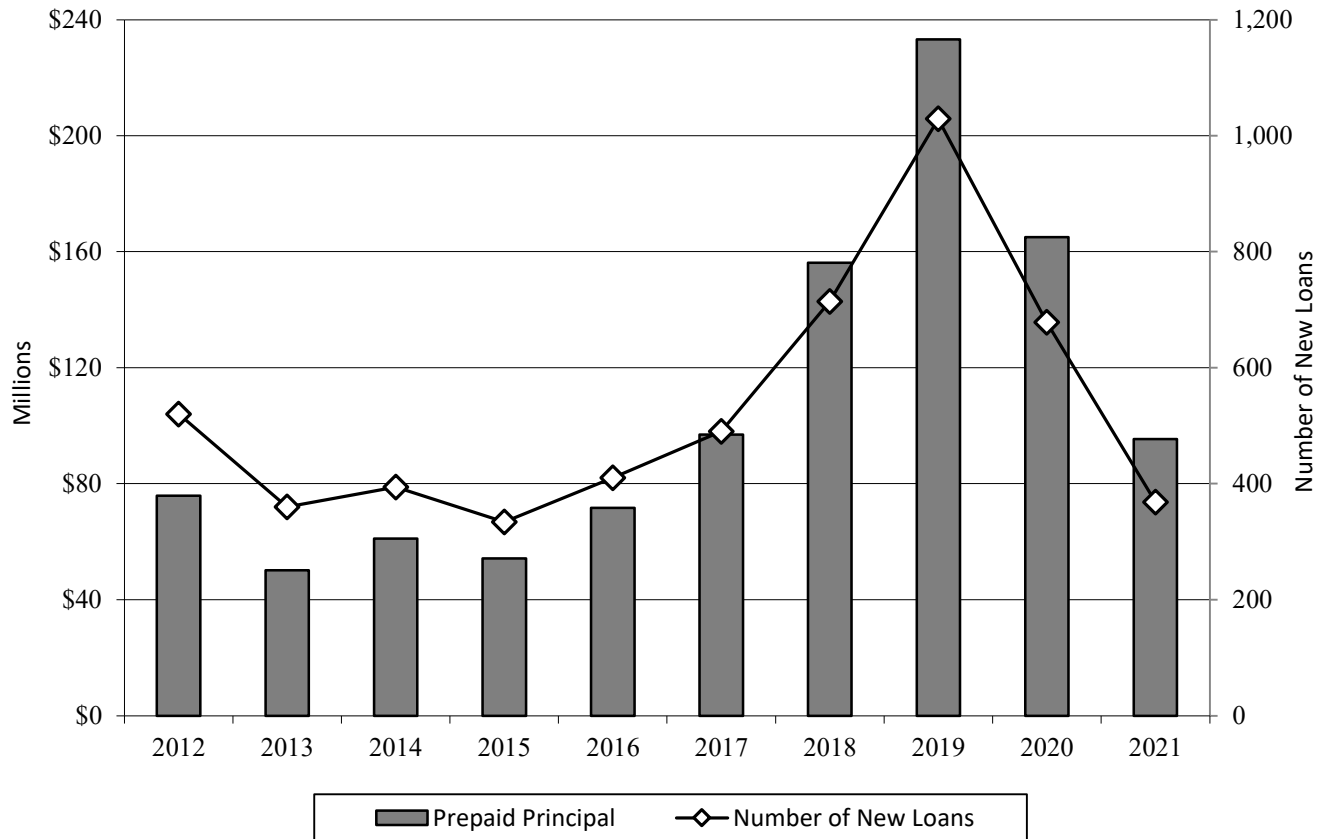
OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

