

Annual Financial Report

Enterprise Funds of
the State of Oregon

Housing and Community Services
Department

For the Year Ended June 30, 2023

Andrea Bell
Director

Dean Criscola
Controller

Prepared by:
Roger Schmidt
Matthew Harris
Siora Arce



Table of Contents

Financial Section

Independent Auditor's Report	2
Basic Financial Statements:	
Statement of Net Position	6
Statement of Revenues, Expenses, and Changes in Fund Net Position	8
Statement of Cash Flows	10
Notes to the Financial Statements	12
Supplementary Information:	
Combining Schedules - Housing Finance Fund:	
Combining Statement of Net Position - Housing Finance Fund	34
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Housing Finance Fund	38
Combining Statement of Cash Flows - Housing Finance Fund	40

Statistical Section

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position	46
Revenues, Expenses, and Changes in Net Position	50
Cash Flows	52
Weighted Average Interest Rate - New Mortgage Loans - Single-Family Mortgage Program	54
Principal Program Loan Interest Payers	55
Ratio of Outstanding Debt	56
Legal Debt Margin Information	57
Demographic and Economic Data - State of Oregon	58
Employment Data - State of Oregon	59
Loans Outstanding - By Interest Rate	60
Loans Outstanding - By Monthly Payment Amount	61
Loans Outstanding - By County	62
New Mortgage Loans - Single-Family Mortgage Program	64
Average New Mortgage Loan Amount Versus Median Household Income - Single-Family Mortgage Program	65
Mortgage Loans Paid Off - Single-Family Mortgage Program	66
Number of Employees	67

Other Reports

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters	70
---	----

Financial Section

Independent Auditor's Report

The Honorable Tina Kotek
Governor of Oregon

Andrea Bell, Director
Oregon Housing and Community Services Department

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Elderly and Disabled Housing Fund and Housing Finance Fund, which collectively comprise the Housing and Community Service Fund, an enterprise fund of the State of Oregon, Housing and Community Services Department (department) as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Housing and Community Services Fund, an enterprise fund of the State of Oregon, Housing and Community Services Department, as of June 30, 2023, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Housing and Community Service Fund and do not purport to, and do not, present fairly the financial position of the State of Oregon or the Oregon Housing and Community Services Department, as of June 30, 2023, the changes in its financial position or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and the disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing and Community Services Department's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing and Community Service Fund's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issue our report dated October 30, 2023, 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 Housing and Community Services Department's internal control over financial reporting and compliance.

Office of the Secretary of State, Audits Division

State of Oregon
October 30, 2023

[THIS PAGE INTENTIONALLY LEFT BLANK]

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Net Position
Proprietary Funds
June 30, 2023

	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	\$ 1,121,341	\$ 42,246,808	\$ 43,368,149
Cash and Cash Equivalents - Restricted	1,979,708	94,311,396	96,291,104
Securities Lending Cash Collateral	25,843	21,656	47,499
Accounts Receivable	850	298,680	299,530
Accrued Interest Receivable	267,547	5,027,043	5,294,590
Interfund Receivable	-	47,806	47,806
Due from Governmental Funds	177	302,478	302,655
Prepaid Expenses	-	21,147	21,147
Loans Receivable	3,277,752	26,084,604	29,362,356
Acquired Property	-	780,339	780,339
Total Current Assets	6,673,218	169,141,957	175,815,175
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	59,270,813	93,833,797	153,104,610
Investments - Restricted	1,279,736	67,292,900	68,572,636
Loans Receivable	35,574,970	841,622,231	877,197,201
Swap Fair Value Asset	-	16,842,159	16,842,159
Net Other Postemployment Benefits Asset	27,182	180,264	207,446
Capital Assets (Net)	598	2,179	2,777
Leased Assets (Net)	344	1,639	1,983
Total Noncurrent Assets	96,153,643	1,019,775,169	1,115,928,812
Total Assets	102,826,861	1,188,917,126	1,291,743,987
Deferred Outflows of Resources			
Loss on Debt Refundings	-	387,788	387,788
Related to Pensions	467,197	3,222,279	3,689,476
Related to Other Postemployment Benefits	3,951	24,558	28,509
Total Deferred Outflows of Resources	471,148	3,634,625	4,105,773
Total Assets and Deferred Outflows of Resources	\$ 103,298,009	\$ 1,192,551,751	\$ 1,295,849,760

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

Continued on the next page

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 37,681	\$ 1,393,266	\$ 1,430,947
Accrued Interest Payable	397,162	14,746,806	15,143,968
Obligations Under Securities Lending	25,843	21,656	47,499
Interfund Payable	47,806	-	47,806
Due to Governmental Funds	121,887	477,517	599,404
Unearned Revenue	1,087	431,160	432,247
Compensated Absences Payable	66,108	308,268	374,376
Lease Obligations	351	1,671	2,022
Bonds Payable	1,045,000	67,105,000	68,150,000
Arbitrage Rebate Liability	-	82,296	82,296
Pension-related Debt Payable	10,606	37,999	48,605
Total Current Liabilities	1,753,531	84,605,639	86,359,170
Noncurrent Liabilities			
Compensated Absences Payable	37,186	173,401	210,587
Bonds Payable	19,028,098	889,747,311	908,775,409
Arbitrage Rebate Liability	-	35,635	35,635
Pension-related Debt Payable	43,333	155,262	198,595
Net Pension Liability	1,024,689	7,318,524	8,343,213
Total Other Postemployment Benefits Liability (PEBB)	16,135	92,601	108,736
Total Noncurrent Liabilities	20,149,441	897,522,734	917,672,175
Total Liabilities	21,902,972	982,128,373	1,004,031,345
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	-	16,842,159	16,842,159
Gain on Debt Refundings	-	41,467	41,467
Deferred Loan Origination Fees	260,207	3,634,436	3,894,643
Related to Pensions	306,999	2,192,650	2,499,649
Related to Other Postemployment Benefits	18,680	117,265	135,945
Total Deferred Inflows of Resources	585,886	22,827,977	23,413,863
Net Position			
Net Investment in Capital Assets	591	2,147	2,738
Restricted for Residential Assistance	-	1,141,817	1,141,817
Restricted for Other Postemployment Benefits	27,182	180,264	207,446
Restricted by Trust Indentures	79,778,663	151,814,011	231,592,674
Unrestricted	1,002,715	34,457,162	35,459,877
Total Net Position	80,809,151	187,595,401	268,404,552
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 103,298,009	\$ 1,192,551,751	\$ 1,295,849,760

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Operating Revenues			
Interest on Loans	\$ 1,657,506	\$ 31,030,017	\$ 32,687,523
Investment Income	1,729,782	6,516,934	8,246,716
Administrative Charges and Fees	62,182	7,978,502	8,040,684
Low Income Housing Tax Credit Fees	-	8,028,128	8,028,128
Gain (Loss) on Debt Extinguishment	-	1,327,661	1,327,661
Miscellaneous Revenue	65	1,657	1,722
Total Operating Revenues	3,449,535	54,882,899	58,332,434
Operating Expenses			
Personal Services	1,820,818	12,246,790	14,067,608
Services and Supplies	232,441	3,672,132	3,904,573
Mortgage Service Fees	15,185	2,996,051	3,011,236
Foreclosure Costs	-	24,621	24,621
Interest Expense - Bonds	968,743	25,479,446	26,448,189
Interest Expense - Securities Lending	9,027	9,088	18,115
Other Related Program Expenses	-	3,026,250	3,026,250
Depreciation/Amortization	1,333	7,541	8,874
Total Operating Expenses	3,047,547	47,461,919	50,509,466
Operating Income	401,988	7,420,980	7,822,968
Nonoperating Revenues (Expenses)			
Interest Expense - Pension-related Debt	(3,776)	(13,528)	(17,304)
Interest Expense - Leased Assets	(11)	(53)	(64)
Total Nonoperating Revenues (Expenses)	(3,787)	(13,581)	(17,368)
Income Before Transfers	398,201	7,407,399	7,805,600
Transfers from Other Funds	-	10,000,000	10,000,000
Transfers to Other State Agencies	(51,984)	(315,577)	(367,561)
Increase in Net Position	346,217	17,091,822	17,438,039
Net Position - Beginning	80,462,934	170,503,579	250,966,513
Net Position - Ending	\$ 80,809,151	\$ 187,595,401	\$ 268,404,552

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Cash Flows from Operating Activities			
Received from Customers	\$ 61,332	\$ 16,605,539	\$ 16,666,871
Program Loan Principal Repayments	4,315,203	65,015,247	69,330,450
Program Loan Interest Received	1,641,757	29,838,714	31,480,471
Program Loans Made	-	(136,638,159)	(136,638,159)
Payments to Employees for Services	(1,352,643)	(9,155,587)	(10,508,230)
Payments to Suppliers for Goods and Services	(284,944)	(6,424,163)	(6,709,107)
Other Receipts (Payments)	65	(1,937,684)	(1,937,619)
Net Cash Provided (Used) in Operating Activities	4,380,770	(42,696,093)	(38,315,323)
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	-	114,018,169	114,018,169
Principal Payments - Bonds	(1,575,000)	(37,500,000)	(39,075,000)
Interest Payments - Bonds	(999,248)	(24,353,479)	(25,352,727)
Bond Issuance Costs	-	(989,191)	(989,191)
Principal Payments - Pension-related Debt	(14,883)	(53,322)	(68,205)
Interest Payments - Pension-related Debt	(3,776)	(13,528)	(17,304)
Transfers from Other Funds	-	10,000,000	10,000,000
Transfers to Other State Agencies	(50,930)	(335,906)	(386,836)
Net Cash Provided (Used) in Noncapital Financing Activities	(2,643,837)	60,772,743	58,128,906
Cash Flows from Capital and Related Financing Activities			
Lease Principal Payments	(1,306)	(6,305)	(7,611)
Lease Interest Payments	(13)	(61)	(74)
Net Cash Provided (Used) in Capital and Related Financing Activities	(1,319)	(6,366)	(7,685)
Cash Flows from Investing Activities			
Purchase of Investments	-	(130,692,371)	(130,692,371)
Proceeds from Sales and Maturities of Investments	-	246,326,867	246,326,867
Interest on Cash and Investments	1,828,852	4,935,878	6,764,730
Investment Income on Securities Lending	9,027	9,088	18,115
Interest Paid on Securities Lending	(9,027)	(9,088)	(18,115)
Net Cash Provided (Used) in Investing Activities	1,828,852	120,570,374	122,399,226
Net Increase (Decrease) in Cash and Cash Equivalents	3,564,466	138,640,658	142,205,124
Cash and Cash Equivalents Balance - Beginning	58,807,396	91,751,343	150,558,739
Cash and Cash Equivalents Balance - Ending	\$ 62,371,862	\$ 230,392,001	\$292,763,863
Cash and Cash Equivalents	\$ 1,121,341	\$ 42,246,808	\$ 43,368,149
Cash and Cash Equivalents - Restricted (Current)	1,979,708	94,311,396	96,291,104
Cash and Cash Equivalents - Restricted (Noncurrent)	59,270,813	93,833,797	153,104,610
Total Cash and Cash Equivalents	\$ 62,371,862	\$ 230,392,001	\$292,763,863

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

Continued on the next page

Continued from the previous page

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income	\$ 401,988	\$ 7,420,980	\$ 7,822,968
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	1,333	7,541	8,874
Investment Income Reported as Operating Revenue	(1,729,782)	(6,516,934)	(8,246,716)
Interest Expense Reported as Operating Expense	977,770	25,488,534	26,466,304
Bond Issuance Costs Reported as Operating Expense	-	1,041,405	1,041,405
(Gain) Loss on Debt Extinguishment	-	(1,327,660)	(1,327,660)
(Increase)/Decrease in Assets:			
Loan Interest Receivable	25,484	(395,332)	(369,848)
Accounts Receivable	(850)	23,021	22,171
Interfund Receivable	49,270	30,217	79,487
Due from Governmental Funds	(1,517)	270,768	269,251
Prepaid Expenses	-	(21,147)	(21,147)
Loans Receivable	4,315,203	(71,241,042)	(66,925,839)
Acquired Property	-	(780,339)	(780,339)
Net Other Postemployment Benefits Asset	(2,051)	(46,149)	(48,200)
(Increase)/Decrease in Deferred Outflows of Resources:			
Related to Pensions	(69,736)	(682,276)	(752,012)
Related to Other Postemployment Benefits	(65)	(931)	(996)
Increase/(Decrease) in Liabilities:			
Accounts Payable	(6,521)	802	(5,719)
Interfund Payable	(30,217)	(49,270)	(79,487)
Due to Governmental Funds	121,123	335,620	456,743
Due to Other Governments	-	(41,180)	(41,180)
Unearned Revenue	361	(95,429)	(95,068)
Compensated Absences Payable	95,404	353,913	449,317
Net Pension Liability	434,083	3,806,186	4,240,269
Total Other Postemployment Benefits Liability	(3,044)	(8,515)	(11,559)
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	(41,593)	279,111	237,518
Related to Pensions	(154,107)	(549,545)	(703,652)
Related to Other Postemployment Benefits	(1,766)	1,558	(208)
Net Cash Provided (Used) in Operating Activities	\$ 4,380,770	\$ (42,696,093)	\$ (38,315,323)
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	\$ (107,938)	\$ 1,250,622	\$ 1,142,684
Foreclosed Property	-	780,339	780,339
Loan Modifications	-	398,469	398,469
Total Noncash Investing, Capital, and Financing Activities	\$ (107,938)	\$ 2,429,430	\$ 2,321,492

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Notes to the Financial Statements

Enterprise Funds

June 30, 2023

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 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 OHCS D moneys held in the State Treasury Oregon Short-Term Fund and moneys 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). OHCS D records investments with original maturities of three months or less as investments, not cash equivalents.

F. Investments

OHCS D'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 OHCS D's enterprise funds are classified as "Interfund Receivable" and "Interfund Payable" on the Statement of Net Position. Receivables and payables between OHCS D's enterprise funds and OHCS D'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 OHCSO's capital assets is from three to ten years.

