

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

Component Unit Financial Statements  
and Supplementary Information

For the Fiscal Year Ended June 30, 2021

Prepared by:

Housing Authority of Clackamas County  
Finance Department

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**

(A component unit of Clackamas County, Oregon)

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**INTRODUCTORY SECTION**

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**

(A component unit of Clackamas County, Oregon)

**CLACKAMAS COUNTY, OREGON**

2051 Kaen Road  
Oregon City, Oregon 97045

**COMMISSIONERS AS OF JUNE 30, 2021**

<u>Name</u>	<u>Term Expires</u>
Tootie Smith, Chair 2051 Kaen Road Oregon City, Oregon 97045	December 31, 2024
Paul Savas, Commissioner 2051 Kaen Road Oregon City, Oregon 97045	December 31, 2022
Sonya Fischer, Commissioner 2051 Kaen Road Oregon City, Oregon 97045	December 31, 2022
Mark Shull, Commissioner 2051 Kaen Road Oregon City, Oregon 97045	December 31, 2024
Martha Schrader, Commissioner 2051 Kaen Road Oregon City, Oregon 97045	December 31, 2024
Ann Leenstra, Commissioner (Appointed) 2051 Kaen Road Oregon City, Oregon 97045	March 1, 2024

**ADMINISTRATIVE OFFICES**

Housing Authority of Clackamas County  
13930 South Gain Street  
Oregon City, Oregon 97045

**LEGAL COUNSEL**

Steven Madkour  
Office of County Counsel  
Clackamas County, Oregon  
2051 Kaen Road  
Oregon City, Oregon 97045

**County Administrator**

Gary Schmidt  
2051 Kaen Road  
Oregon City, Oregon 97045

**REPORT OF INDEPENDENT AUDITORS**

## **Report of Independent Auditors**

Board of County Commissioners of  
Clackamas County, Oregon, as Governing Body of  
Housing Authority of Clackamas County  
Oregon City, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Housing Authority of Clackamas County, Oregon, (the Authority), a component unit of Clackamas County, Oregon, and the aggregate discretely presented component units, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Easton Ridge LLC, Hillside Manor LP, or Pedcor Investments-2016-CLV, LP, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for Easton Ridge LLC, Hillside Manor LP, and Pedcor Investments-2016-CLV, LP, are based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Easton Ridge LLC, Hillside Manor LP, and Pedcor Investments-2016-CLV, LP were not audited in accordance with *Government Auditing Standards*.

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of Clackamas County and its aggregate discretely presented component units as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, and the schedules of OPEB and Pension information on pages 40 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information on pages 43 through 56, and the schedule of expenditures of federal awards on page 62, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2022 on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

##### *Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated January 27, 2022, on our consideration of the Authority's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Moss Adams LLP  
Portland, Oregon  
January 27, 2022



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2021**

The Management of the Housing Authority of Clackamas County (the Authority) offers readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2021. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**Financial Highlights**

- Our assets exceeded our liabilities (net position) at the close of the fiscal year by \$40,704, an increase of \$3,166 over the prior fiscal year. Of this amount, \$22,989 (unrestricted net position) may be used to meet our ongoing obligations to provide low cost housing.
- The Authority's total assets were \$124,064, a net increase of \$27,671 from the prior fiscal year, primarily due to an increase in notes receivable from development activity.
- Total liabilities were \$85,053, an increase of \$25,197 from the prior fiscal year primarily as a result of recording debt related to development activity.
- Net Position increased by \$3,166, due to the net of recording property acquired for development of housing units by the Authority and net of Oregon Public Employees Retirement System (OPERS) expenses for employee retirement benefits.
- Total operating revenues were \$39,254, an increase of \$6,962, mainly from an increase in Voucher income and grant activity. Total non-operating revenues were \$616 in 2021 and \$679 in 2020.
- Total operating expenses were \$34,672, an increase of \$5,292 due primarily to the net impact of increased Voucher housing payments, OPERS and development expenses incurred during the year. Total non-operating expenses were \$2,520 in 2021 and \$608 in 2020.
- Capital contributions amounted to \$488, primarily from HUD, which were used for the acquisition of capital assets, whereas in 2020 the amount was \$676.

**Overview of the Financial Statements**

The discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows along with the notes to the basic financial statements. We encourage readers to consider the information presented here in conjunction with these financial statements.

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**JUNE 30, 2021**

**Overview of the Financial Statements (Continued)**

Complementing these statements and notes is the supplementary information, which provides additional detail about the Authority's operations.

The Statement of Net Position presents information on all the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether our financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position present information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows is an analysis of the change in the Authority's cash balance during the year. The cash position may differ materially from the Statement of Revenues, Expenses and Changes in Net Position.

The basic financial statements include two discretely presented component units. Additional information regarding discretely presented component units can be found in the notes to the basic financial statements.

**Authority Financial Analysis**

***Net Position***

The following provides summary of the Authority's net position for 2021 and 2020:

	2021	2020
Assets:	\$(000's)	
Assets, excluding capital assets	\$ 109,800	\$ 80,167
Capital assets	<u>14,264</u>	<u>16,226</u>
Total assets	<u>124,064</u>	<u>96,393</u>
Deferred outflows of resources	<u>2,075</u>	<u>1,539</u>
Liabilities:		
Current liabilities	7,259	2,381
Noncurrent liabilities	<u>77,794</u>	<u>57,475</u>
Total liabilities	<u>85,053</u>	<u>59,856</u>
Deferred inflows of resources	<u>382</u>	<u>538</u>
Net position:		
Net investment in capital assets	10,267	12,149
Restricted	7,449	2,133
Unrestricted	<u>22,988</u>	<u>23,256</u>
Total net position	<u>\$ 40,704</u>	<u>\$ 37,538</u>

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
 (A component unit of Clackamas County, Oregon)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**JUNE 30, 2021**

**Authority Financial Analysis (Continued)**

As noted earlier, net position may serve over time as a useful indicator of whether a government's financial condition is improving or declining. In the case of the Authority, assets exceeded liabilities by \$40,704 at the close of the most recent fiscal year.

Twenty-five percent of the Authority's net position, \$10,267, reflects its investment in capital assets, primarily housing, less any related debt used to acquire those assets that is still outstanding. Approximately eighteen percent of the Authority's net position, \$7,449, consists of cash for capital replacement and cash restricted for future HAP payments. These cash reserves are producing interest revenue. The unrestricted net position of the Authority is available for future use to provide program services and the remaining debt service.

The total net position of the Authority increased by \$3,166 during the current fiscal year. Net investment in capital assets decreased by \$1,882, due primarily a property disposition. Restricted net position increased by \$5,316, primarily due to amounts restricted for Mainstream vouchers, debt service, and Metro Bond Fund projects. The unrestricted net position of the Authority decreased by \$268 primarily due to development activities net of recording the impact of Oregon PERS liabilities.