New Mortgage Loans - Single-Family Mortgage Program

Enterprise Funds

Last Ten Fiscal Years

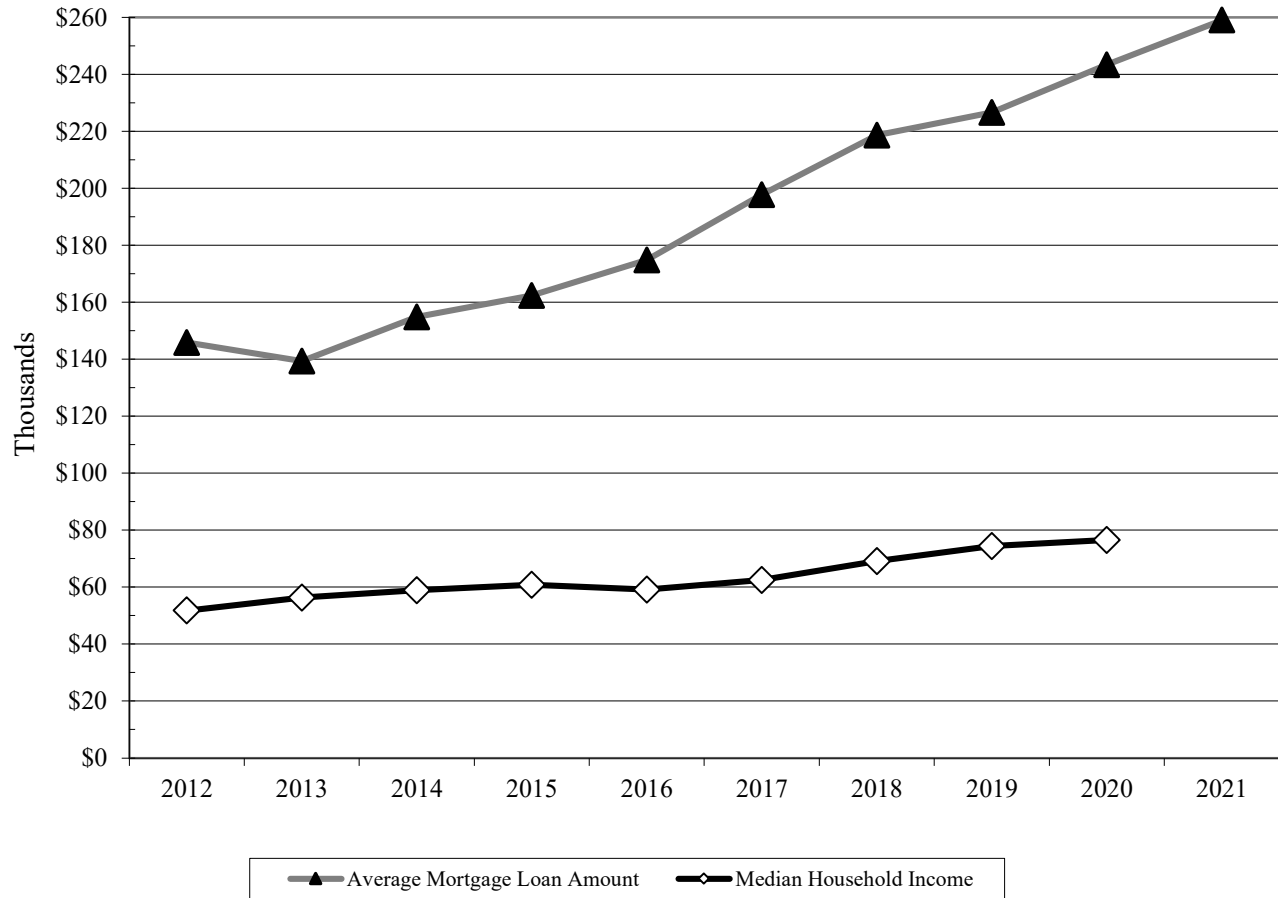
Unaudited



Fiscal Year	Number of New Loans	Original Loan Amount
2021	368	\$ 95,332,814
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