K. Rebutable Arbitrage

Internal Revenue Code (IRC) Section 148(f) requires issuers of tax-exempt bonds to rebate investment income earned from bond proceeds that exceeds limits established for each bond issue. These limits are based on the bond yield as calculated for federal tax purposes for each bond issue and are subject to certain exceptions. Arbitrage rebate payments are due not later than 60 days after the end of the fifth anniversary of each bond issue (or other date in compliance with IRC Section 148(f)) and every five years thereafter in an amount at least equal to 90% of the calculated arbitrage liability. Final arbitrage rebate payments are due not later than 60 days after the final retirement of all bonds in an issue in an amount equal to 100% of the calculated arbitrage liability. OHCSO records rebutable 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. Employees are not paid for unused sick leave benefits when leaving State service, so no liability is recorded for accumulated sick leave benefits.

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, 2023 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 and bond proceeds that have not yet been loaned and required bond reserves are invested, 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, leased asset interest expense, and pension-related debt interest payments.

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

Deposits

On June 30, 2023, the book balance of cash and cash equivalents was \$292,763,863 and the bank balance was \$292,666,088. Monies held in demand accounts with the State Treasurer and amounts in the Oregon Short-Term Fund totaled \$114,790,444. 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, 2023 bank balance includes \$176,388,178 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 \$1,487,466 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 \$14,880,109 in U.S. Treasury securities, \$52,322,630 in U.S. Agency securities, and \$176,388,178 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 \$828,691 in U.S. Treasury Securities and \$451,045 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, 2023

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, 2023, 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		\$ 15,708,800	\$ 9,404,762	\$ 5,475,346	\$ -	\$ 828,692
U.S. Agency Securities	Aaa	AA+	36,282,530	-	8,662,674	9,114,004	18,505,852
U.S. Agency Securities	Not Rated	Not Rated	16,491,145	16,491,145	-	-	-
Investment Derivative Instruments	Not Rated	Not Rated	90,161	-	-	-	90,161
Subtotal			68,572,636	\$ 25,895,907	\$ 14,138,020	\$ 9,114,004	\$ 19,424,705
Money Market Mutual Funds **	Aaa-mf	AAAm	176,388,178				
Total			\$ 244,960,814				

** 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, 2023, 38.48% of OHCS D's total investments are Federal Home Loan Bank securities, 22.94% are U.S. Treasury securities, 15.97% are Federal National Mortgage Association (Fannie Mae) securities, 10.73% are Tennessee Valley Authority securities, and 10.28% are Federal Farm Credit Bank 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, 2023, amounts allocated to OHCS D's Enterprise Funds are as follows:

	Fair Value
Securites on loan	\$ 652,953
Securites lending cash and noncash collateral	\$ 666,212
Investments purchased with cash collateral	\$ 47,492

Securities on loan from the OSTF included U.S. Treasury securities (12.44%), U.S. Agency securities (80.44%), and domestic fixed income securities (7.12%). 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, 2023

NOTE 3. Loans Receivable

Loans receivable on June 30, 2023 consisted of:

	Loans Receivable
Elderly and Disabled Housing Fund	\$ 38,852,722
Housing Finance Fund:	
Mortgage Revenue Bonds	839,917,165
Multifamily Housing Revenue Bonds	26,552,175
Housing Finance Account	1,237,495
Total Housing Finance Fund	867,706,835
Total	\$ 906,559,557

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 provide financing for single-family homes for at or below median income home buyers. Loans are collateralized by first lien mortgages on the applicable real estate. Of the total mortgage principal balance outstanding on June 30, 2023, 57.98% is federally insured or guaranteed, 0.21% is covered by pool insurance and/or private mortgage insurance, and 41.81% 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, 2023 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	(747)	(149)	-	(896)	(1,954)	(390)	-	(2,344)
Software	(26,370)	-	-	(26,370)	(149,348)	(1,450)	-	(150,798)
Total Accumulated Depr/Amort	(27,117)	(149)	-	(27,266)	(151,302)	(1,840)	-	(153,142)
Capital Assets, Net	\$ 747	\$ (149)	\$ -	\$ 598	\$ 4,019	\$ (1,840)	\$ -	\$ 2,179

Notes to the Financial Statements (Continued)
June 30, 2023

NOTE 5. Leases

OHCS has entered into lease agreements for office equipment. Equal monthly payments to the lessor are to be made for the life of the lease agreements.

The following table summarizes, as of June 30, 2023, the amounts needed to pay future lease principal and interest payments for each fiscal year.

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 2,022	\$ 7	\$ 2,029
Total	<u>\$ 2,022</u>	<u>\$ 7</u>	<u>\$ 2,029</u>

A summary of OHCS's leased assets on June 30, 2023 is presented in the table below.

	Elderly and Disabled Housing Fund				Housing Finance Fund			
	Beginning Balance	Increases	Decreases	Ending Balance	Beginning Balance	Increases	Decreases	Ending Balance
Leased Assets:								
Leased Equipment	\$ 4,688	\$ -	\$ -	\$ 4,688	\$ 22,562	\$ -	\$ -	\$ 22,562
Less Accumulated Amortization:								
Leased Equipment	(3,160)	(1,184)	-	(4,344)	(15,222)	(5,701)	-	(20,923)
Leased Assets, Net	<u>\$ 1,528</u>	<u>\$ (1,184)</u>	<u>\$ -</u>	<u>\$ 344</u>	<u>\$ 7,340</u>	<u>\$ (5,701)</u>	<u>\$ -</u>	<u>\$ 1,639</u>

NOTE 6. Transfers and Interfund Balances

In fiscal year 2023, \$10,000,000 was transferred to the Housing Finance Account from OHCS's general fund. The funds are for a new down payment assistance loan program. The program will begin in fiscal year 2024.

The following schedule summarizes interfund receivables and payables for the year ended June 30, 2023:

	Interfund Receivable	Interfund Payable
Elderly and Disabled Housing Fund	\$ -	\$ 47,806
Housing Finance Fund	47,806	-
Total	<u>\$ 47,806</u>	<u>\$ 47,806</u>

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

Notes to the Financial Statements (Continued)
June 30, 2023

NOTE 7. 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	\$ 880,640,000	\$ 112,025,000	\$ 38,885,000	\$ 953,780,000	\$ 67,950,000
Bond Principal (Direct Placements)	5,195,000	-	190,000	5,005,000	200,000
Bond Premium	18,297,533	1,993,169	2,133,904	18,156,798	
Bond Discount	(17,893)	-	(1,504)	(16,389)	
Bonds Payable	904,114,640	114,018,169	41,207,400	976,925,409	
Compensated Absences Payable	135,646	449,317	-	584,963	374,376
Lease Obligations	8,926	-	6,904	2,022	2,022
Arbitrage Rebate Liability	-	117,931	-	117,931	82,296
Pension-related Debt Payable	315,405	-	68,205	247,200	48,605
Net Pension Liability	4,102,944	6,283,418	2,043,149	8,343,213	-
Total OPEB Liability	120,295	14,451	26,010	108,736	-
Total Long Term Liabilities	\$ 908,797,856	\$ 120,883,286	\$ 43,351,668	\$ 986,329,474	\$ 68,657,299

NOTE 8. 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 were combined to form the SLGRP effective January 1, 2002. The unfunded actuarial liability 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, 2023 for each fiscal year during the next five years. The final principal and interest payment will be made in fiscal year 2028.

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 48,605	\$ 16,232	\$ 64,837
2025	52,016	12,821	64,837
2026	55,667	9,170	64,837
2027	59,574	5,263	64,837
2028	31,338	1,081	32,419
Total	\$ 247,200	\$ 44,567	\$ 291,767

Notes to the Financial Statements (Continued)
June 30, 2023

NOTE 9. Long-Term Debt

The following table summarizes outstanding bonds by program and series as of June 30, 2023:

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	\$ 1,070,000	\$ -	\$ 215,000	\$ 855,000	\$ 220,000
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	1,090,000	-	160,000	930,000	175,000
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	205,000	-	205,000	-	-
2002 B	2003-2024	1.400 4.700%	37,905,000	10,000	-	-	10,000	-
2002 C	2003-2043	1.600 5.050%	13,595,000	1,080,000	-	90,000	990,000	-
2007 A	2008-2048	3.650 4.750%	26,300,000	18,145,000	-	905,000	17,240,000	650,000
Subtotal				21,645,000	-	1,575,000	20,070,000	1,045,000
Direct Placements								
2003 C	2013-2034	4.350 5.100%	2,930,000	5,000	-	-	5,000	-
Subtotal				5,000	-	-	5,000	-
Total General Obligation Bonds				\$ 21,650,000	\$ -	\$ 1,575,000	\$ 20,075,000	\$ 1,045,000

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	
2013 A	2020-2043	2.200 4.050%	\$ 21,885,000	\$ 7,870,000	\$ -	\$ 1,510,000	\$ 6,360,000	\$ 830,000
2013 B	2014-2034	0.450 5.000%	29,095,000	1,210,000	-	590,000	620,000	560,000
2013 C	2014-2033	0.350 3.564%	61,300,000	3,040,000	-	885,000	2,155,000	945,000
2013 D	2018-2043	1.650 4.200%	33,225,000	5,780,000	-	1,095,000	4,685,000	1,425,000
2013 F	2033	3.900 3.900%	8,335,000	4,445,000	-	-	4,445,000	-
2014 A	2019-2044	1.550 4.000%	57,710,000	20,210,000	-	1,550,000	18,660,000	2,455,000
2014 B	2015-2044	0.300 4.000%	29,960,000	1,865,000	-	455,000	1,410,000	615,000
2014 C	2015-2044	0.200 3.750%	30,900,000	10,500,000	-	770,000	9,730,000	990,000
2015 A	2019-2036	1.500 3.500%	79,195,000	9,890,000	-	2,225,000	7,665,000	2,135,000
2015 C	2045	***	33,600,000	33,600,000	-	-	33,600,000	-
2016 A	2017-2047	0.550 4.000%	56,275,000	8,755,000	-	1,675,000	7,080,000	1,600,000
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	18,720,000	-	2,735,000	15,985,000	2,630,000
2017 C	2039	***	44,000,000	41,605,000	-	-	41,605,000	-

Continued on the next page

Notes to the Financial Statements (Continued)
June 30, 2023

Mortgage Revenue Bonds

Continued from the previous page

Original Issue				Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range	Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2017 D	2022-2048	1.400 3.500%	87,390,000	42,610,000	-	2,530,000	40,080,000	3,295,000
2017 E	2018-2040	0.950 3.500%	22,775,000	5,010,000	-	700,000	4,310,000	675,000
2017 F	2042-2048	3.650 3.750%	11,440,000	6,450,000	-	-	6,450,000	-
2017 G	2018-2040	1.400 4.000%	43,730,000	17,395,000	-	1,595,000	15,800,000	1,090,000
2017 H	2023-2028	2.100 2.800%	16,105,000	16,105,000	-	1,285,000	14,820,000	2,565,000
2018 A	2019-2049	1.750 4.500%	62,590,000	29,950,000	-	700,000	29,250,000	3,350,000
2018 B	2035-2043	2.900 2.900%	30,000,000	16,080,000	-	-	16,080,000	-
2018 C	2020-2049	1.600 4.500%	87,420,000	42,610,000	-	550,000	42,060,000	3,150,000
2018 D	2020-2050	1.900 4.750%	82,885,000	45,375,000	-	3,825,000	41,550,000	4,505,000
2018 E	2043	***	41,000,000	41,000,000	-	-	41,000,000	-
2019 A	2020-2050	1.050 4.000%	99,000,000	83,120,000	-	3,410,000	79,710,000	4,555,000
2020 A	2021-2051	0.300 3.500%	47,905,000	35,580,000	-	2,320,000	33,260,000	3,670,000
2020 B	2037	***	24,500,000	24,500,000	-	-	24,500,000	-
2020 C	2021-2052	0.200 3.000%	60,000,000	57,320,000	-	1,650,000	55,670,000	2,950,000
2021 A	2022-2052	0.070 3.000%	99,000,000	97,965,000	-	1,185,000	96,780,000	3,840,000
2022 A	2025-2051	2.250 4.000%	77,900,000	77,900,000	-	685,000	77,215,000	815,000
2022 B	2023-2026	2.650 3.400%	7,000,000	7,000,000	-	-	7,000,000	2,000,000
2022 C	2024-2053	4.592 5.661%	24,810,000	-	24,810,000	-	24,810,000	415,000
2022 D	2047	***	21,000,000	-	21,000,000	-	21,000,000	-
2022 E	2023	3.625 3.625%	15,000,000	-	15,000,000	-	15,000,000	15,000,000
2023 A	2024-2053	2.800 5.500%	40,005,000	-	40,005,000	-	40,005,000	415,000
2023 B	2025-2036	4.819 5.482%	11,210,000	-	11,210,000	-	11,210,000	-
<i>Total Mortgage Revenue Bonds</i>				\$ 841,600,000	\$ 112,025,000	\$ 33,925,000	\$ 919,700,000	\$ 66,475,000

*** 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 3.95% for 2015 C and 2017 C; 3.97% for 2016 B; 4.04% for 2016 C; 4.08% for 2018 E and 2020 B; and 5.10% for 2022 D.