***Changes in Net Position***

The following provides a summary of the Authority's change in net position for 2021 compared to 2020:

	<u>2021</u>	<u>2020</u>
	\$(000's)	
Revenues:		
Intergovernmental revenues	\$ 24,541	\$ 25,249
Rental income	2,566	2,612
Other revenue	12,147	4,432
	<u>39,254</u>	<u>32,292</u>
Expenses:		
Housing assistance payments	19,497	17,795
Other operating expenses	15,174	11,585
Non-operating (revenue) expense, net	1,905	(5,500)
	<u>36,576</u>	<u>23,880</u>
Net income before contributions	2,678	8,412
Capital contributions	488	676
Change in net position	3,166	9,088
Net position, beginning of year	<u>37,538</u>	<u>28,450</u>
Net position, end of year	<u>\$ 40,704</u>	<u>\$ 37,538</u>

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**JUNE 30, 2021**

**Authority Financial Analysis (Continued)**

Total revenues increased by \$6,962 or 21.6% over the prior year. Increases over the prior year's revenues resulted primarily from the Metro grant fees, developer fees, an increase in Voucher rental income, and increased rents in the area. Total operating expenses increased by \$5,283 due primarily to a net of increased HAP payments and costs associated with development.

**Capital Asset and Debt Analysis**

The Authority's total investment in gross capital assets of \$45,188 decreased approximately \$1,318 from the prior fiscal year due to the net activity of capital additions and the disposition of the Webster Road property to the Limited Partnership. Long-term debt increased \$19,025 from \$53,246 to \$72,271, primarily a result of the continuation of construction work on Webster Road, a 48-unit permanent supportive housing project located in Gladstone, Oregon, Hillside Manor, a 100-unit RAD conversion of Public Housing property located in Milwaukie, Oregon, Rosewood Terrace, a 212-unit apartment complex located in Happy Valley, Oregon, net of principal payments on outstanding debt.

Additional information relating to capital assets and long-term debt may be found in Notes 5 and 6, respectively.

**Economic Factors**

A majority of the Authority's programs are dependent on federal funding. The Housing Choice voucher program (the "Program") has two primary funding components: The Housing Assistance Payment (HAP) which can only be used for rent assistance payments to landlords and the administrative fee funding to cover the costs of administering the Program. The administrative fee was funded at only ~84% of fee eligibility during the fiscal year and are further limited to the number of vouchers leased. During this fiscal year, the Program was authorized to serve 1,862 families but due to average rental assistance needed per family exceeding the HAP funding received on average per family, the Authority utilized 100% of its rental assistance dollars and was only able to serve 92% of its vouchers. COVID-19 shutdowns impacted many residents causing loss of work which increased the amount of HAP paid. The Authority has increased caseloads with reduced staff and streamlined operations, but still has been forced to subsidize administrative costs with funds from local projects which do not have federal restrictions on their use. The Authority continues to receive new awards of funding and expects relatively flat funding for HUD existing programs in the coming year. New awards with no increases in staffing would equate to more stable program cost coverage with increased administrative fees.

In May of 2020, voters in the Metro region passed the Supportive Housing Services measure (Measure 26-210). The measure will raise money for supportive housing services for people experiencing homelessness or at risk of experiencing homelessness. Clackamas County will receive 21.33% of the total revenue generated by Measure 26-

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**JUNE 30, 2021**

210 to provide services such as: rent assistance, mental health services, addiction and recovery services, employment assistance, and peer support services. The Authority is working in conjunction with Clackamas County and Clackamas County's department of Health, Housing and Human Services to implement Measure 26-210.

The Authority's Public Housing subsidy for calendar year 2021 was about 90% of subsidy eligibility while the physical needs assessment is about three times the amount funded by HUD.

**Financial Contact**

The financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Authority's finances and to demonstrate the Authority's accountability. If you have any questions about the report or need additional information, please contact the Housing Authority of Clackamas County at PO Box 1510, 13930 S. Gain St., Oregon City, OR 97045.

**BASIC FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**STATEMENT OF NET POSITION**

**JUNE 30, 2021**

	Housing Authority of Clackamas County	Discretely Presented Component Units
	<hr/>	<hr/>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 4,412,262	\$ 1,751,314
Investments	1,537,130	-
Accounts receivable, net of allowance for doubtful accounts of \$111,893	1,277,567	74,027
Notes receivable	275,000	-
Accrued interest on notes receivable, net of allowance of \$2,046,308	1,726,045	-
Inventory	19,215	-
Other assets	250,285	208,063
Total current assets	<hr/> 9,497,504	<hr/> 2,033,404
Restricted assets:		
Cash	7,912,386	173,018
Investments with fiscal agent	426,043	3,783,092
Non-current assets:		
Notes receivable, net of current portion	91,964,467	-
Capital assets not being depreciated	3,898,984	7,146,652
Capital assets being depreciated	10,364,204	103,978,384
<b>TOTAL ASSETS</b>	<hr/> <b>124,063,588</b>	<hr/> <b>117,114,550</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	<hr/> <b>2,074,911</b>	<hr/> <b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<hr/> <b>126,138,499</b>	<hr/> <b>117,114,550</b>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable and accrued expenses	2,232,392	7,004,357
Tenant deposits payable from restricted assets	125,909	172,582
Unearned revenue	4,100,248	31,813
Other current liabilities payable from restricted assets	415,569	-
Current portion of long-term liabilities	385,350	-
Total current liabilities	<hr/> 7,259,468	<hr/> 7,208,752
Non-current liabilities:		
Other - notes payable	-	99,762,009
Long-term liabilities, net of current portion	77,793,045	-
<b>TOTAL LIABILITIES</b>	<hr/> <b>85,052,513</b>	<hr/> <b>106,970,761</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<hr/> <b>381,647</b>	<hr/> <b>-</b>
<b>NET POSITION:</b>		
Net investment in capital assets	10,266,611	8,343,271
Restricted	7,449,030	3,956,110
Unrestricted	22,988,698	(2,155,592)
<b>TOTAL NET POSITION</b>	<hr/> <b>\$ 40,704,339</b>	<hr/> <b>\$ 10,143,789</b>

See notes to basic financial statements



**HOUSING AUTHORITY OF CLACKAMAS COUNTY**

(A component unit of Clackamas County, Oregon)

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**YEAR ENDED JUNE 30, 2021**