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

Unaudited

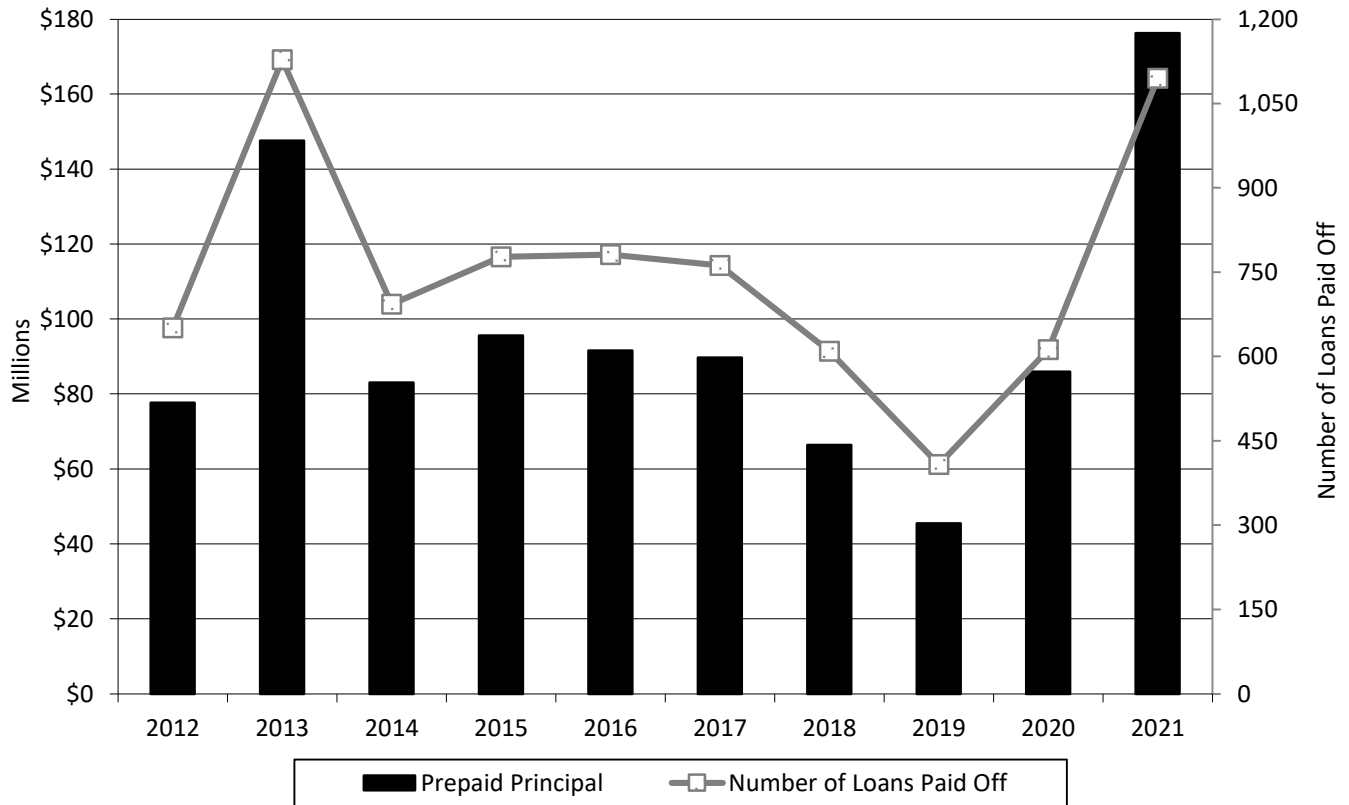


<u>Fiscal Year</u>	<u>Average Loan Amount</u>	<u>Calendar Year</u>	<u>Median Household Income in the State of Oregon</u> ⁽¹⁾
2021	\$ 259,057		
2020	243,410	2020	\$ 76,554
2019	226,631	2019	74,413
2018	218,672	2018	69,165
2017	197,785	2017	62,498
2016	174,792	2016	59,135
2015	162,334	2015	60,834
2014	154,865	2014	58,875
2013	139,380	2013	56,307
2012	145,888	2012	51,775

⁽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



<u>Fiscal Year</u>	<u>Number of Loans Paid Off</u>	<u>Prepaid Principal</u>
2021	1,095	\$ 176,269,997
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

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Number of Employees

Last Ten Fiscal Years

Unaudited

	Full-Time-Equivalent Employees as of June 30									
	<u>2021</u>	<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>
Director's Office	4.0	3.0	3.0	3.0	13.0	11.0	10.0	2.0	5.0	6.0
Deputy Director's Office	63.0	52.0								
Public Affairs Division	10.0	11.0	9.0	9.0	7.0	7.0	10.0	9.0	13.0	15.0
Housing Stabilization Division	30.0	25.8	32.8	32.8	29.5	23.5	27.8			
Homeownership Division	21.0	24.0								
Affordable Rental Housing Division	71.0	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
Total	199.0	175.8	163.8	152.8	137.0	114.0	121.3	125.5	147.5	152.3

OHCS's divisions were reorganized in 2015 and in 2020.

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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, 2021, 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 2, 2021.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Office of the Secretary of State, Audits Division

State of Oregon
November 2, 2021