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	\$ 3,275,000	\$ -	\$ 2,970,000	\$ 305,000	\$ 10,000
2010 A	2011-2042	0.900 5.150%	77,705,000	3,235,000	-	140,000	3,095,000	145,000
2010 B	2013-2052	0.950 4.875%	16,425,000	8,340,000	-	135,000	8,205,000	135,000
2012 A	2013-2032	0.300 3.250%	1,425,000	850,000	-	70,000	780,000	70,000
2012 B	2013-2043	0.550 4.125%	35,335,000	1,695,000	-	70,000	1,625,000	70,000
Subtotal				17,395,000	-	3,385,000	14,010,000	430,000
Direct Placements								
2004 A	2014-2045	4.300 5.100%	5,120,000	3,780,000	-	80,000	3,700,000	90,000
2006 A	2036	4.620 4.620%	5,680,000	1,410,000	-	110,000	1,300,000	110,000
Subtotal				5,190,000	-	190,000	5,000,000	200,000
<i>Total Multifamily Housing Revenue Bonds</i>				\$ 22,585,000	\$ -	\$ 3,575,000	\$ 19,010,000	\$ 630,000
<i>Total Revenue Bonds</i>				\$ 864,185,000	\$ 112,025,000	\$ 37,500,000	\$ 938,710,000	\$ 67,105,000
<i>Total General Obligation and Revenue Bonds</i>				\$ 885,835,000	\$ 112,025,000	\$ 39,075,000	\$ 958,785,000	\$ 68,150,000

Notes to the Financial Statements (Continued)
June 30, 2023

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, 2023 are summarized below:

	Principal	Principal (Direct Placements)	Premium	Discount	Bonds Payable
General Obligation Bonds:					
Elderly and Disabled Housing Fund	\$ 20,070,000	\$ 5,000	\$ -	\$ (1,902)	\$ 20,073,098
Revenue Bonds (Housing Finance Fund):					
Mortgage Revenue Bonds	919,700,000	-	18,156,798	-	937,856,798
Multifamily Housing Revenue Bonds	14,010,000	5,000,000	-	(14,487)	18,995,513
Total Revenue Bonds	933,710,000	5,000,000	18,156,798	(14,487)	956,852,311
Total General Obligation and Revenue Bonds	\$ 953,780,000	\$ 5,005,000	\$ 18,156,798	\$ (16,389)	\$ 976,925,409

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, 2023 for each fiscal year during the next five year period ending June 30, 2028 and in five year increments thereafter.

Fiscal Year Ending June 30	Bonds				
	Principal	Interest	Direct Placements		Total
			Principal	Interest	
General Obligation Bonds					
2024	\$ 1,045,000	\$ 934,453	\$ -	\$ 255	\$ 1,979,708
2025	1,105,000	881,471	-	255	1,986,726
2026	1,155,000	825,779	-	255	1,981,034
2027	1,160,000	768,901	-	255	1,929,156
2028	995,000	716,985	-	255	1,712,240
2029-2033	4,690,000	2,954,323	-	1,275	7,645,598
2034-2038	6,055,000	1,725,878	5,000	382	7,786,260
2039-2043	2,885,000	468,916	-	-	3,353,916
2044-2048	980,000	129,371	-	-	1,109,371
Subtotal	\$ 20,070,000	\$ 9,406,077	\$ 5,000	\$ 2,932	\$ 29,484,009
Revenue Bonds					
2024	\$ 66,905,000	\$ 30,176,385	\$ 200,000	\$ 244,826	\$ 97,526,211
2025	28,665,000	30,501,520	205,000	235,379	59,606,899
2026	30,110,000	29,793,493	220,000	225,359	60,348,852
2027	29,945,000	28,999,405	290,000	214,122	59,448,527
2028	29,600,000	28,194,592	305,000	200,084	58,299,676
2029-2033	161,880,000	126,465,988	1,020,000	824,548	290,190,536
2034-2038	177,955,000	97,461,428	1,045,000	579,570	277,040,998
2039-2043	170,875,000	65,619,732	1,075,000	319,005	237,888,737
2044-2048	149,110,000	35,288,879	640,000	49,852	185,088,731
2049-2053	87,435,000	8,154,936	-	-	95,589,936
2054	1,230,000	33,828	-	-	1,263,828
Subtotal	\$ 933,710,000	\$ 480,690,186	\$ 5,000,000	\$ 2,892,745	\$ 1,422,292,931
Total	\$ 953,780,000	\$ 490,096,263	\$ 5,005,000	\$ 2,895,677	\$ 1,451,776,940

Notes to the Financial Statements (Continued)
June 30, 2023

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 indenture identifies the following events that would lead to a default; payment of principal is not made when due, payment of interest is not made when due, or OHCS D defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 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 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 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, 2023, various statutory or constitutional provisions limited the amount of bonds outstanding to \$2,500,000,000 in revenue bonds and \$4,823,464,807 in general obligation bonds.

Demand Bonds

Included in OHCS D's long-term debt is \$189,845,000 in variable rate demand bonds. OHCS D's variable rate demand bonds are remarketed weekly by a remarketing agent. Bondholders may elect to tender their bonds by providing written notice to the remarketing agent as specified in the Official Statement for the series. On the date that bonds are tendered, the remarketing agent will use its best effort to sell the bonds or may purchase the bonds for its own account.

OHCS D has entered into standby bond purchase agreements with State Street Bank and Trust Company and U.S. Bancorp Investments, Inc., together with U.S. Bank Municipal Products Group, a division of U.S. Bank National Association 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 the 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, 2023.

Notes to the Financial Statements (Continued)
June 30, 2023

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	01/27/2025	0.2700%	J.P. Morgan Securities LLC	0.07%
MRB 2016 B	13,140,000	State Street Bank and Trust Company	01/27/2025	0.3000%	Bank of America Securites, Inc.	0.07%
MRB 2016 C	15,000,000	State Street Bank and Trust Company	01/27/2025	0.3000%	Bank of America Securites, Inc.	0.07%
MRB 2017 C	41,605,000	State Street Bank and Trust Company	01/27/2027	0.3300%	J.P. Morgan Securities LLC	0.07%
MRB 2018 E	41,000,000	Sumitomo Mitsui Banking Corporation	01/27/2025	0.2700%	Bank of America Securites, Inc.	0.07%
MRB 2020 B	24,500,000	Sumitomo Mitsui Banking Corporation	01/27/2027	0.3100%	Bank of America Securites, Inc.	0.07%
MRB 2022 D	21,000,000	U.S. Bank National Association	10/27/2027	0.2200%	**	0.07%

* Mortgage Revenue Bonds

** U.S. Bancorp Investments, Inc., together with U.S. Bank Municipal Products Group, a division of U.S. Bank National Association

NOTE 10. 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 seven 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, 2023 totaled \$16,932,320 and the notional amount totaled \$192,240,000. The fair value of hedging derivatives totaled \$16,842,159. Hedging derivative instrument 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 \$4,473,249.

A portion of the MRB 2017 C swap was reclassified from hedging derivative instruments to investment derivative instruments when the associated bonds were called. The fair value of the investment derivatives on June 30, 2023 was \$90,161 and is included in Investments – Restricted on the Statement of Net Position. During the fiscal year the fair value of investment derivatives increased by \$75,026. A total of \$83,977 from investment derivative instruments is included in investment income.

Notes to the Financial Statements (Continued)
June 30, 2023

The following table lists the terms, fair values, counterparty, and credit ratings of the outstanding swaps as of June 30, 2023.

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 SOFR [®] +.130136%	\$ 1,764,734	7/1/2045	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2016 B	13,140,000	1/1/2019	1.710%	66.5% of SOFR +.1561292%	870,658	1/1/2033	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2016 C	15,000,000	1/1/2019	2.000%	66.5% of SOFR +.2261292%	1,194,072	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2017 C	41,605,000	7/1/2019	2.407%	70.0% of SOFR +.130136%	1,566,237	7/1/2039	Bank of America, N.A.	Aa1 / A+ / AA
MRB 2018 E	41,000,000	5/4/2019	1.120%	^{®®}	7,698,430	7/1/2043	Bank of America, N.A.	Aa1 / A+ / AA
MRB 2020 B	24,500,000	7/13/2020	0.899%	^{®®®}	3,721,630	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2022 D	21,000,000	10/27/2022	4.417%	100% of SOFR + 0.15%	26,398	7/1/2047	Royal Bank of Canada	Aa1 / AA- / AA-
	189,845,000				16,842,159			
Investment Derivative Instruments								
MRB 2017 C	2,395,000	7/1/2019	2.407%	70.0% of SOFR +.130136%	90,161	7/1/2039	Bank of America, N.A.	Aa1 / A+ / AA
	2,395,000				90,161			
	<u>\$ 192,240,000</u>				<u>\$ 16,932,320</u>			

* Mortgage Revenue Bonds

** Moody's / S&P / Fitch

[®] Secured Overnight Financing 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 SOFR + .080136% 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 SOFR + .080136% 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), January 1, 2028 (2018 E), and January 1, 2031 (2022 D). 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 instrument 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 SOFR rate or the SIFMA rate, do not offset the variable rates paid on the bonds. As of June 30, 2023, the SOFR rate was 4.01% and the SIFMA rate was 5.06528%. OHCS D's variable interest rates as of June 30, 2023 can be found in Note 9.

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

Rollover Risk Rollover risk is the risk that occurs when the swap termination date does not extend to the maturity date of the associated debt. OHCS D is not exposed to rollover risk because the swap termination dates match the associated bond maturity dates.

Notes to the Financial Statements (Continued)
June 30, 2023

Hedging Derivative Instrument Payments and Hedged Debt Using rates as of June 30, 2023, debt service requirements of variable-rate debt with interest rate swaps and net swap payments for each fiscal year during the next five year period ending June 30, 2028 and in five year increments thereafter are as follows:

Fiscal Year Ending June 30	Variable-Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2024	\$ -	\$ 7,056,591	\$ (3,258,330)	\$ 3,798,261
2025	3,340,000	7,814,351	(3,960,859)	7,193,492
2026	4,010,000	7,670,100	(3,892,706)	7,787,394
2027	4,120,000	7,510,610	(3,793,514)	7,837,096
2028	4,240,000	7,346,675	(3,616,782)	7,969,893
2029-2033	37,250,000	33,130,744	(16,108,049)	54,272,695
2034-2038	65,490,000	23,190,743	(11,074,812)	77,605,931
2039-2043	51,340,000	10,354,176	(4,785,017)	56,909,159
2044-2048	20,055,000	1,727,020	(785,368)	20,996,652
Total	\$ 189,845,000	\$ 105,801,010	\$ (51,275,437)	\$ 244,370,573

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, 2023 of swaps that include these provisions is \$16,932,320. As of June 30, 2023 the bonds subject to these provisions are rated Aa2 by Moody's and are not rated by Standard & Poor's.

NOTE 11. Conduit Debt Obligations

OHCS D issues conduit debt to facilitate the building of multifamily affordable housing. 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, 2023, the total aggregate amount of Housing Development Revenue Bonds outstanding is \$1,260,270,984. 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, 2023

NOTE 12. Segment Information

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

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds
Condensed Statement of Net Position		
Assets:		
Other Current Assets	\$ 122,710,772	\$ 3,287,888
Noncurrent Assets	946,212,425	52,392,952
Total Assets	<u>1,068,923,197</u>	<u>55,680,840</u>
Deferred Outflows of Resources	<u>340,288</u>	<u>47,500</u>
Liabilities:		
Other Current Liabilities	81,563,871	1,074,474
Noncurrent Liabilities	871,417,433	18,365,513
Total Liabilities	<u>952,981,304</u>	<u>19,439,987</u>
Deferred Inflows of Resources	<u>20,301,563</u>	<u>216,499</u>
Net Position		
Restricted by Trust Indentures	<u>95,980,618</u>	<u>36,071,854</u>
Total Net Position	<u>\$ 95,980,618</u>	<u>\$ 36,071,854</u>
Condensed Statement of Revenues, Expenses, and Changes in Net Position		
Interest on Loans	\$ 29,324,928	\$ 1,688,921
Investment Income	4,829,467	662,320
Other Operating Revenues	1,328,765	335
Operating Expenses	<u>(30,552,532)</u>	<u>(1,005,417)</u>
Operating Income (Loss)	4,930,628	1,346,159
Transfers Out	<u>(1,500,000)</u>	<u>-</u>
Increase (Decrease) in Net Position	3,430,628	1,346,159
Beginning Net Position	92,549,990	34,725,695
Ending Net Position	<u>\$ 95,980,618</u>	<u>\$ 36,071,854</u>
Condensed Statement of Cash Flows		
Net Cash Provided (Used) by:		
Operating Activities	\$ (52,161,368)	\$ 6,038,493
Noncapital Financing Activities	54,256,566	(4,581,067)
Investing Activities	<u>99,636,587</u>	<u>19,308,189</u>
Net Increase (Decrease)	101,731,785	20,765,615
Beginning Cash and Cash Equivalents	<u>58,787,629</u>	<u>5,197,497</u>
Ending Cash and Cash Equivalents	<u>\$ 160,519,414</u>	<u>\$ 25,963,112</u>

Notes to the Financial Statements (Continued)
June 30, 2023

NOTE 13. Restricted Assets

Restricted asset account balances are as follows:

<u>Purpose:</u>	Elderly and Disabled Housing Fund	Housing Finance Fund
Loan Acquisition	\$ -	\$ 44,833,423
Current Debt Service	1,979,708	94,267,880
Future Debt Service	55,353,415	47,914,304
Debt Reserves	5,197,134	26,589,466
Insurance Reserves	-	22,063,149
Combined Program Account	-	19,594,671
Residential Assistance	-	175,200
Total	<u>\$ 62,530,257</u>	<u>\$ 255,438,093</u>
 <u>Statement of Net Position Amounts:</u>		
Restricted Cash and Cash Equivalents – Current	\$ 1,979,708	\$ 94,311,396
Restricted Cash and Cash Equivalents – Noncurrent	59,270,813	93,833,797
Restricted Investments - Noncurrent	1,279,736	67,292,900
Total	<u>\$ 62,530,257</u>	<u>\$ 255,438,093</u>

NOTE 14. Employee Retirement Plans

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

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The rates in effect for the fiscal year ended June 30, 2023 were 21.03% for Tier One and Tier Two General Service Members and 17.12% 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, 2023, the State of Oregon reported a liability of \$4.6 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 \$8,343,213. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. 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, 2023, the State’s proportion was 29.83% (the State’s proportion at June 30, 2022 was 27.60%). As part of the State of Oregon, OHCS D’s enterprise funds were allocated 0.18494460% of the State’s proportionate share.