	Housing Authority of Clackamas County	Discretely Presented Component Units
<b>OPERATING REVENUES:</b>		
Rental income	\$ 2,566,085	\$ 3,593,384
HUD PHA operating grants	2,681,642	-
Voucher income	19,448,182	-
Other government grants	2,410,750	-
Other income	12,147,345	-
Total operating revenues	<u>39,254,004</u>	<u>3,593,384</u>
<b>OPERATING EXPENSES:</b>		
Housing assistance payments	19,497,112	-
Administrative expenses	7,232,353	579,405
Tenant services	213,509	-
Utilities	787,619	340,313
Ordinary maintenance and operations	2,046,923	431,671
General expenses	571,325	185,642
Other expenses	3,548,375	-
Depreciation and amortization	774,370	1,301,063
Total operating expenses	<u>34,671,586</u>	<u>2,838,094</u>
<b>OPERATING INCOME:</b>	<u>4,582,418</u>	<u>755,290</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>		
Interest income	616,442	7,548
Interest expense	(730,534)	(1,198,795)
Loss on disposition of assets	(1,790,185)	-
Total non-operating expense	<u>(1,904,277)</u>	<u>(1,191,247)</u>
<b>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	2,678,141	(435,957)
Capital contributions	<u>488,041</u>	<u>1,107,391</u>
<b>CHANGE IN NET POSITION</b>	3,166,182	671,434
<b>NET POSITION, June 30, 2020</b>	<u>37,538,157</u>	<u>9,472,355</u>
<b>NET POSITION, June 30, 2021</b>	<u>\$ 40,704,339</u>	<u>\$ 10,143,789</u>

See notes to basic financial statements

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**STATEMENT OF CASH FLOWS**

**YEAR ENDED JUNE 30, 2021**

	Housing Authority of Clackamas County
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Received from grants	\$ 28,610,574
Received from tenants	2,583,181
Payments to suppliers	(7,802,846)
Payments for housing subsidies	(19,497,112)
Payments to employees	(5,316,740)
Other	12,147,345
	<hr/>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>10,724,402</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Purchase of notes	(24,662,578)
	<hr/>
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES</b>	<b>(24,662,578)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Principal paid on long-term debt	(1,136,979)
Interest paid on long-term debt	(730,534)
Capital grants received	488,041
Acquisition of capital assets	(601,606)
Principal received on notes payable	20,162,578
Proceeds from sale of capital asset	1,196,311
	<hr/>
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>19,377,811</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	616,442
Investments in real estate	686,257
	<hr/>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>1,302,699</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>6,742,334</b>
<b>CASH AND CASH EQUIVALENTS, June 30, 2020</b>	<b>5,582,314</b>
	<hr/>
<b>CASH AND CASH EQUIVALENTS, June 30, 2021</b>	<b>\$ 12,324,648</b>
	<hr/> <hr/>
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>	
<b>CASH FROM OPERATING ACTIVITIES:</b>	
Operating income	\$ 4,582,418
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	774,370
Pension and OPEB expense	595,554
Change in assets and liabilities:	
Decrease in accounts receivable	53,694
Increase in other assets	(164,987)
Increase in unearned revenue	3,820,051
Increase in accounts payable and accrued expenses	1,034,569
Increase in tenant deposits	6,310
Increase in accrued compensated absences payable	22,423
	<hr/>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 10,724,402</b>
	<hr/> <hr/>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Forgiveness of long-term debt	6,234

See notes to basic financial statements

**NOTES TO BASIC FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**1. REPORTING ENTITY AND DESCRIPTION OF OPERATIONS**

The Housing Authority of Clackamas County (the Authority) is a municipal corporation established under Oregon Revised Statutes Chapter 456 to provide low cost housing to individuals meeting criteria established by the U.S. Department of Housing and Urban Development (HUD). As provided by statute, the Clackamas County Board of County Commissioners (the Board) is the governing body of the Authority. HUD provides the Authority with funding for the construction of low income housing through the purchase of notes and bonds issued by the Authority and guarantees payment of the notes and bonds through grants. In addition, HUD provides rental subsidies and administrative fees for the operation of most of the programs.

The Authority, under the criteria of the Government Accounting Standards Board (GASB), is considered a component unit of Clackamas County, Oregon (the County) because the Board of County Commissioners also governs the Authority. This relationship allows the County to impose its will on the Authority. The County reports the Authority as a blended component unit since the County's H3S Department management has operational responsibility for the Authority.

The Authority is a partner in four discretely presented component unit tax credit projects:

1) Easton Ridge Apartments, a 264-unit apartment complex located in Clackamas, Oregon. Easton Ridge Apartments was financed with proceeds from bonds issued by the Authority and an equity contribution made by the Enterprise Development Corp on March 6, 2013. The Project's fiscal year-end is December 31, and its fiscal year ended December 31, 2020 is included in these basic financial statements.

2) Rosewood Terrace, a 212-unit apartment complex located in Happy Valley, Oregon. Rosewood Terrace is financed with proceeds from bonds issued by the Authority and an equity contribution made by Pedcor. Rosewood Terrace's fiscal year end is December 31, and its fiscal year ended December 31, 2020 is included as part of these basic financial statements.

3) Hillside Manor Limited Partnership (HMLP), a 100-unit apartment building in Milwaukie, Oregon. Hillside Manor is the Authority's first conversion from Public Housing under HUD's Rental Assistance Demonstration Program (RAD) and became effective June 1, 2020. HMLP's fiscal year end is December 31, and its initial fiscal year ending December 31, 2020 is included in these basic financial statements.

4) Webster Road Housing Limited Partnership, a 48-unit apartment complex located in Gladstone, Oregon. Webster Road is financed with proceeds from various sources including tax-exempt bonds, OHCS, Metro Housing Bond, HACC and HOME funds. Webster Road's fiscal year end is December 31, and its initial fiscal year ending December 31, 2021 is not included as part of these basic financial statements.

These projects are considered to be a component units and included in the Authority because, under GASB 61 guidelines, in management's professional judgment the projects exclusion would render the financial statements misleading due to its close financial relationship to the Authority. Discrete presentation, as opposed to blended presentation, is appropriate as the

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projects are not fiscally dependent on the Authority. Certain information may be presented differently in these financial statements in order to conform to the presentation of the primary government than in those of separately issued component unit financial statements because the limited partnerships do not follow government accounting standards for reporting purposes. Complete financial statements may be obtained from the Authority at PO Box 1510, 13930 S. Gain St., Oregon City, OR 97045.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus and Basis of Accounting**

The basic financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the Authority receives value without giving equal value in exchange, include grants and entitlements. Revenue from grants and entitlements is recognized when earned.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenues are rental charges and grant revenue. Operating expenses include housing assistance payments, tenant services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Cash, Cash Equivalents and Investments**

The Authority's cash and cash equivalents consist of cash on hand, deposits and short-term investments with original maturities of three months or less. ORS 294.035 authorizes the Authority to invest in general obligations of the United States and its agencies, debt obligations of the state of Oregon, California, Idaho, and Washington and their political subdivisions, banker's acceptances, corporate indebtedness, commercial paper, repurchase agreements, time certificates of deposit, fixed or variable life insurance contracts, and the State Treasurer's Local Government Investment Pool (LGIP).

Restricted cash and investments include bond fund deposits, replacement reserves, and Public Housing disposition proceeds. Bond fund deposits are held in trust by the bond trustee and are restricted for the payment of interest and principal on the bonds. Replacement reserves are held by a trustee or the Authority and are restricted for the payment of capital expenditures deemed necessary by the Authority. Disposition proceeds are held in an escrow account and are restricted to replacement of Public Housing or project based Vouchers. These investments are stated at amortized cost, which approximates fair value.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from HUD and tenants. Based on historical information, the Authority estimates the amounts due from tenants which will be uncollectible. No allowance for doubtful accounts is considered necessary for HUD receivables. Accounts receivable subject to allowance for doubtful account was \$1,332,212.

**Inventory**

Inventory is stated at cost (first-in, first-out method).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets**

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their acquisition value on the date donated. The Authority defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful lives (ranging from five to thirty years) of the related assets.

**Accrued Compensated Absences and Sick Pay**

Compensated absences are recorded as a liability on the Statement of Net Position. Sick pay is not accrued as it does not vest and is paid when leave is taken.

**Bond Premium, Discount and Issuance Costs**

Bond premium and discounts are amortized on a method which approximates the effective interest method over the related bond repayment period. Unamortized bond premium is added to bonds payable. Bond issuance costs are expensed.

**Long-Term Debt**

Long-term debt consists of loans, notes and bonds issued to finance construction and acquisition of low-income housing.

**Deferred Inflows and Outflows of Resources.**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

**Pensions**

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

**Other Post-Employment Benefits Obligations**

The Authority's total OPEB liability is recognized as a long-term liability in the proprietary fund statements. The OPEB liability is actuarially determined.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets**

The Authority does not have an annual appropriated budget for the year ended June 30, 2021. Budgets are created for each HUD grant to meet financial management and control objectives. The Authority utilizes these budgets as operational tools but is not required to and does not adopt a legally appropriated budget as defined by GASB. Therefore, budgetary comparisons are not reported in these financial statements.

**Net Position**

*Net Investment in Capital Assets* – This represents the Authority’s investment in capital assets, net of depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

*Restricted* – This represents resources for which the Authority is legally or contractually obligated to spend resources in accordance with restrictions imposed by third parties.

*Unrestricted* – Resources used for the Authority’s general operations, which aren’t restricted by third parties. When an expense is incurred that can be paid using either restricted or unrestricted resources, the Authority’s policy first applies expense toward restricted resources.

**Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the Authority considers cash and cash equivalents with remaining maturities of three months or less at the time of purchase to be cash or cash equivalents. The Authority does not consider LGIP or fiscal agent investments to be cash equivalents since the funds own investments with maturities of over three months.

**Adoption of new GASB pronouncements**

During the fiscal year ended June 30, 2021 the Authority implemented the following GASB pronouncements:

GASB Statement No. 90, Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61

This statement modifies previous guidance for reporting a government’s majority interest in a legally separate organization and provides guidance for reporting a component unit if a government acquires a 100% equity interest in that component unit. The Authority implemented this statement for the fiscal year ended June 30, 2021. The Authority does not have any major equity interest that meet the criteria of this Statement that would change the basis of reporting.

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**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash, cash equivalents and investments are comprised of:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Deposits	\$ 4,412,262	\$ 7,912,386	\$ 12,324,648
Investments with fiscal agent	-	426,043	426,043
Oregon Treasurer's Local Government Investment Pool	<u>1,537,130</u>	<u>-</u>	<u>1,537,130</u>
	<u>\$ 5,949,392</u>	<u>\$ 8,338,429</u>	<u>\$ 14,287,821</u>

**Deposits with Financial Institutions**

Custodial credit risk on deposits is the risk that in the event of a bank or credit union failure, the Authority's deposits may not be returned. The Authority does not have a formal policy addressing custodial credit risk. In order to minimize the risk, state statutes require bank and credit unions holding public funds become members of the Oregon Public Funds Collateralization Program (PFCP), a multiple institution collateral pool created by the Office of the State Treasurer. To qualify, participating banks and credit unions must pledge collateral against any public fund deposits in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank and credit union depositories, it does not guarantee that all funds are 100% protected. At June 30, 2021, the carrying amount of deposits was \$12,324,648 and the bank balance was \$12,367,241. Of the Authority's June 30, 2021 bank balance deposit, \$1,006,500 was covered by the FDIC and \$11,105,546 was collateralized by the PFCP.

At June 30, 2021, investments include the Oregon Treasurer's Local Government Investment Pool (LGIP). The investment in the LGIP is stated at fair value, which approximates cost and is the same as the value of its pool shares. Pool shares are not subject to leveling requirements.

The Oregon State Treasurer administers the LGIP. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local government in Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasurer in the management and investment of the LGIP. The LGIP is not currently rated by an independent rating agency.

**Investments Measured at Fair Value**

Per GASB Statement No. 72, Fair Value is described as an exit price. Fair Value measurements assume a transaction takes place in a government's principal market or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest. Fair value does not take into consideration transaction costs.



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**3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Securities classified in Level 1 of the fair value hierarchy and are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a variety of pricing techniques, including but not limited to fundamental analytical data related to the securities, values of baskets of securities, market interest rates, matrix calculated prices, and purchase price. Level 3 fair value is determined using significant unobservable inputs.

	Totals as of 6/30/21	Fair Value Measurements Using			Cost Measurement
		Quoted Prices Active Markets in Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Using Not Subject to Leveling Requirements
Time/Interest Bearing Deposits	\$ 426,043	\$ -	\$ -	\$ -	\$ 426,043
Local Government Investment Pool	1,537,130	-	-	-	1,537,130
<b>Total investments</b>	<b>\$ 1,963,173</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,963,173</b>

**Interest Rate Risk**

The Authority's investment policy limits investment maturities to three years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investments	Fair Value	Less than 1,080 days
Investments with fiscal agent	\$ 426,043	\$ 426,043
		\$ 426,043
Local government investment pool	1,537,130	
	\$ 1,963,173	

The Authority's investment policy limits maturities to three years as a means of managing its exposure to fair value losses arising from increasing interest rates. For purposes of this schedule, 100% of the amounts in Oregon's local government investment pool are considered to be less than 3 years to maturity.