Notes to the Financial Statements (Continued)
June 30, 2023

For the year ended June 30, 2023, OHCS D recognized pension expense of \$3,867,698. At June 30, 2023, OHCS D 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	\$ 892,293	\$ 944,055
Difference between expected and actual experience	404,996	52,029
Net difference between projected and actual earnings on investments	-	1,491,605
Change in Assumptions	1,309,095	11,960
Subtotal	<u>2,606,384</u>	<u>2,499,649</u>
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	106,735	
Contributions subsequent to measurement date	<u>1,083,092</u>	
Net Deferred Outflows (Inflows) of Resources	<u><u>1,189,827</u></u>	

NOTE 15. Other Postemployment Benefit Plans

OHCS D'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, 2023, OHCS D 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	\$ 10,528	\$ 14,806
Difference between expected and actual experience	-	43,137
Net difference between projected and actual earnings on investments	-	15,223
Change in Assumptions	4,931	62,779
Subtotal	<u>15,459</u>	<u>135,945</u>
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	(120,486)	
Contributions subsequent to measurement date	<u>13,050</u>	
Net Deferred Outflows (Inflows) of Resources	<u><u>(107,436)</u></u>	

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. OHCS D is required by statute to contribute actuarially computed amounts as determined by PERS. The rates in effect for the fiscal year ended June 30, 2023 were 0.05% 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, 2023

At June 30, 2023, the State of Oregon reported an asset of \$123.8 million for its proportionate share of the net OPEB asset. OHCS D's allocated amount of the proportionate share of the net OPEB asset for its enterprise funds was \$154,242. It is shown on the Statement of Net Position as Net Other Postemployment Benefits Asset. The net OPEB asset was measured as of June 30, 2022 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. 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, 2022, the State's proportion was 34.85% (the State's proportion at June 30, 2021 was 40.18%). As part of the State of Oregon, OHCS D's enterprise funds were allocated 0.12737794% of the State's proportionate share. For the year ended June 30, 2023, OHCS D recognized OPEB income of \$47,803 for RHIA.

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. OHCS D is required by statute to contribute actuarially computed amounts as determined by PERS. The rates in effect for the fiscal year ended June 30, 2023 were 0.28% for Tier One and Tier Two General Service Members and 0.17% for OPSRP Pension Program General Service Members.

At June 30, 2023, the State of Oregon reported a net OPEB asset of \$34.2 million. The net OPEB asset was measured as of June 30, 2022 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. As part of the State of Oregon, OHCS D's enterprise funds were allocated 0.15544736% of the State's internal allocation, which was based on fiscal year 2022 actual contributions. OHCS D's share of the net OPEB asset for the RHIPA plan on June 30, 2023 for its enterprise funds was \$53,204. It is shown on the Statement of Net Position as Net Other Postemployment Benefits Asset. For the year ended June 30, 2023, OHCS D recognized OPEB income of \$7,060 for RHIPA.

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, 2023, the State of Oregon reported a total OPEB liability of \$105.6 million. As part of the State of Oregon, OHCS D's enterprise funds were allocated 0.10295626% of the State's total. The State's internal allocation of the total OPEB liability is based on fiscal year 2023 health insurance premium costs. OHCS D's share of the total OPEB liability on June 30, 2023 for its enterprise funds was \$108,736. It is shown on the Statement of Net Position as Total Other Postemployment Benefits Liability. For the year ended June 30, 2023, OHCS D recognized OPEB expense of \$14,451 for the PEBB plan.

NOTE 16. Other Commitments

As of June 30, 2023, OHCS D has made commitments for loans in the Single-Family Mortgage Program totaling \$35,656,263.

Notes to the Financial Statements (Continued)
June 30, 2023

NOTE 17. Risk Financing

The State or Oregon Department of Administrative Services directs and manages all risk management and insurance programs of state government except for employee benefit insurance programs. The state uses both self-insurance and commercial insurance policies to insure its risk of loss.

For more information about risk financing, see the Risk Financing note in the State of Oregon Annual Comprehensive Financial Report found at www.oregon.gov/DAS/Financial/Acctng/pages/index.aspx.

NOTE 18. Subsequent Events

On July 1, 2023, OHCS D called the following Mortgage Revenue Bonds prior to maturity:

	<u>Amount Called</u>		<u>Amount Called</u>
2013 Series B	\$ 560,000	2017 Series G	\$ 1,090,000
2013 Series C	840,000	2018 Series A	2,185,000
2013 Series D	670,000	2018 Series C	2,060,000
2014 Series A	615,000	2018 Series D	3,000,000
2014 Series B	615,000	2019 Series A	2,375,000
2014 Series C	510,000	2020 Series A	1,595,000
2015 Series A	2,135,000	2020 Series C	1,305,000
2016 Series A	1,600,000	2021 Series A	1,330,000
2017 Series A	2,630,000	2022 Series A	815,000
2017 Series D	1,620,000	2022 Series C	65,000
2017 Series E	675,000	2022 Series E	15,000,000

On September 28, 2023, OHCS D issued the following Mortgage Revenue Bonds:

	<u>Amount Issued</u>
2023 Series C	\$ 127,665,000
2023 Series D	20,000,000

[THIS PAGE INTENTIONALLY LEFT BLANK]

Supplementary Information

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Net Position - Housing Finance Fund
June 30, 2023

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Assets and Deferred Outflows of Resources			
Assets			
Current Assets			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted	92,812,181	1,499,215	-
Securities Lending Cash Collateral	2,377	1,783	-
Accounts Receivable	-	-	-
Accrued Interest Receivable	4,694,226	145,591	166,868
Interfund Receivable	-	-	-
Due from Governmental Funds	-	-	-
Prepaid Expenses	-	-	-
Loans Receivable	24,421,649	1,641,299	-
Acquired Property	780,339	-	-
Total Current Assets	122,710,772	3,287,888	166,868
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	67,707,233	24,463,897	1,487,467
Investments - Restricted	46,167,517	3,018,179	18,107,204
Loans Receivable	815,495,516	24,910,876	-
Swap Fair Value Asset	16,842,159	-	-
Net Other Postemployment Benefits Asset	-	-	-
Capital Assets (Net)	-	-	-
Leased Assets (Net)	-	-	-
Total Noncurrent Assets	946,212,425	52,392,952	19,594,671
Total Assets	1,068,923,197	55,680,840	19,761,539
Deferred Outflows of Resources			
Loss on Debt Refundings	340,288	47,500	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Outflows of Resources	340,288	47,500	-
Total Assets and Deferred Outflows of Resources	\$1,069,263,485	\$ 55,728,340	\$ 19,761,539

Housing Finance Account	Total
\$ 42,246,808	\$ 42,246,808
-	94,311,396
17,496	21,656
298,680	298,680
20,358	5,027,043
47,806	47,806
302,478	302,478
21,147	21,147
21,656	26,084,604
-	780,339
<u>42,976,429</u>	<u>169,141,957</u>
175,200	93,833,797
-	67,292,900
1,215,839	841,622,231
-	16,842,159
180,264	180,264
2,179	2,179
1,639	1,639
<u>1,575,121</u>	<u>1,019,775,169</u>
<u>44,551,550</u>	<u>1,188,917,126</u>
-	387,788
3,222,279	3,222,279
24,558	24,558
<u>3,246,837</u>	<u>3,634,625</u>
<u>\$ 47,798,387</u>	<u>\$1,192,551,751</u>

Continued on the next page

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Net Position - Housing Finance Fund
June 30, 2023

Continued from the previous page

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>			
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	\$ 682,476	\$ 218	\$ -
Accrued Interest Payable	14,304,333	442,473	-
Obligations Under Securities Lending	2,377	1,783	-
Due to Governmental Funds	-	-	-
Unearned Revenue	17,389	-	-
Compensated Absences Payable	-	-	-
Lease Obligations	-	-	-
Bonds Payable	66,475,000	630,000	-
Arbitrage Rebate Liability	82,296	-	-
Pension-related Debt Payable	-	-	-
Total Current Liabilities	81,563,871	1,074,474	-
<i>Noncurrent Liabilities</i>			
Compensated Absences Payable	-	-	-
Bonds Payable	871,381,798	18,365,513	-
Arbitrage Rebate Liability	35,635	-	-
Pension-related Debt Payable	-	-	-
Net Pension Liability	-	-	-
Total Other Postemployment Benefits Liability	-	-	-
Total Noncurrent Liabilities	871,417,433	18,365,513	-
Total Liabilities	952,981,304	19,439,987	-
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	16,842,159	-	-
Gain on Debt Refundings	41,467	-	-
Deferred Loan Origination Fees	3,417,937	216,499	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Inflows of Resources	20,301,563	216,499	-
Net Position			
Net Investment in Capital Assets	-	-	-
Restricted for Residential Assistance	-	-	-
Restricted for Other Postemployment Benefits	-	-	-
Restricted by Trust Indentures	95,980,618	36,071,854	19,761,539
Unrestricted	-	-	-
Total Net Position	95,980,618	36,071,854	19,761,539
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$1,069,263,485	\$ 55,728,340	\$ 19,761,539

<u>Housing Finance Account</u>	<u>Total</u>
\$ 710,572	\$ 1,393,266
-	14,746,806
17,496	21,656
477,517	477,517
413,771	431,160
308,268	308,268
1,671	1,671
-	67,105,000
-	82,296
37,999	37,999
<u>1,967,294</u>	<u>84,605,639</u>
173,401	173,401
-	889,747,311
-	35,635
155,262	155,262
7,318,524	7,318,524
92,601	92,601
<u>7,739,788</u>	<u>897,522,734</u>
<u>9,707,082</u>	<u>982,128,373</u>
-	16,842,159
-	41,467
-	3,634,436
2,192,650	2,192,650
117,265	117,265
<u>2,309,915</u>	<u>22,827,977</u>
2,147	2,147
1,141,817	1,141,817
180,264	180,264
-	151,814,011
34,457,162	34,457,162
<u>35,781,390</u>	<u>187,595,401</u>
<u>\$ 47,798,387</u>	<u>\$1,192,551,751</u>

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, 2023

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Operating Revenues			
Interest on Loans	\$ 29,324,928	\$ 1,688,921	\$ -
Investment Income	4,829,467	662,320	116,451
Administrative Charges and Fees	-	-	-
Low Income Housing Tax Credit Fees	-	-	-
Gain (Loss) on Debt Extinguishment	1,327,661	-	-
Miscellaneous Revenue	1,104	335	25
Total Operating Revenues	<u>35,483,160</u>	<u>2,351,576</u>	<u>116,476</u>
Operating Expenses			
Personal Services	-	-	-
Services and Supplies	258,862	69,308	-
Mortgage Service Fees	2,991,036	5,015	-
Foreclosure Costs	24,621	-	-
Interest Expense - Bonds	24,549,136	930,310	-
Interest Expense - Securities Lending	3,696	784	-
Other Related Program Expenses	2,725,181	-	-
Depreciation/Amortization	-	-	-
Total Operating Expenses	<u>30,552,532</u>	<u>1,005,417</u>	<u>-</u>
Operating Income (Loss)	<u>4,930,628</u>	<u>1,346,159</u>	<u>116,476</u>
Nonoperating Revenues (Expenses)			
Interest Expense - Pension-related Debt	-	-	-
Interest Expense - Leased Assets	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Transfers	4,930,628	1,346,159	116,476
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(1,500,000)	-	-
Transfers to Other State Agencies	-	-	-
Increase (Decrease) in Net Position	<u>3,430,628</u>	<u>1,346,159</u>	<u>116,476</u>
Net Position - Beginning	92,549,990	34,725,695	19,645,063
Net Position - Ending	<u>\$ 95,980,618</u>	<u>\$ 36,071,854</u>	<u>\$ 19,761,539</u>

Housing Finance Account	Total	
\$ 16,168	\$ 31,030,017	
908,696	6,516,934	
7,978,502	7,978,502	
8,028,128	8,028,128	
-	1,327,661	
193	1,657	
<u>16,931,687</u>	<u>54,882,899</u>	
12,246,790	12,246,790	
3,343,962	3,672,132	
-	2,996,051	
-	24,621	
-	25,479,446	
4,608	9,088	
301,069	3,026,250	
7,541	7,541	
<u>15,903,970</u>	<u>47,461,919</u>	
1,027,717	7,420,980	
(13,528)	(13,528)	
(53)	(53)	
<u>(13,581)</u>	<u>(13,581)</u>	
1,014,136	7,407,399	
11,500,000	11,500,000	**
-	(1,500,000)	**
(315,577)	(315,577)	
<u>12,198,559</u>	<u>17,091,822</u>	
23,582,831	170,503,579	
<u>\$ 35,781,390</u>	<u>\$ 187,595,401</u>	

** Transfers within the Housing Finance Fund totaling \$1,500,000 are not included in the Statement of Revenues, Expenses, and Changes in Fund Net Position on page 8.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Cash Flows - Housing Finance Fund
For the Year Ended June 30, 2023

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Cash Flows from Operating Activities			
Received from Customers	\$ 683,192	\$ -	\$ -
Program Loan Principal Repayments	60,509,547	4,478,163	-
Program Loan Interest Received	28,191,392	1,644,641	-
Program Loans Made	(136,638,159)	-	-
Payments to Employees for Services	-	-	-
Payments to Suppliers for Goods and Services	(3,244,752)	(84,646)	-
Other Receipts (Payments)	(1,662,588)	335	25
Net Cash Provided (Used) in Operating Activities	(52,161,368)	6,038,493	25
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	114,018,169	-	-
Principal Payments - Bonds	(33,925,000)	(3,575,000)	-
Interest Payments - Bonds	(23,347,412)	(1,006,067)	-
Bond Issuance Costs	(989,191)	-	-
Principal Payments - Pension-related Debt	-	-	-
Interest Payments - Pension-related Debt	-	-	-
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(1,500,000)	-	-
Transfers to Other State Agencies	-	-	-
Net Cash Provided (Used) in Noncapital Financing Activities	54,256,566	(4,581,067)	-
Cash Flows from Capital and Related Financing Activities			
Lease Principal Payments	-	-	-
Lease Interest Payments	-	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities			
Purchase of Investments	(117,037,210)	(8,123,963)	(5,531,198)
Proceeds from Sales and Maturities of Investments	213,562,867	27,080,000	5,684,000
Interest on Cash and Investments	3,110,930	352,152	568,708
Investment Income on Securities Lending	3,696	784	-
Interest Paid on Securities Lending	(3,696)	(784)	-
Net Cash Provided (Used) in Investing Activities	99,636,587	19,308,189	721,510
Net Increase (Decrease) in Cash and Cash Equivalents	101,731,785	20,765,615	721,535
Cash and Cash Equivalents Balance - Beginning	58,787,629	5,197,497	765,932
Cash and Cash Equivalents Balance - Ending	\$ 160,519,414	\$ 25,963,112	\$ 1,487,467
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted (Current)	92,812,181	1,499,215	-
Cash and Cash Equivalents - Restricted (Noncurrent)	67,707,233	24,463,897	1,487,467
Total Cash and Cash Equivalents	\$ 160,519,414	\$ 25,963,112	\$ 1,487,467