Maturity	Minimum %	Actual %
Less than 1,080 days	100%	100%

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**3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**Credit Risk**

Oregon Revised Statutes limit the types of investments that the Authority may have. The Authority is in compliance with these statutes at June 30, 2021. The Authority is also in compliance with its investment policy. The Authority follows the County's credit risk policy which minimizes credit risk by; limiting exposure to poor credits and concentrating the investments in the safest types of securities; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the Authority will do business; diversifying the investment portfolio so that potential losses on individual securities will be minimized; and actively monitoring the investment portfolio holdings for ratings changes, changing economic/market conditions, etc.

**Custodial Credit Risk**

Custodial risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments that are in the possession of an outside party. At June 30, 2021, Authority investments in the amount of \$0 are subject to custodial credit risk.

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**4. NOTES RECEIVABLE**

The Notes Receivable balance at June 30, 2021 is \$93,965,512. This balance resulted from the Easton Ridge asset sale to Easton Ridge LLC, amounts related to Pedcor/Rosewood Station construction, the conversion of Hillside Manor from Public Housing to a LIHTC property, construction of the Webster Road Project, and Metro bonds loaned to the Fuller Road project.

	Beginning Balance	Additions	Reductions	Ending Balance
Easton Ridge LLC notes receivable	\$ 15,378,342	\$ -	\$ (265,000)	\$ 15,113,342
Easton Ridge LLC mortgage loan receivable	15,300,086	474,303	-	15,774,389
Rosewood Station Dispo. notes receivable	1,709,325	48,150	-	1,757,475
Rosewood Station notes receivable	33,807,359	-	(796,804)	33,010,555
Hillside Manor LLC	5,747,500	74,358	-	5,821,858
Hillside Manor LLC, Sponsor Loan #1	-	551,051	-	551,051
Hillside Manor LLC, Construction Loan	-	13,726,420	(134,507)	13,591,913
Webster Road LLC, Metro Bond	-	2,939,209	-	2,939,209
Webster Road LLC, PSH Funds	-	1,069,472	-	1,069,472
Webster Road LLC, HACC Seller Loan	-	1,770,056	-	1,770,056
Webster Road LLC, Construction Loan	-	112,500	-	112,500
Fuller Road, Metro Bond	-	4,500,000	-	4,500,000
	<u>\$ 71,942,612</u>	<u>\$ 25,265,519</u>	<u>\$ (1,196,311)</u>	<u>\$ 96,011,820</u>

	Gross Notes and Interest Receivable	Uncollectible Allowance Rate	Uncollectible Allowance	Notes and Interest Receivable, net
Easton Ridge LLC notes receivable	\$ 15,113,342	0.00%	\$ -	\$ 15,113,342
Easton Ridge LLC mortgage loan receivable	15,774,389	11.50%	1,813,345	13,961,044
Rosewood Station Dispo. notes receivable	1,757,475	8.68%	152,475	1,605,000
Rosewood Station notes receivable	33,010,555	0.00%	-	33,010,555
Hillside Manor LLC	5,821,858	1.28%	74,358	5,747,500
Hillside Manor LLC, Sponsor Loan #1	551,051	1.11%	6,130	544,921
Hillside Manor LLC, Construction Loan	13,591,913	0.00%	-	13,591,913
Webster Road LLC, Metro Bond	2,939,209	0.00%	-	2,939,209
Webster Road LLC, PSH Funds	1,069,472	0.00%	-	1,069,472
Webster Road LLC, HACC Seller Loan	1,770,056	0.00%	-	1,770,056
Webster Road LLC, Construction Loan	112,500	0.00%	-	112,500
Fuller Road, Metro Bond	4,500,000	0.00%	-	4,500,000
	<u>\$ 96,011,820</u>		<u>\$ 2,046,308</u>	<u>\$ 93,965,512</u>

The Authority loaned \$16,603,341 of proceeds from its 2013 Series A Bond financing to Easton Ridge LLC. Easton Ridge LLC has agreed to pay the Authority amounts equal to the principal and interest requirements on the 35 year 2013 Series A Bonds of \$862,600 per year. Principal payments totaled \$265,000 in 2021. The County has provided a contingent loan agreement in the event earnings from the project and the principal and interest reserve fund are not sufficient to pay required annual amounts. The Authority has a mortgage loan to the Project in the amount of \$12,235,000 as part of the sale agreement. The mortgage earns 3.1% interest on the outstanding balance. The mortgage repayment is contingent on available excess revenue of the project and does not have specific payment amounts or repayment time terms.

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**4. NOTES RECEIVABLE (Continued)**

Rosewood Station is under construction, initially funded with a loan from the Authority of disposition funds in the amount of \$1,605,000 accruing simple interest at 3.0%. As of June 30, 2021 Rosewood Station had drawn down \$33,010,555 for construction which is included in the note receivable balance.

Hillside Manor was converted from Public Housing through a sale to Hillside Manor Limited Partnership. Hillside Manor LLC is a single member LLC owned by HACC as the general partner in the partnership. Upon sale Hillside Manor Limited Partnership issued a seller note for the purchase in the amount of \$5,747,500 which accrues interest at a rate of 1.15% compounded annually. The note is due on December 31, 2070. Hillside Manor also has two additional loans for construction: 1) Sponsor Loan #1 with 1% simple interest and 2) a construction loan that has drawn down \$13,591,913.

Webster Road is under construction, initially funded with a loan from the Authority of Metro Housing Bond funds in the amount of \$2,939,209 accruing interest at 2.08% compounded annually. A Sellers Note in the amount of \$1,770,056 accruing interest at 2.08% compounded annually. A note from the state of Oregon Permanent Supportive Housing Capital program for \$2,400,000 of which \$1,069,472 has been drawn with an interest rate of 0.00%. As of June 30, 2021 Webster Road had drawn down \$112,500 for construction which is included in the note receivable balance.

Fuller Road Metro Bond project under construction that is partially funded by Metro Housing Bonds issued as a loan from HACC. As of June 30, 2021 HACC had released \$4,500,000 of the \$8,570,000 of Metro Bonds for the project with simple interest accruing at a rate of 1.0%.

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**5. CAPITAL ASSETS**

Capital assets activity for the year was as follows:

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 4,260,598	\$ -	\$ -	\$(361,614)	\$ 3,898,984
Total capital assets not being depreciated	4,260,598	-	-	(361,614)	3,898,984
Capital assets being depreciated:					
Buildings and improvements	41,497,691	595,732	(1,920,055)	361,614	40,534,982
Furniture and equipment	748,081	5,874	-	-	753,955
Total capital assets being depreciated	42,245,772	601,606	(1,920,055)	361,614	41,288,937
Less accumulated depreciation:					
Buildings and improvements	(29,653,438)	(752,243)	129,870	-	(30,275,811)
Furniture and equipment	(626,795)	(22,127)	-	-	(648,922)
Total accumulated depreciation	(30,280,233)	(774,370)	129,870	-	(30,924,733)
Total capital assets being depreciated, net	11,965,539	(172,764)	(1,790,185)	361,614	10,364,204
Total capital assets, net	\$ 16,226,137	\$(172,764)	\$(1,790,185)	\$ -	\$ 14,263,188

Depreciation expense for the Authority was \$774,370 for the year ended June 30, 2021.

**6. LONG-TERM LIABILITIES**

The Authority's long term debt is comprised of mortgage notes, loans and bonds. Mortgage notes payable were incurred to purchase low income housing and are payable from rents received and the net cash flows from operations.

Loans payable totaling \$53,961 include amounts due to Farmers Home Administration and the State of Oregon for the purchase, construction, repair and improvement of property. Under terms of the agreements with the State of Oregon, a certain portion of the loans are forgiven yearly as long as the Authority operates the facilities as low-income housing. If the Authority ceases to operate these facilities as low-income housing, the loans become payable when the Authority sells the property.

	Balance July 1, 2020	Reductions	Balance June 30, 2021
State of Oregon	\$ 33,697	\$ -	\$ 33,697
Farmers Home Administration	26,498	(6,234)	20,264
Total	\$ 60,195	\$ (6,234)	\$ 53,961

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**6. LONG-TERM LIABILITIES (Continued)**

The Authority has received deferred payment loans from Clackamas County for various residential rehabs of low income properties. If the loans are defaulted by failing to conform to any covenants or conditions of the agreements, all principal and interest and all other amounts are due immediately. The loans payable to Clackamas County of \$1,616,988 were obtained to construct and purchase low income housing units. \$1,357,319 of this balance is noninterest bearing and requires no payments as long as the Authority operates the facility as low-income housing. A 7-year term loan from Clackamas County in the amount of \$300,000, bearing an interest rate of 2.0%, which has an outstanding balance of \$259,669 as of June 30, 2021 was entered in order to assist in the acquisition of Clayton Mohr Commons.

The Authority issued 2013 Series A revenue bonds in the original amount of \$16,550,000 to finance the rehabilitation of the Easton Ridge Apartments (the Project). The Series A bonds have maturities and/or mandatory redemption dates ranging from September 1, 2015 to September 1, 2049, and bear interest ranging from 1.75% to 4.0%. Interest payments are due on March 1 and September 1 of each year until the entire principal balance is retired and all accrued interest is paid. The Project's assets, all net operating income and certain other revenues of the Authority, are pledged as collateral, in an amount equal to the sum of outstanding principal and interest, or \$25,827,204. The pledge will remain in effect until the revenue bonds are paid in full. As of June 30, 2021 pledged debt service was \$865,575 for the coming year. The Authority received pledged interest in the amount of \$460,041 for 2013 Series A bond interest at June 30, 2021. Pursuant to the bond documents, the Authority is subject to certain restrictive covenants related to the use of bond proceeds and other funds provided by operations of the Project. The contingent loan agreement with the County requires Easton Ridge LLC to maintain a 1.10 to 1.0 debt service coverage once the project achieves stabilization. The operating agreement requires that in order to eliminate the operating deficit contribution requirement, the Authority establish and collect rents sufficient to produce a required debt service coverage on the Series A bonds of at least 1.20 to 1 for two consecutive years, beginning at least three years after project stabilization. A failure to maintain the above ratios does not constitute a default. Amount outstanding on the 2013 Series A revenue bonds was \$15,060,000 as of June 30, 2021.

Rosewood Station construction continues with draws against the construction bonds during the year ended June 30, 2021. These bonds bear interest at 2.25%, per annum through April 1, 2021. Commencing May 1, 2021, the interest rate is LIBOR plus 0.75% provided the rate shall never be less than 3.00% or greater than 8.00%, per annum. Amount outstanding at June 30, 2021 was \$33,010,555.

Clayton Mohr Commons is 24 units of veteran housing has a mortgage of \$2,252,898 bearing an interest rate of 5.5%. Principal and interest are due monthly based on a 30 year amortization. The mortgage has a 20 year term and is due in July, 2040.

Webster Road began construction in June 2021 and had draws against the construction loans during the year ended June 30, 2021. These loans bear interest at LIBOR plus 2.00%, per annum. Amount outstanding at June 30, 2021 was \$5,891,237.

Hillside Manor is a 100 unit Public Housing conversion undergoing an occupied rehabilitation. Draws against the construction loans during the year ended June 30, 2021 were \$14,271,341 bearing an interest rate of 2.50%.

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**6. LONG-TERM LIABILITIES (Continued)**

Changes in long-term debt are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Loans Payable (Interest 0% to 1%)	\$ 60,195	\$ -	\$ (6,234)	\$ 53,961
Mortgage Notes Payable (Interest 2% to 11%)	2,352,758	-	(27,130)	2,325,628
Loans Payable to Clackamas County	1,657,319	-	(40,331)	1,616,988
Rosewood Station Construction Bonds	33,807,359	-	(796,804)	33,010,555
Hillside Manor Construction Bonds	-	14,271,341	-	14,271,341
Webster Road Construction Bonds	-	5,891,237	-	5,891,237
2013 Easton Ridge A Bonds Payable (Interest 1.75% to 4.0%)	15,325,000	-	(265,000)	15,060,000
Bond Premium	42,969	-	(1,480)	41,489
	<u>15,367,969</u>	<u>-</u>	<u>(266,480)</u>	<u>15,101,489</u>
	<u>\$ 53,245,600</u>	<u>\$ 20,162,578</u>	<u>\$ (1,136,979)</u>	<u>\$ 72,271,199</u>

Future maturities are as follows:

Fiscal Year	Loans Payable	Mortgage Notes Payable	Loan Payable to Clackamas County	Construction Bonds	2013 A Easton Ridge Bonds Payable	Total	Interest
2022	\$ 6,296	\$ 43,411	\$ 41,145	\$ -	275,000	\$ 365,852	\$ 598,358
2023	6,360	45,640	41,975	-	285,000	378,975	586,085
2024	2,555	49,351	42,824	-	295,000	389,730	573,369
2025	-	50,502	43,687	-	310,000	404,189	560,211
2026	-	49,091	44,570	-	320,000	413,661	543,975
2027-2031	-	200,570	45,468	-	1,800,000	2,046,038	2,047,994
2032-2036	-	296,341	-	-	2,150,000	2,446,341	2,351,250
2037-2041	-	1,590,722	-	-	2,600,000	4,190,722	1,852,000
2042-2046	-	-	-	-	3,150,000	3,150,000	1,284,200
2047-2051	-	-	-	-	3,875,000	3,875,000	627,600
Undetermined	38,750	-	1,357,319	53,173,133	-	54,569,202	-
	<u>\$ 53,961</u>	<u>\$ 2,325,628</u>	<u>\$ 1,616,988</u>	<u>\$ 53,173,133</u>	<u>\$ 15,060,000</u>	<u>\$ 72,229,710</u>	<u>\$ 11,025,042</u>

None of the above agreements are subject to federal arbitrage regulations.