Housing Finance Account	Total	
\$ 15,922,347	\$ 16,605,539	
27,537	65,015,247	
2,681	29,838,714	
-	(136,638,159)	
(9,155,587)	(9,155,587)	
(3,094,765)	(6,424,163)	
(275,456)	(1,937,684)	
<u>3,426,757</u>	<u>(42,696,093)</u>	
-	114,018,169	
-	(37,500,000)	
-	(24,353,479)	
-	(989,191)	
(53,322)	(53,322)	
(13,528)	(13,528)	
11,500,000	11,500,000	**
-	(1,500,000)	**
(335,906)	(335,906)	
<u>11,097,244</u>	<u>60,772,743</u>	
(6,305)	(6,305)	
(61)	(61)	
<u>(6,366)</u>	<u>(6,366)</u>	
-	(130,692,371)	
-	246,326,867	
904,088	4,935,878	
4,608	9,088	
(4,608)	(9,088)	
<u>904,088</u>	<u>120,570,374</u>	
15,421,723	138,640,658	
27,000,285	91,751,343	
<u>\$ 42,422,008</u>	<u>\$ 230,392,001</u>	
\$ 42,246,808	\$ 42,246,808	
-	94,311,396	
175,200	93,833,797	
<u>\$ 42,422,008</u>	<u>\$ 230,392,001</u>	

Continued on the next page

** Transfers within the Housing Finance Fund totaling \$1,500,000 are not included in the Statement of Cash Flows on page 10.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Cash Flows - Housing Finance Fund
For the Year Ended June 30, 2023

Continued from the previous page

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 4,930,628	\$ 1,346,159	\$ 116,476
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	-	-	-
Investment Income Reported as Operating Revenue	(4,829,467)	(662,320)	(116,451)
Interest Expense Reported as Operating Expense	24,552,832	931,094	-
Bond Issuance Costs Reported as Operating Expense	1,041,405	-	-
(Gain) Loss on Debt Extinguishment	(1,327,660)	-	-
(Increase)/Decrease in Assets:			
Loan Interest Receivable	(394,288)	12,443	-
Accounts Receivable	-	-	-
Interfund Receivable	-	-	-
Due from Governmental Funds	-	-	-
Prepaid Expenses	-	-	-
Loans Receivable	(75,746,742)	4,478,163	-
Acquired Property	(780,339)	-	-
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	67,671	(10,323)	-
Interfund Payable	(17,821)	-	-
Due to Governmental Funds	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	6,579	-	-
Compensated Absences Payable	-	-	-
Net Pension Liability	-	-	-
Total Other Postemployment Benefit Liability	-	-	-
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	335,834	(56,723)	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Net Cash Provided (Used) in Operating Activities	\$ (52,161,368)	\$ 6,038,493	\$ 25
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	\$ 1,470,986	\$ 267,909	\$ (488,273)
Foreclosed Property	780,339	-	-
Loan Modifications	398,469	-	-
Total Noncash Investing, Capital, and Financing Activities	\$ 2,649,794	\$ 267,909	\$ (488,273)

Housing Finance Account	Total	
\$ 1,027,717	\$ 7,420,980	
7,541	7,541	
(908,696)	(6,516,934)	
4,608	25,488,534	
-	1,041,405	
-	(1,327,660)	
(13,487)	(395,332)	
23,021	23,021	
48,038	48,038	**
270,768	270,768	
(21,147)	(21,147)	
27,537	(71,241,042)	
-	(780,339)	
(46,149)	(46,149)	
(682,276)	(682,276)	
(931)	(931)	
(56,546)	802	
(49,270)	(67,091)	**
335,620	335,620	
(41,180)	(41,180)	
(102,008)	(95,429)	
353,913	353,913	
3,806,186	3,806,186	
(8,515)	(8,515)	
-	279,111	
(549,545)	(549,545)	
1,558	1,558	
<u>\$ 3,426,757</u>	<u>\$ (42,696,093)</u>	
\$ -	\$ 1,250,622	
-	780,339	
-	398,469	
<u>\$ -</u>	<u>\$ 2,429,430</u>	

** Interfund Receivables and Payables within the Housing Finance Fund totaling an increase of \$17,821 are not included in the Statement of Cash Flows on page 11.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Statistical Section

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

Financial Trends

Pages 46-53 contain trend information to help the reader understand how OHCS D's financial performance has changed over time.

Revenue Capacity

Pages 54 and 55 contain information to help the reader understand OHCS D's most significant revenue source, Interest on Loans.

Debt Capacity

Pages 56 and 57 contain information to help the reader assess OHCS D's current levels of outstanding debt and the capacity to issue debt in the future.

Demographic and Economic Information

Pages 58 and 59 contain demographic, economic, and employment data to help the reader understand the environment OHCS D operates in.

Operating Information

Pages 60-67 contain information to help the reader understand how the information in the financial report relates to activities of OHCS D.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

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

Enterprise Funds

Last Ten Fiscal Years

	2023	2022	2021	2020
Assets				
Cash and Cash Equivalents	\$ 43,368,149	\$ 27,541,346	\$ 19,753,000	\$ 13,886,704
Cash and Cash Equivalents - Restricted	249,395,714	123,017,393	120,381,648	154,695,669
Investments - Restricted	68,572,636	182,989,422	254,568,169	223,223,166
Securities Lending Cash Collateral	47,499	580,028	301,531	1,248,701
Accounts Receivable	299,530	321,701	361,983	266,455
Accrued Interest Receivable	5,294,590	3,343,179	3,880,856	4,518,523
Interfund Receivable	47,806	127,293	22,099	12,862
Due from Governmental Funds	302,655	573,246	131,442	391,789
Due from Other State Agencies	-	-	-	88,521
Prepaid Expenses	21,147	-	115	-
Acquired Property	780,339	-	122,985	817,484
Loans Receivable (Net)	906,559,557	839,633,718	855,740,724	982,544,056
Swap Fair Value Asset	16,842,159	12,368,910	2,687,321	-
Net Pension Asset	-	-	-	-
Net Other Postemployment Benefits Asset	207,446	159,246	20,903	72,037
Capital Assets (Net)	2,777	4,766	7,024	10,214
Leased Assets (Net)	1,983	8,868	-	-
Total Assets	1,291,743,987	1,190,669,116	1,257,979,800	1,381,776,181
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	-	-	6,386,956	10,726,213
Loss on Debt Refunding	387,788	464,599	674,944	1,107,604
Related to Pensions	3,689,476	2,937,464	2,430,234	1,951,568
Related to Other Postemployment Benefits	28,509	27,513	32,363	18,462
Total Deferred Outflows of Resources	4,105,773	3,429,576	9,524,497	13,803,847
Total Assets and Deferred Outflows of Resources	\$ 1,295,849,760	\$ 1,194,098,692	\$ 1,267,504,297	\$ 1,395,580,028

Unaudited

2019	2018	2017	2016	2015	2014
\$ 12,630,562	\$ 9,388,621	\$ 9,915,911	\$ 8,730,328	\$ 10,077,977	\$ 4,060,107
65,370,939	68,372,203	59,447,712	80,466,457	66,585,531	64,782,925
277,597,803	244,508,334	232,640,617	278,624,844	229,912,957	310,056,935
2,101,856	1,191,697	357,168	2,041,190	4,032,437	3,393,772
139,932	29,182,712	409,631	131,122	177,215	189,304
4,133,592	3,924,987	3,729,012	4,209,653	4,618,750	5,443,641
81,079	80,220	16,939	6,780	607	164
114,050	24,797	82,468	23,931	1,795	10,979
-	-	-	-	-	-
4,563	1,140	514	28,996	675	8,655
1,016,875	1,841,751	2,995,957	3,766,377	4,407,890	7,135,654
954,607,414	834,207,159	804,071,640	847,251,131	918,003,978	1,009,415,693
-	1,514,014	899,578	-	-	-
-	-	-	-	558,607	-
31,100	11,451	-	-	-	-
43,223	51,674	59,925	62,637	70,549	22,340
-	-	-	-	-	-
<u>1,317,872,988</u>	<u>1,194,300,760</u>	<u>1,114,627,072</u>	<u>1,225,343,446</u>	<u>1,238,448,968</u>	<u>1,404,520,169</u>
5,221,906	137,728	1,864,021	6,906,793	11,379,103	17,276,495
1,435,973	1,942,159	1,761,830	2,092,930	2,344,757	2,262,264
1,386,060	1,183,656	2,170,765	407,457	206,746	-
40,861	26,968	-	-	-	-
<u>8,084,800</u>	<u>3,290,511</u>	<u>5,796,616</u>	<u>9,407,180</u>	<u>13,930,606</u>	<u>19,538,759</u>
<u>\$ 1,325,957,788</u>	<u>\$ 1,197,591,271</u>	<u>\$ 1,120,423,688</u>	<u>\$ 1,234,750,626</u>	<u>\$ 1,252,379,574</u>	<u>\$ 1,424,058,928</u>

Continued on the next page

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

	2023	2022	2021	2020
Liabilities				
Accounts Payable	\$ 1,430,947	\$ 1,374,030	\$ 1,139,884	\$ 1,347,392
Accrued Interest Payable	15,143,968	12,064,921	14,575,857	16,540,642
Obligations Under Securities Lending	47,499	580,028	301,531	1,248,701
Interfund Payable	47,806	127,293	22,099	12,862
Due to Governmental Funds	599,404	174,415	24,370	54,126
Due to Other Governments	-	41,180	5,776	-
Unearned Revenue	432,247	527,315	643,867	754,469
Compensated Absences Payable	584,963	135,646	286,347	284,985
Lease Obligations	2,022	8,926	-	-
Bonds Payable	976,925,409	904,114,640	979,686,245	1,107,569,224
Swap Fair Value Liability	-	-	6,386,956	10,726,213
Arbitrage Rebate Liability	117,931	-	-	-
Pension-related Debt Payable	247,200	315,405	371,238	421,318
Net Pension Liability	8,343,213	4,102,944	7,030,726	5,804,785
Net Other Postemployment Benefits Liability	-	-	11,590	32,005
Total Other Postemployment Benefits Liability	108,736	120,295	161,281	153,434
Net Other Postemployment Benefits Obligation	-	-	-	-
Total Liabilities	1,004,031,345	923,687,038	1,010,647,767	1,144,950,156
Deferred Inflows of Resources				
Accumulated Increase in Fair Value of Hedging Derivatives	16,842,159	12,368,910	2,687,321	-
Gain on Debt Refunding	41,467	79,652	40,482	-
Deferred Loan Origination Fees	3,894,643	3,657,125	3,801,580	4,445,934
Related to Pensions	2,499,649	3,203,301	159,733	276,737
Related to Other Postemployment Benefits	135,945	136,153	35,963	40,745
Total Deferred Inflows of Resources	23,413,863	19,445,141	6,725,079	4,763,416
Net Position				
Net Investment in Capital Assets	2,738	13,634	7,024	10,214
Restricted for Residential Assistance	1,141,817	1,130,120	1,256,957	1,257,239
Restricted for Other Postemployment Benefits	207,446	159,246	20,903	72,037
Restricted by Trust Indentures	231,592,674	224,461,170	229,688,722	228,197,707
Unrestricted	35,459,877	25,202,343	19,157,845	16,329,259
Total Net Position	268,404,552	250,966,513	250,131,451	245,866,456
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,295,849,760	\$ 1,194,098,692	\$ 1,267,504,297	\$ 1,395,580,028

Unaudited

2019	2018	2017	2016	2015	2014
\$ 1,292,103	\$ 609,703	\$ 808,431	\$ 626,684	\$ 495,218	\$ 1,021,618
16,741,051	13,660,865	13,031,173	15,411,597	17,957,672	20,477,454
2,101,856	1,191,697	357,168	2,041,190	4,032,437	3,393,772
81,079	80,220	16,939	6,780	607	164
64,554	53,689	6,959	50,880	101,511	47,284
-	-	-	-	-	-
878,196	998,823	1,130,510	1,265,880	1,402,406	1,539,946
289,020	344,492	271,186	252,162	276,849	296,128
-	-	-	-	-	-
1,053,780,476	943,483,358	869,050,314	979,243,468	997,155,163	1,170,857,616
5,221,906	137,728	1,864,021	6,906,793	11,379,103	17,276,495
-	-	-	-	-	-
463,993	501,032	531,182	556,146	575,223	600,689
3,180,583	3,275,674	4,116,951	1,580,442	-	-
33,673	41,439	-	-	-	-
182,434	124,593	-	-	-	-
-	-	87,445	85,234	92,770	88,299
1,084,310,924	964,503,313	891,272,279	1,008,027,256	1,033,468,959	1,215,599,465
-	1,514,014	899,578	-	-	-
-	-	-	-	-	-
4,597,314	4,261,350	4,354,736	4,733,476	5,281,561	5,905,347
178,767	27,367	39,119	384,804	1,077,887	-
14,773	8,471	-	-	-	-
4,790,854	5,811,202	5,293,433	5,118,280	6,359,448	5,905,347
43,223	51,674	59,925	62,637	70,549	22,340
2,058,567	2,089,298	2,074,043	2,098,015	2,029,118	2,019,413
31,100	11,451	-	-	-	-
220,241,383	212,669,994	207,706,209	213,665,954	201,453,112	196,447,800
14,481,737	12,454,339	14,017,799	5,778,484	8,998,388	4,064,563
236,856,010	227,276,756	223,857,976	221,605,090	212,551,167	202,554,116
<u>\$ 1,325,957,788</u>	<u>\$ 1,197,591,271</u>	<u>\$ 1,120,423,688</u>	<u>\$ 1,234,750,626</u>	<u>\$ 1,252,379,574</u>	<u>\$ 1,424,058,928</u>