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**6. LONG-TERM LIABILITIES (Continued)**

Changes in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 349,597	\$ 40,348	\$ -	\$ 389,945	\$ 19,497
Total OPEB Liability	350,952	-	(76,123)	274,829	-
Net Pension Liability	3,878,521	1,324,741	-	5,203,262	-
Loans & Notes Payable	4,070,272	-	(73,695)	3,996,577	90,853
Bonds Payable	49,175,328	20,162,578	(1,063,284)	68,274,622	275,000
Total	<u>\$57,824,670</u>	<u>\$21,527,667</u>	<u>\$(1,213,102)</u>	<u>\$78,139,235</u>	<u>\$ 385,350</u>

**7. PENSION PLAN**

***General Information about the Pension Plan***

*Name of the pension plan:* The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan.

*Plan description.* Employees of the Authority are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. OPERS issues a publicly available financial report that can be obtained at <https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>.

*Benefits provided under Chapter 238-Tier One / Tier Two*

1. *Pension Benefits.* The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.



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**7. PENSION PLAN (Continued)**

2. *Death Benefits.* Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- Member was employed by a OPERS employer at the time of death,
- Member died within 120 days after termination of OPERS-covered employment,
- Member died as a result of injury sustained while employed in a OPERS-covered job, or
- Member was on an official leave of absence from an OPERS-covered job at the time of death.

3. *Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

4. *Benefit Changes After Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

*Benefits provided under Chapter 238A-OPSRP Pension Program (OPSRP DB).*

1. *Pension Benefits.* The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

*Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

*General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

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**7. PENSION PLAN (Continued)**

2. *Death Benefits.* Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

3. *Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

4. *Benefit Changes After Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

*Contributions:*

OPERS 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. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2021 were approximately \$636,600. The rates in effect for the fiscal year ended June 30, 2021 were: (1) Tier1/Tier 2 – 25.27 percent, and (2) OPSRP general service – 17.75 percent.

*Actuarial Valuations:*

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

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**7. PENSION PLAN (Continued)**

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b>            Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b>            Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b>            Pub-2010 Disable retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study, which reviewed experience for the four-year period ending on December 31, 2018.

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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**7. PENSION PLAN (Continued)**

*Depletion Date Projection*

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

*Assumed Asset Allocation:*

<b>Asset Class/Strategy</b>	<b>Target Allocation</b>	
Cash	0.0	%
Debt Securities	20.0	
Public Equity	32.5	
Private Equity	17.5	
Real Estate	12.5	
Alternative Equity	15.0	
Opportunity Portfolio	0.0	
Risk Parity	2.5	
Total	100.0	%

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**7. PENSION PLAN (Continued)**

*Long-Term Expected Rate of Return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	20-Year Annualized Geometric Mean
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Mid Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Market Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund – Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
Assumed Inflation – Mean		2.50%

*Sensitivity of the Authority’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

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**7. PENSION PLAN (Continued)**

	Rate 1% Decrease (6.20%)	Discount Rate (7.20%)	Rate 1% Increase (8.20%)
Proportionate share of the net pension liability	\$7,726,415	\$5,203,262	\$3,087,482

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

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

At June 30, 2021, the Authority reported a liability of \$5,203,262 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 and rolled forward to June 30, 2020.

The Authority's proportion of the net pension asset was based on the Authority's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers.

Rates of every employer have at least two major components:

1. Normal Cost Rate: The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.
2. UAL Rate: If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is simply the Unfunded Actuarial Liability (UAL) itself. The UAL represents the portion of the projected long-term contribution effort related to past service.

Looking at both rate components, the projected long-term contribution effort is just the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings.

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**7. PENSION PLAN (Continued)**

The UAL has Tier 1/Tier 2 and OPSRP pieces. The Tier 1/Tier 2 piece is based on the employer's Tier 1/Tier 2 pooling arrangement. If an employer participates in one of the two large Tier 1/Tier 2 rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier 1/Tier 2 UAL is just their pro-rata share of their pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. For example, if the employer's payroll is one percent of the pool's total payroll, the employer will be allocated one percent of the pool's UAL. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier 1/Tier 2 pooling arrangement, who are referred to as "Independent Employers", have their Tier 1/Tier 2 UAL tracked separately in the actuarial valuation.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

Since many governments in Oregon have sold pension obligation bonds and deposited the proceeds with OPERS (referred to as side accounts or transitional liability or surplus), adjustments are required. After each employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's side account, transitional liability/surplus, and pre-SLGRP liability/surplus (if any). This is done as those balances increase/decrease the employer's projected long-term contribution effort because side accounts are effectively pre-paid contributions.

At June 30, 2021, the Authority's proportion was 0.02384254 percent.

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**7. PENSION PLAN (Continued)**

For the year ended June 30, 2021, the Authority recognized pension expense of \$1,141,618. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$229,006	\$-
Changes of assumptions	279,243	9,784
Net difference between projected and actual earnings on investments	611,836	-
Changes in proportionate share	166,935	266,341
Differences between employer contributions and proportionate share of system contributions	131,905	-
Total (prior to post-measurement date contributions)	1,418,925	276,125
Contributions made subsequent to measurement date	636,554	-
Total Deferred Outflow/Inflow of Resources	\$2,055,479	276,125
Net Deferred Outflow/(Inflow) of Resources		\$1,779,354

\$636,554 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2018, the beginning of the measurement period ended June 30, 2020, is 5.3 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post- measurement date contributions)
Fiscal Year 2022	\$222,961
Fiscal Year 2023	320,373
Fiscal Year 2024	320,562
Fiscal Year 2025	259,106
Fiscal Year 2026	19,799
Total	\$1,142,800



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**7. PENSION PLAN (Continued)**

*Defined Contribution Plan*

**OPSRP Individual Account Program (OPSRP IAP)**

**Pension Benefits**

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

**Death Benefits**

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

**Contributions**

The Authority has chosen to pay the employees contributions to the plan. 6 percent of covered payroll is paid for general service employees and 9 percent of covered payroll is paid for firefighters and police officers. Contributions for the year were \$138,133.

**Recordkeeping**

PERS contracts with VOYA Financial to maintain IAP participant records.