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

	2023	2022	2021	2020
Operating Revenues				
Interest on Loans	\$ 32,687,523	\$ 32,323,454	\$ 35,074,849	\$ 40,963,239
Investment Income (Loss)	8,246,716	(4,637,184)	339,398	11,696,263
Administrative Charges and Fees	8,040,684	9,644,406	7,650,839	5,162,478
Low Income Housing Tax Credit Fees	8,028,128	9,508,721	5,256,621	3,080,015
Gain (Loss) on Sale of Foreclosed Property	-	(12,461)	-	78,721
Gain (Loss) on Debt Extinguishment	1,327,661	4,417,587	2,694,649	1,939,403
Miscellaneous Revenue	1,722	4,911	26,459	9,004
Total Operating Revenues	58,332,434	51,249,434	51,042,815	62,929,123
Operating Expenses				
Personal Services	14,067,608	8,845,625	7,863,929	8,697,614
Services and Supplies	3,904,573	4,313,509	2,901,533	3,727,327
Mortgage Service Fees	3,011,236	2,844,886	2,958,124	3,200,538
Foreclosure Costs	24,621	45,154	143,493	13,605
Interest Expense - Bonds	26,448,189	26,373,449	29,815,332	33,161,052
Interest Expense - Securities Lending	18,115	5,344	2,266	39,099
Interest Expense - Loans	-	-	-	-
Other Related Program Expenses	3,026,250	4,683,512	2,870,685	4,850,144
Depreciation/Amortization	8,874	10,776	3,190	5,821
Bad Debt Expense	-	-	-	-
Total Operating Expenses	50,509,466	47,122,255	46,558,552	53,695,200
Operating Income (Loss)	7,822,968	4,127,179	4,484,263	9,233,923
Nonoperating Revenue/(Expenses)				
Federal Grant Subsidy	-	-	74,857	-
Gain/(Loss) on Disposition of Capital Assets	-	-	-	(27,188)
Interest Expense - Pension-related Debt	(17,304)	(18,378)	(29,168)	(32,788)
Interest Expense - Leased Assets	(64)	(149)	-	-
Total Nonoperating Revenue/(Expenses)	(17,368)	(18,527)	45,689	(59,976)
Transfers				
Transfers from Other Funds	10,000,000	-	-	-
Transfers to Other Funds	-	(2,899,555)	-	-
Transfers from Other State Agencies	-	-	-	88,521
Transfers to Other State Agencies	(367,561)	(374,035)	(264,957)	(252,022)
Total Transfers	9,632,439	(3,273,590)	(264,957)	(163,501)
Increase (Decrease) in Net Position	\$ 17,438,039	\$ 835,062	\$ 4,264,995	\$ 9,010,446
Net Position - Beginning	250,966,513	250,131,451	245,866,456	236,856,010
Prior Period Adjustment	-	-	-	-
Change in Accounting Principle	-	-	-	-
Net Position - Beginning (Restated)	250,966,513	250,131,451	245,866,456	236,856,010
Net Position - Ending	\$ 268,404,552	\$ 250,966,513	\$ 250,131,451	\$ 245,866,456

Unaudited

	2019	2018	2017	2016	2015	2014
\$	40,504,975	\$ 36,644,795	\$ 39,626,363	\$ 46,381,931	\$ 50,954,045	\$ 52,542,197
	11,846,649	3,650,448	332,374	6,767,972	3,484,174	4,844,825
	4,358,237	3,295,836	2,537,227	2,111,542	2,444,692	833,012
	3,364,208	2,924,199	1,604,511	1,126,415	3,174,641	1,566,180
	45,379	146,174	373,502	314,222	288,970	548,575
	984,697	1,129,267	1,039,870	1,034,419	1,311,768	1,329,839
	6,938	93,062	358,328	115,962	60,801	16,350
	<u>61,111,083</u>	<u>47,883,781</u>	<u>45,872,175</u>	<u>57,852,463</u>	<u>61,719,091</u>	<u>61,680,978</u>
	5,712,702	5,206,618	5,126,065	5,828,772	3,868,949	4,250,998
	2,886,332	3,084,561	2,508,940	2,437,292	2,392,345	2,429,232
	2,931,395	2,394,668	2,264,580	2,393,209	2,619,687	2,820,877
	215,168	438,500	616,407	422,662	324,684	995,546
	31,556,074	27,235,723	28,487,108	33,287,518	38,491,579	43,280,173
	95,991	21,699	1,974	22,326	12,347	13,410
	-	-	-	-	-	24,575
	7,832,586	5,778,673	4,346,935	4,169,306	2,740,696	4,554,711
	8,451	8,452	7,910	7,912	4,394	2,034
	-	-	33,583	-	-	-
	<u>51,238,699</u>	<u>44,168,894</u>	<u>43,393,502</u>	<u>48,568,997</u>	<u>50,454,681</u>	<u>58,371,556</u>
	<u>9,872,384</u>	<u>3,714,887</u>	<u>2,478,673</u>	<u>9,283,466</u>	<u>11,264,410</u>	<u>3,309,422</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	(31,857)	(32,996)	(38,010)	(37,729)	(39,019)	(38,942)
	-	-	-	-	-	-
	<u>(31,857)</u>	<u>(32,996)</u>	<u>(38,010)</u>	<u>(37,729)</u>	<u>(39,019)</u>	<u>(38,942)</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	(261,273)	(184,404)	(187,777)	(191,814)	(211,415)	(185,435)
	<u>(261,273)</u>	<u>(184,404)</u>	<u>(187,777)</u>	<u>(191,814)</u>	<u>(211,415)</u>	<u>(185,435)</u>
\$	9,579,254	\$ 3,497,487	\$ 2,252,886	\$ 9,053,923	\$ 11,013,976	\$ 3,085,045
	227,276,756	223,857,976	221,605,090	212,551,167	202,554,116	214,936,632
	-	-	-	-	2,979	(6,448,203)
	-	(78,707)	-	-	(1,019,904)	(9,019,358)
	<u>227,276,756</u>	<u>223,779,269</u>	<u>221,605,090</u>	<u>212,551,167</u>	<u>201,537,191</u>	<u>199,469,071</u>
\$	<u>236,856,010</u>	<u>227,276,756</u>	<u>223,857,976</u>	<u>221,605,090</u>	<u>212,551,167</u>	<u>202,554,116</u>

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Cash Flows

Enterprise Funds

Last Ten Fiscal Years

	2023	2022	2021
Cash Flows from Operating Activities			
Received from Customers	\$ 16,666,871	\$ 19,837,627	\$ 13,175,428
Program Loan Principal Repayments	69,330,450	167,842,514	222,941,663
Program Loan Interest Received	31,480,471	31,016,791	34,258,797
Program Loans Made	(136,638,159)	(150,727,831)	(95,332,814)
Payments to Employees for Services	(10,508,230)	(9,350,644)	(7,366,769)
Payments to Suppliers for Goods and Services	(6,709,107)	(7,487,876)	(5,684,303)
Other Receipts (Payments)	(1,937,619)	(3,008,841)	(2,057,220)
Net Cash Provided (Used) in Operating Activities	(38,315,323)	48,121,740	159,934,782
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	114,018,169	188,634,844	61,927,675
Principal Payments - Bonds	(39,075,000)	(258,705,000)	(185,740,000)
Interest Payments - Bonds	(25,352,727)	(29,742,816)	(32,682,384)
Bond Issuance Costs	(989,191)	(1,572,368)	(803,477)
Bond Call Costs	-	(277)	(596)
Principal Payments - Loans	-	-	-
Interest Payments - Loans	-	-	-
Principal Payments - Pension-related Debt	(68,205)	(55,833)	(50,080)
Interest Payments - Pension-related Debt	(17,304)	(18,378)	(29,168)
Federal Grant Subsidy	-	-	74,857
Transfers from Other Funds	10,000,000	-	-
Transfers to Other Funds	-	(2,899,555)	-
Transfers from Other State Agencies	-	-	88,521
Transfers to Other State Agencies	(386,836)	(337,482)	(270,459)
Net Cash Provided (Used) in Noncapital Financing Activities	58,128,906	(104,696,865)	(157,485,111)
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	-	-	-
Lease Payments	(7,611)	(7,753)	-
Lease Interest	(74)	(139)	-
Net Cash Provided (Used) in Capital and Related Financing Activities	(7,685)	(7,892)	-
Cash Flows from Investing Activities			
Purchase of Investments	(130,692,371)	(305,323,565)	(380,551,164)
Proceeds from Sales and Maturities of Investments	246,326,867	369,503,258	346,112,454
Interest on Cash and Investments	6,764,730	2,827,415	3,541,314
Investment Income on Securities Lending	18,115	5,344	2,266
Interest Paid on Securities Lending	(18,115)	(5,344)	(2,266)
Net Cash Provided (Used) in Investing Activities	122,399,226	67,007,108	(30,897,396)
Net Increase (Decrease) in Cash and Cash Equivalents	142,205,124	10,424,091	(28,447,725)
Cash and Cash Equivalents Balance - Beginning	150,558,739	140,134,648	168,582,373
Cash and Cash Equivalents Balance - Ending	\$ 292,763,863	\$ 150,558,739	\$ 140,134,648

Unaudited

2020	2019	2018	2017	2016	2015	2014
\$ 8,763,454	\$ 8,876,105	\$ 7,079,496	\$ 4,163,809	\$ 3,569,340	\$ 5,721,238	\$ 2,596,251
139,616,140	113,960,119	126,654,062	138,955,178	142,159,092	145,611,724	120,322,978
39,340,959	38,764,669	35,717,096	38,803,932	44,151,928	50,261,428	54,750,757
(167,580,729)	(233,252,858)	(156,182,704)	(97,014,283)	(71,715,430)	(54,220,431)	(61,116,633)
(6,488,553)	(5,930,708)	(5,025,280)	(4,707,259)	(4,609,749)	(4,587,915)	(4,175,801)
(6,787,757)	(5,841,075)	(5,422,079)	(4,650,950)	(4,923,555)	(5,064,173)	(5,182,403)
(3,391,482)	(5,473,021)	(3,658,826)	(791,680)	47,139	941,970	1,431,972
3,472,032	(88,896,769)	(838,235)	74,758,747	108,678,765	138,663,841	108,627,121
177,018,587	216,176,306	280,205,736	134,026,831	211,033,001	31,377,604	139,605,754
(120,100,000)	(103,615,000)	(203,460,000)	(242,255,000)	(227,045,000)	(202,930,000)	(249,975,000)
(34,221,158)	(29,029,187)	(27,367,083)	(31,402,394)	(36,186,445)	(40,849,857)	(46,745,465)
(1,424,262)	(1,677,569)	(1,763,294)	(774,512)	(1,514,836)	(565,215)	(1,409,003)
-	-	-	-	-	-	-
-	-	-	-	-	-	(1,500,000)
-	-	-	-	-	-	(36,729)
(42,675)	(37,039)	(30,150)	(24,964)	(19,077)	(22,487)	(15,861)
(32,788)	(31,857)	(32,996)	(38,010)	(37,729)	(39,019)	(38,942)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(249,712)	(243,488)	(203,500)	(188,958)	(191,894)	(209,314)	(186,039)
20,947,992	81,542,166	47,348,713	(140,657,007)	(53,961,980)	(213,238,288)	(160,301,285)
-	-	5,445	(10,844)	-	(52,603)	(14,500)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	5,445	(10,844)	-	(52,603)	(14,500)
(413,127,785)	(510,891,434)	(498,137,269)	(368,836,911)	(441,963,836)	(289,867,498)	(390,462,021)
473,542,274	512,301,216	456,787,746	411,676,140	396,996,896	370,368,568	440,622,813
5,746,359	6,185,498	3,230,801	3,236,713	2,783,432	1,946,456	3,322,682
39,099	95,991	21,699	1,974	22,326	12,347	13,410
(39,099)	(95,991)	(21,699)	(1,974)	(22,326)	(12,347)	(13,410)
66,160,848	7,595,280	(38,118,722)	46,075,942	(42,183,508)	82,447,526	53,483,474
90,580,872	240,677	8,397,201	(19,833,162)	12,533,277	7,820,476	1,794,810
78,001,501	77,760,824	69,363,623	89,196,785	76,663,508	68,843,032	67,048,222
\$ 168,582,373	\$ 78,001,501	\$ 77,760,824	\$ 69,363,623	\$ 89,196,785	\$ 76,663,508	\$ 68,843,032

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Weighted Average Interest Rate - New Mortgage Loans - Single-Family Mortgage Program

Enterprise Funds

Unaudited

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Overall Weighted Average Interest Rate	5.24%	2.86%	2.60%	3.07%	4.05%	3.62%	3.26%	3.44%	3.29%	3.18%
Mortgage Revenue Bonds	5.24%	2.86%	2.60%	3.07%	4.05%	3.62%	3.26%	3.44%	3.29%	3.09%
Housing Revenue Bonds	-	-	-	-	-	-	-	-	-	3.30%

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 2023			Fiscal Year 2014		
	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	\$ 1,024,111	3.25%	1	\$ 1,150,041	2.10%
Beaver State Apartments	2	526,662	1.67%	6	570,356	1.04%
Autumn Park	3	253,993	0.81%			
Gateway Park Apts	4	214,431	0.68%			
Fifth Avenue Court	5	182,348	0.58%			
The Oaks Apartments	6	80,350	0.26%			
Oakwood Manor Apartments	7	61,419	0.20%			
Rosemont Town Homes	8	58,801	0.19%			
Forest Park Apartments	9	58,287	0.19%			
Westshore	10	55,053	0.17%			
Westridge Meadows Apartments				2	830,611	1.52%
Willamette Garden Apts				3	818,902	1.50%
Woodridge Apartments				4	785,905	1.44%
Troutdale Terrace Apts				5	701,699	1.28%
Lake Crest Apts				7	486,804	0.89%
Cascadia Village Retirement Center				8	372,228	0.68%
The Hazelwood				9	349,139	0.64%
Buckman Heights Apartments				10	327,860	0.60%
Total		<u>\$ 2,515,455</u>	<u>8.00%</u>		<u>\$ 6,393,545</u>	<u>11.69%</u>

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

Unaudited

Fiscal Year	Business-Type Activities - Enterprise Funds			Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
	General Obligation Bonds ⁽¹⁾	Revenue Bonds ⁽²⁾	Total		
2023	\$ 20,075,000	\$ 938,710,000	\$ 958,785,000	0.36%	\$ 226
2022	21,650,000	864,185,000	885,835,000	0.34%	208
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	0.55%	241
2015	85,480,000	904,220,000	989,700,000	0.60%	250
2014	112,615,000	1,049,115,000	1,161,730,000	0.75%	296

⁽¹⁾ Elderly and Disabled Housing Bonds

⁽²⁾ Mortgage Revenue Bonds, Housing Revenue Bonds (FY 2014 - FY 2021), Multifamily Housing Revenue Bonds, and Multiple Purpose Bonds (FY 2014)

⁽³⁾ Personal Income and Population Source: Bureau of Economic Analysis, U.S. Department of Commerce (SAINC1)
<https://apps.bea.gov/itable/?ReqID=70&step=1>

Population and Personal Income information can be found on page 58.

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>				
2023	\$ 4,823,464,807	\$ 20,075,000	\$ 4,803,389,807	0.42%
2022	4,118,468,847	21,650,000	4,096,818,847	0.53%
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%
<u>Revenue Bonds</u>				
2023	\$ 2,500,000,000	\$ 938,710,000	\$ 1,561,290,000	37.55%
2022	2,500,000,000	864,185,000	1,635,815,000	34.57%
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%

Legal Debt Margin for Fiscal Year 2023

General Obligation Bonds

True cash value of all taxable property in the state	\$ 964,692,961,481
Debt Limit (0.5% of true cash value)	4,823,464,807
Less: Debt applicable to the limit (Elderly and Disabled Housing Bonds)	(20,075,000)
Legal Debt Margin	<u>\$ 4,803,389,807</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 ⁽¹⁾	Annual Unemployment Rate ⁽²⁾
2022	4,240,137	\$ 264,173.8	\$ 62,303	4.2%
2021	4,256,301	262,382.4	61,646	5.2%
2020	4,244,795	239,862.5	56,507	7.6%
2019	4,215,976	219,982.7	52,178	3.7%
2018	4,183,414	210,044.9	50,209	4.0%
2017	4,147,186	197,262.3	47,565	4.1%
2016	4,093,179	186,105.0	45,467	4.7%
2015	4,018,466	177,478.1	44,166	5.5%
2014	3,965,387	165,171.9	41,653	6.7%
2013	3,924,064	154,851.2	39,462	7.8%

⁽¹⁾ Source: Bureau of Economic Analysis, U.S. Department of Commerce (SAINC1) - <https://apps.bea.gov/itable/?ReqID=70&step=1>

⁽²⁾ Source: Oregon Employment Department
www.qualityinfo.org/uesti?IfAreacode=4101000000&IfAdjusted=y&IfMeasure=unemprate&IfSyear=2013&IfRpt=summary&IfEyear=2023

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Employment Data - State of Oregon

Current Year and Nine Years Ago

Unaudited

	Calendar Year 2022		Calendar Year 2013		Change
	Number of Employees	Percent of Total	Number of Employees	Percent of Total	
Health Care and Social Assistance	312,843	11.77%	260,929	11.54%	19.90%
Retail Trade	264,677	9.96%	236,752	10.47%	11.80%
Manufacturing	206,906	7.78%	191,642	8.48%	7.96%
Accommodation and Food Services	190,276	7.16%	167,481	7.41%	13.61%
Professional, Scientific, and Technical Services	187,980	7.07%	142,770	6.32%	31.67%
Construction	153,517	5.78%	107,297	4.75%	43.08%
Real Estate and Rental and Leasing	143,199	5.39%	102,831	4.55%	39.26%
Transportation and Warehousing	132,623	4.99%	65,279	2.89%	103.16%
Administrative and Support Services	129,574	4.87%	114,899	5.08%	12.77%
Finance and Insurance	108,772	4.09%	94,217	4.17%	15.45%
Wholesale Trade	86,064	3.24%	79,364	3.51%	8.44%
Arts, Entertainment, and Recreation	60,435	2.27%	55,008	2.43%	9.87%
Farm Employment	57,344	2.16%	63,721	2.82%	-10.01%
Management of Companies and Enterprises	52,792	1.99%	39,063	1.73%	35.15%
Educational Services	50,885	1.91%	57,012	2.52%	-10.75%
Information	49,275	1.85%	40,416	1.79%	21.92%
Forestry, Fishing, and Related Activities	32,859	1.24%	32,160	1.42%	2.17%
Waste Management and Remediation Services	6,736	0.25%	5,429	0.24%	24.07%
Utilities	5,299	0.20%	4,775	0.21%	10.97%
Mining, quarrying, and oil and gas extraction	4,621	0.17%	5,776	0.26%	-20.00%
Other Services	129,476	4.87%	118,009	5.22%	9.72%
Federal Government (Civilian)	27,876	1.05%	27,608	1.22%	0.97%
Military	10,604	0.40%	12,151	0.54%	-12.73%
State Government	43,172	1.62%	60,965	2.70%	-29.19%
Local Government	210,480	7.92%	174,783	7.73%	20.42%
Total Employment	2,658,285	100.00%	2,260,337	100.00%	17.61%

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Loans Outstanding - by Interest Rate

Enterprise Funds

Unaudited

Current Year and Nine Years Ago

Interest Rate	June 30, 2023				June 30, 2014			
	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
<u>Single Family Loans</u> ⁽¹⁾								
0.00 - 2.99%	1,090	21.98%	\$ 254,017,105	30.25%	28	0.44%	\$ 913,456	0.13%
3.00 - 3.99%	1,673	33.74%	283,569,153	33.76%	963	15.30%	135,177,559	18.68%
4.00 - 4.99%	1,114	22.47%	166,960,570	19.88%	1,980	31.45%	229,888,185	31.77%
5.00 - 5.99%	800	16.14%	103,327,198	12.30%	2,426	38.54%	281,405,699	38.88%
6.00 - 6.99%	227	4.58%	30,837,784	3.67%	666	10.58%	67,405,418	9.31%
7.00 - 7.99%	53	1.07%	1,193,251	0.14%	202	3.21%	8,566,043	1.18%
8.00 - 8.99%	1	0.02%	12,104	0.00%	26	0.41%	356,439	0.05%
9.00 - 9.99%	-	-	-	-	3	0.05%	12,302	0.00%
10.00 - 10.99%	-	-	-	-	1	0.02%	4,313	0.00%
Total	4,958	100.00%	\$ 839,917,165	100.00%	6,295	100.00%	\$ 723,729,414	100.00%
<u>Multi-Family Loans</u> ⁽²⁾								
0.00 - 2.99%	33	19.53%	\$ 4,902,938	7.36%	58	15.76%	\$ 7,649,550	2.65%
3.00 - 3.99%	6	3.55%	1,369,512	2.05%	7	1.90%	3,815,442	1.32%
4.00 - 4.99%	19	11.24%	5,113,197	7.67%	4	1.09%	2,825,357	0.98%
5.00 - 5.99%	17	10.06%	37,803,732	56.73%	37	10.05%	112,224,391	38.90%
6.00 - 6.99%	39	23.08%	16,484,230	24.74%	79	21.47%	98,339,760	34.09%
7.00 - 7.99%	49	28.99%	856,279	1.28%	80	21.74%	45,310,403	15.70%
8.00 - 8.99%	6	3.55%	112,504	0.17%	94	25.54%	10,880,147	3.77%
9.00 - 9.99%	-	-	-	-	9	2.45%	7,463,991	2.59%
Total	169	100.00%	\$ 66,642,392	100.00%	368	100.00%	\$ 288,509,041	100.00%
Grand Total	5,127		\$ 906,559,557		6,663		\$ 1,012,238,455	

⁽¹⁾ Mortgage Revenue Bonds and Housing Revenue Bonds (2014)

⁽²⁾ Elderly and Disabled Housing Fund, Multifamily Housing Revenue Bond, and Housing Finance Account Loans

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, 2023				June 30, 2014			
	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
<u>Single Family Loans</u> ⁽²⁾								
\$ 0 - \$ 200	24	0.48%	\$ 412,857	0.05%	45	0.71%	\$ 1,163,208	0.16%
\$ 201 - \$ 400	236	4.76%	9,574,812	1.14%	536	8.51%	23,127,329	3.20%
\$ 401 - \$ 600	829	16.72%	56,555,459	6.73%	1,712	27.21%	134,440,911	18.57%
\$ 601 - \$ 800	1,080	21.78%	118,066,409	14.06%	1,929	30.64%	222,425,656	30.73%
\$ 801 - \$1,000	979	19.75%	165,381,704	19.69%	1,181	18.76%	172,917,123	23.89%
\$1,001 - \$1,200	757	15.27%	168,573,549	20.07%	589	9.36%	104,768,958	14.48%
\$1,201 - \$1,400	465	9.38%	125,226,848	14.91%	233	3.70%	47,919,360	6.62%
\$1,401 - \$1,600	238	4.80%	71,870,126	8.56%	58	0.92%	13,872,250	1.92%
\$1,601 - \$1,800	152	3.07%	50,589,747	6.02%	12	0.19%	3,094,619	0.43%
\$1,801 - \$2,000	97	1.95%	33,862,236	4.03%	-	-	-	-
\$2,001 - \$2,200	47	0.95%	17,260,404	2.06%	-	-	-	-
\$2,201 - \$2,400	36	0.73%	14,730,852	1.75%	-	-	-	-
\$2,401 - \$2,600	11	0.22%	4,618,188	0.55%	-	-	-	-
\$2,601 - \$2,800	6	0.12%	2,710,677	0.32%	-	-	-	-
\$2,801 - \$3,000	-	-	-	-	-	-	-	-
\$3,001 - \$3,200	1	0.02%	483,297	0.06%	-	-	-	-
Total	4,958	<u>100.00%</u>	839,917,165	<u>100.00%</u>	6,295	<u>100.00%</u>	723,729,414	<u>100.00%</u>
<u>Multi-Family Loans</u> ⁽³⁾								
\$ 0 - \$ 1,000	100	59.17%	2,308,183	3.46%	210	57.07%	7,282,643	2.52%
\$ 1,001 - \$ 5,000	38	22.49%	7,980,179	11.97%	50	13.59%	14,986,444	5.19%
\$ 5,001 - \$10,000	15	8.88%	7,119,479	10.68%	27	7.34%	22,891,714	7.94%
\$10,001 - \$15,000	5	2.96%	3,836,083	5.76%	24	6.52%	30,442,236	10.55%
\$15,001 - \$20,000	3	1.78%	3,129,785	4.70%	18	4.89%	32,443,699	11.25%
\$20,001 - \$25,000	-	-	-	0.00%	13	3.53%	33,700,293	11.68%
\$25,001 - \$30,000	2	1.18%	5,981,531	8.98%	6	1.63%	20,925,478	7.25%
\$30,001 or more	4	2.37%	35,302,440	52.97%	14	3.80%	123,624,784	42.85%
Due at Maturity	2	1.18%	984,712	1.48%	6	1.63%	2,211,750	0.77%
Total	169	<u>100.01%</u>	66,642,392	<u>100.00%</u>	368	<u>100.00%</u>	288,509,041	<u>100.00%</u>
Grand Total	<u>5,127</u>		<u>\$ 906,559,557</u>		<u>6,663</u>		<u>\$ 1,012,238,455</u>	

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

⁽²⁾ Mortgage Revenue Bonds and Housing Revenue Bonds (2014)

⁽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

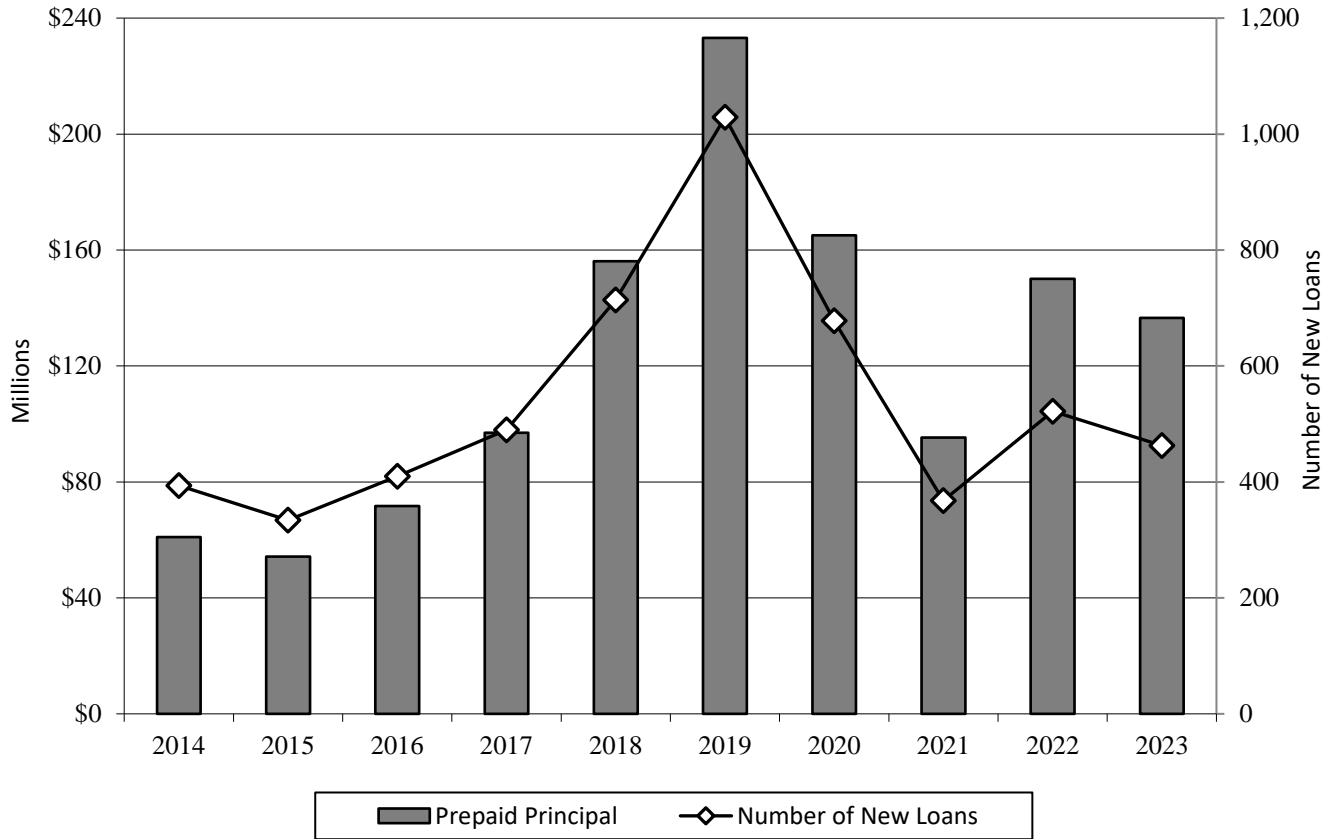
June 30, 2023

County	Elderly and Disabled Housing Program		Mortgage Revenue Bonds		Multifamily Housing Revenue Bonds	
	Number of Loans	Principal Amount	Number of Loans	Principal Amount	Number of Loans	Principal Amount
Baker	1	\$ 61,245	21	\$ 2,020,444	-	\$ -
Benton	4	1,208,930	43	5,663,748	-	-
Clackamas	10	169,697	277	57,730,428	1	3,984,594
Clatsop	1	17,559	10	1,076,871	-	-
Columbia	3	252,804	114	28,530,049	1	924,943
Coos	2	12,856	105	16,219,375	-	-
Crook	-	-	93	22,210,958	-	-
Curry	-	-	5	720,577	-	-
Deschutes	2	53,991	337	65,984,973	-	-
Douglas	2	35,677	118	15,819,535	1	776,949
Gilliam	2	89,161	2	302,609	-	-
Grant	-	-	6	1,269,767	-	-
Harney	2	654,261	14	1,574,217	-	-
Hood River	-	-	12	1,884,788	-	-
Jackson	2	11,434	286	49,024,405	1	727,308
Jefferson	-	-	104	22,945,907	-	-
Josephine	3	403,316	341	61,580,859	-	-
Klamath	-	-	145	15,111,826	-	-
Lake	1	52,039	15	1,619,935	-	-
Lane	10	517,995	225	23,988,976	1	956,631
Lincoln	4	1,777,082	35	3,123,027	-	-
Linn	7	824,344	127	20,251,082	-	-
Malheur	1	653,343	31	2,308,699	-	-
Marion	32	18,845,901	357	40,625,600	1	140,683
Morrow	-	-	17	1,589,328	-	-
Multnomah	42	10,840,193	1,373	250,219,024	7	10,670,114
Polk	3	533,015	63	10,284,426	-	-
Sherman	1	125,663	1	155,259	-	-
Tillamook	-	-	17	2,929,007	-	-
Umatilla	-	-	120	11,346,664	-	-
Union	2	149,918	39	4,080,864	-	-
Wallowa	1	544,071	5	505,265	1	8,370,953
Wasco	-	-	8	1,445,431	-	-
Washington	4	114,292	371	73,032,794	-	-
Wheeler	-	-	1	187,830	-	-
Yamhill	4	903,935	120	22,552,618	-	-
Total	146	\$ 38,852,722	4,958	\$ 839,917,165	14	\$ 26,552,175

Housing Finance Account		Total	
Number of Loans	Principal Amount	Number of Loans	Principal Amount
-	\$ -	22	\$ 2,081,689
-	-	47	6,872,678
-	-	288	61,884,719
-	-	11	1,094,430
-	-	118	29,707,796
-	-	107	16,232,231
-	-	93	22,210,958
-	-	5	720,577
-	-	339	66,038,964
-	-	121	16,632,161
-	-	4	391,770
-	-	6	1,269,767
-	-	16	2,228,478
-	-	12	1,884,788
1	700,000	290	50,463,147
6	238,006	110	23,183,913
-	-	344	61,984,175
-	-	145	15,111,826
-	-	16	1,671,974
-	-	236	25,463,602
-	-	39	4,900,109
-	-	134	21,075,426
-	-	32	2,962,042
-	-	390	59,612,184
-	-	17	1,589,328
-	-	1,422	271,729,331
-	-	66	10,817,441
-	-	2	280,922
-	-	17	2,929,007
-	-	120	11,346,664
-	-	41	4,230,782
-	-	7	9,420,289
1	284,712	9	1,730,143
1	14,777	376	73,161,863
-	-	1	187,830
-	-	124	23,456,553
<u>9</u>	<u>\$ 1,237,495</u>	<u>5,127</u>	<u>\$ 906,559,557</u>

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

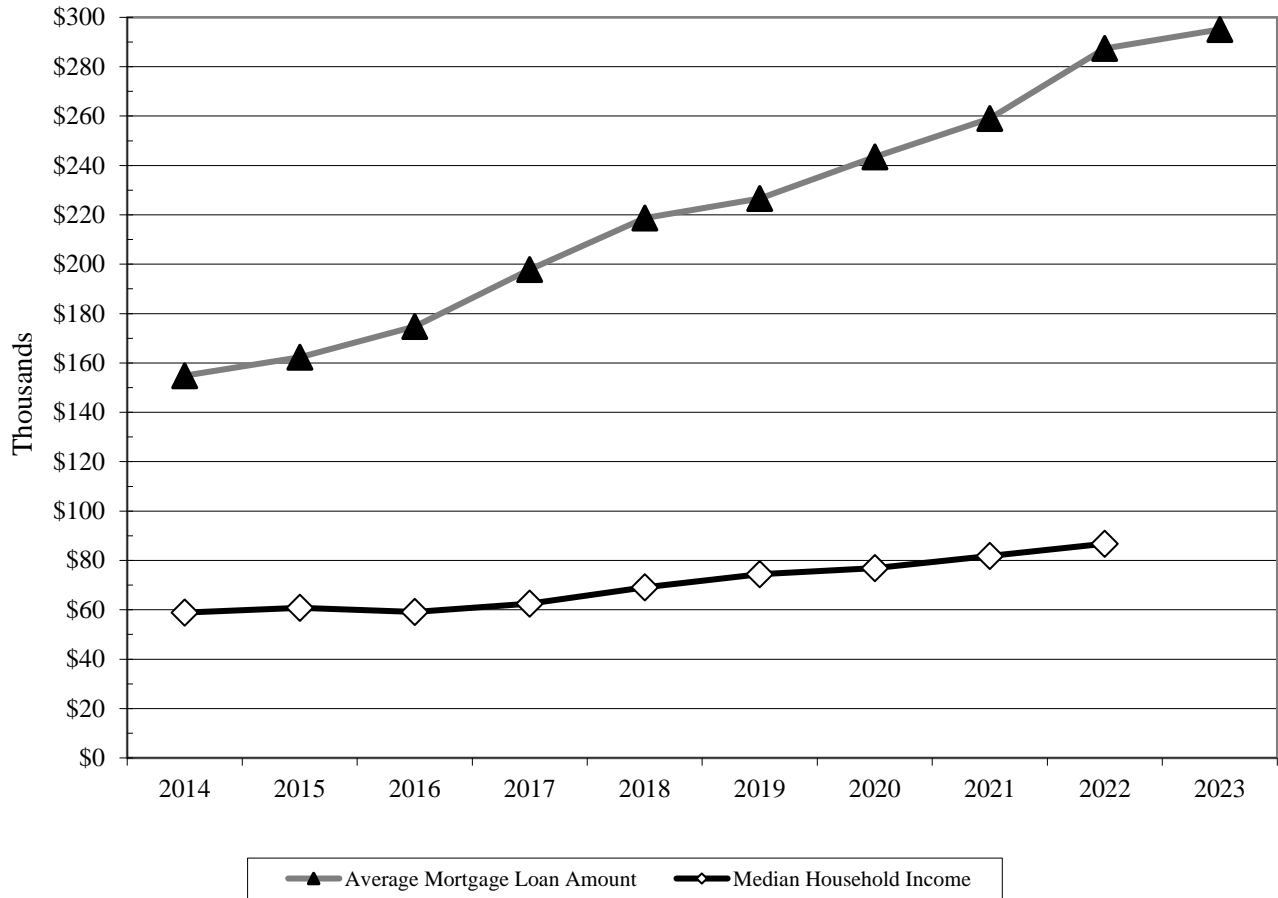
Unaudited



<u>Fiscal Year</u>	<u>Number of New Loans</u>	<u>Original Loan Amount</u>
2023	463	\$ 136,638,159
2022	522	150,027,831
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

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

Unaudited

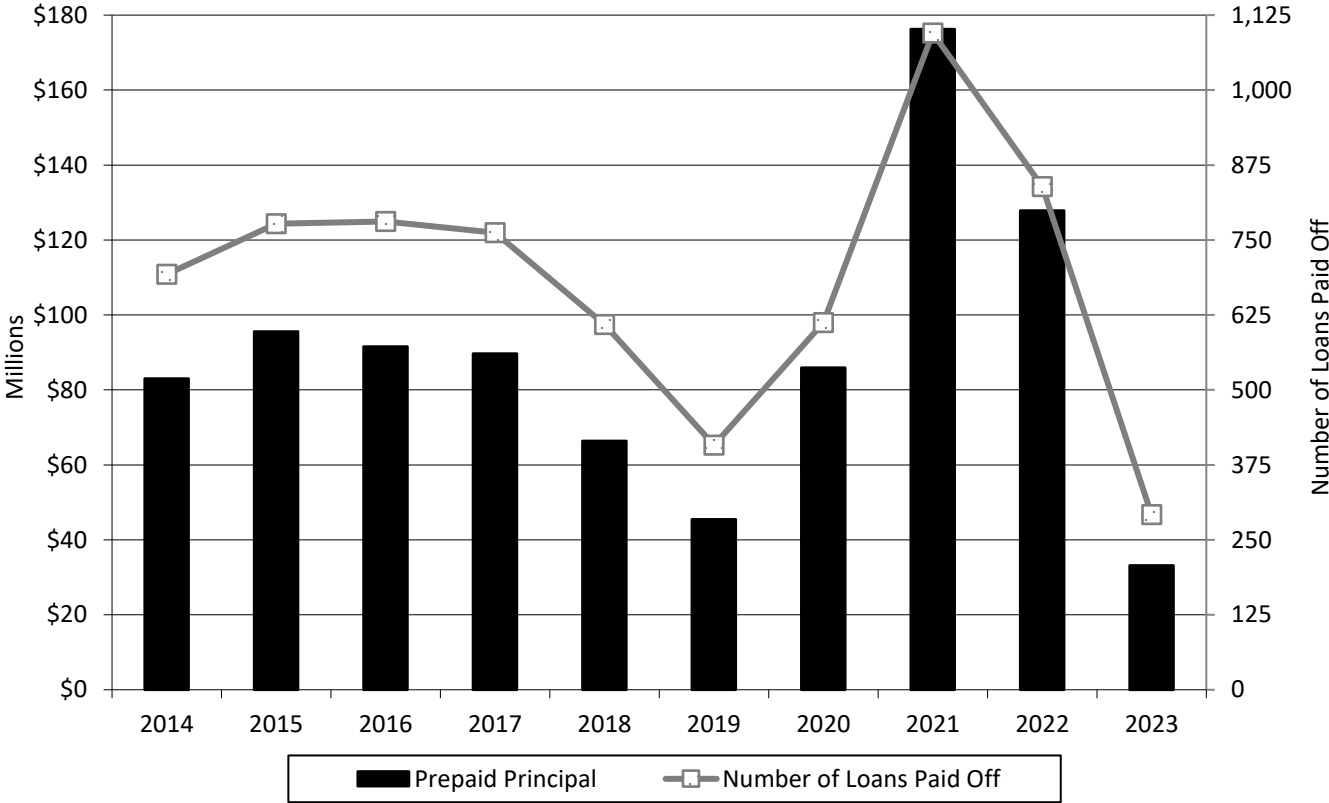


<u>Fiscal Year</u>	<u>Average Loan Amount</u>	<u>Calendar Year</u>	<u>Median Household Income in the State of Oregon</u> ⁽¹⁾
2023	\$ 295,115		
2022	287,410	2022	\$ 86,780
2021	259,057	2021	81,860
2020	243,410	2020	76,860
2019	226,631	2019	74,410
2018	218,672	2018	69,170
2017	197,785	2017	62,500
2016	174,792	2016	59,140
2015	162,334	2015	60,830
2014	154,865	2014	58,880

⁽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>
2023	292	\$ 33,150,016
2022	839	127,881,513
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

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Number of Employees
Last Ten Fiscal Years

Unaudited

	Full-Time-Equivalent Employees as of June 30									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Director's Office	12.0	10.0	4.0	3.0	3.0	3.0	13.0	11.0	10.0	2.0
Deputy Director's Office	33.0	18.0	63.0	52.0						
Central Services Division	72.0	66.0								
Public Affairs Division	20.0	17.0	10.0	11.0	9.0	9.0	7.0	7.0	10.0	9.0
Housing Stabilization Division	52.0	32.0	30.0	25.8	32.8	32.8	29.5	23.5	27.8	
Homeownership Division	36.0	34.0	21.0	24.0						
Affordable Rental Housing Division	96.0	81.0	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
Program Delivery Division										60.0
Total	321.0	258.0	199.0	175.8	163.8	152.8	137.0	114.0	121.3	125.5

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

Other Reports

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

The Honorable Tina Kotek, Governor of Oregon
Andrea Bell, 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 Elderly and Disabled Housing Fund and Housing Finance Fund, which collectively comprise the Housing and Community Services Fund, an enterprise fund of the State of Oregon, Housing and Community Services Department, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Housing and Community Service Fund's basic financial statements, and have issued our report thereon dated October 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing and Community Services Department's (department) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on 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 department'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 department'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
October 30, 2023