**8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**A. General Information about the OPEB Plan**

Plan name: Retiree Implicit Medical Benefit Plan

Plan description: The Authority administers a single-employer defined benefit healthcare plan per the requirements of a collective bargaining agreement. Per Oregon State law, the plan provides the opportunity for post-retirement healthcare insurance for eligible retirees and their spouses through the Authority's group health insurance plans which cover both active and retired participants. The Authority does not pay any portion of the retiree's healthcare insurance; however, the retired employee receives an implicit benefit of a lower healthcare premium which is spread among the cost of active employee premiums.

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**8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

The Authority has not established a trust fund to supplement the costs for the other post-employment benefit (OPEB) liability related to this implicit benefit. The Authority pays none of the premium of health insurance coverage for retirees from age 58 to age 65. The Authority's regular healthcare benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

The Authority's annual OPEB cost is calculated based on an amount actuarially determined in accordance with the guidance of GASB Statement No. 75. The Authority is included in the Clackamas County Actuarial Valuation report.

***Total OPEB Liability***

The Authority's total OPEB liability of \$274,829 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Discount rate	1.92%
Salary increases	3.00%
General inflation rate	2.50%

The discount rate was based on the Fidelity High Grade 20 Year General Obligation Municipal Bond Index.

The demographic actuarial assumptions used in the valuation are based on the 2020 experience study of the Oregon Public Employees Retirement System, except for the different basis used to project future mortality improvements.

Mortality rates were based on the MacLeod Watts Scale 2020.

***Changes in the Total OPEB Liability and related ratios***

		Total OPEB Liability
Balance at 6/30/20		\$ 350,952
Changes during year		
	Service cost	21,929
	Interest	9,053
	Changes of benefit terms	-
	Differences in expected and actual experience	(99,869)
	Changes in assumptions	(525)
	Benefit payments	(6,711)
Balance at 6/30/21		\$ 274,829

Covered employee payroll for the year ended June 30, 2021 was \$3,002,516.

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**8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Total OPEB liability as a percentage of covered employee payroll was 9.15%.

*Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate.* The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate. The discount rate used for the fiscal year end 2020 is 1.92%. Healthcare cost trend rate was assumed to start at 5.7% (effective January 2022) and arrive an ultimate rate of 4.0% for years 2076 and later. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

Change in Discount Rate	1% Decrease (.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB Liability	\$292,545	\$274,829	\$257,861

Change in Healthcare Cost Trend Rate	1% Decrease In Current Trend	Current Trend	1% Increase In Current Trend
Total OPEB Liability	\$247,805	\$274,829	\$306,465

**Deferred Inflows and Outflows as of Fiscal Year End and Expected Future Recognition**

The table below shows deferred resources as of the fiscal year end June 30, 2021.

HACC Members Implicit	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 19,431	\$ 1,074
Differences Between Expected and Actual Experience	\$ -	\$ 104,448
Total	\$ 19,431	\$ 105,522

In addition, future recognition of these deferred inflows and outflows of resources is shown below.

For the Fiscal Year Ending June 30	HACC Members Implicit
2022	\$(9,661)
2023	(9,661)
2024	(9,661)
2025	(9,661)
2026	(9,578)
Thereafter	(37,869)
Total	(86,091)

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**NOTES TO BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**B. Retirement Health Insurance Account (RHIA)**

Due to the immaterial nature of GASB Statement No. 75 as it relates to the Authority's exposure under the Oregon Public Employees Retirement System (OPERS) RHIA, the Authority has chosen not to disclose RHIA under this GASB Statement.

The Authority contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees.

Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA resides with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

For fiscal year 2021, participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The Authority's contributions to RHIA for the years ended June 30, 2021 were 1,558, which equaled the required contribution for the year.

**9. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. The Authority does not engage in risk financing activities where the risk is retained (self-insurance) by the Authority. For the past three years, insurance coverage has been sufficient to cover any losses. The future impacts of COVID-19 are unknown.

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
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**YEAR ENDED JUNE 30, 2021**

**10. COMMITMENTS**

The Authority has no construction and legal commitments under contracts at June 30, 2021. The Authority has a commitment to cover up to \$922,000 of operating deficits for Easton Ridge LLC for at least the next three years.

Disposition funds restricted by HUD are as follows:

	<u>Disposition Proceeds</u>
Balance as of July 1, 2020	\$ 629,050
Interest received	183
Webster Road	<u>(596,814)</u>
Balance as of June 30, 2021	<u>\$ 32,419</u>

**11. RELATED-PARTY TRANSACTIONS**

Labor and fringe benefit costs and expenses for human resources, information technology and other services totaling approximately \$635,000 were paid to various County departments. About \$26,900 was accrued as payable to the County at June 30, 2021.

The Authority has received deferred payment loans from the County in the amount of \$1,616,988 for various residential rehabs of low income properties. If the loans are defaulted by failing to conform to any covenants or conditions of the agreements, all principal and interest and all other amounts are due immediately.

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**12. DISCRETELY PRESENTED COMPONENT UNITS**

Combining financial information for the discretely presented component units at December 31, 2020 are as follows:

	Easton Ridge LLC	Pedcor Investments 2016-CLV LP	Hillside Manor LP	Total
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 1,125,963	\$ 372,391	\$ 252,960	\$ 1,751,314
Accounts receivable	51,807	-	22,220	74,027
Other assets	51,210	54,431	102,422	208,063
<b>Total current assets</b>	<b>1,228,980</b>	<b>426,822</b>	<b>377,602</b>	<b>2,033,404</b>
Restricted assets:				
Cash	158,132	6,936	7,950	173,018
Investments with fiscal agent	3,564,875	218,217	-	3,783,092
Non-current assets:				
Capital assets not being depreciated	3,229,376	3,917,276	-	7,146,652
Capital assets being depreciated	28,251,503	60,413,149	15,313,732	103,978,384
<b>TOTAL ASSETS</b>	<b>36,432,866</b>	<b>64,982,400</b>	<b>15,699,284</b>	<b>117,114,550</b>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable and accrued expenses	3,984,601	1,624,531	1,395,225	7,004,357
Tenant deposits payable from restricted assets	158,132	6,500	7,950	172,582
Unearned revenue	15,348	-	16,465	31,813
<b>Total current liabilities</b>	<b>4,158,081</b>	<b>1,631,031</b>	<b>1,419,640</b>	<b>7,208,752</b>
Non-current liabilities:				
Other - notes payable	27,879,374	58,734,423	13,148,212	99,762,009
<b>TOTAL LIABILITIES</b>	<b>32,037,455</b>	<b>60,365,454</b>	<b>14,567,852</b>	<b>106,970,761</b>
<b>NET POSITION:</b>				
Net investment in capital assets	3,601,505	3,971,471	770,295	8,343,271
Restricted	3,723,007	225,153	7,950	3,956,110
Unrestricted	(2,929,101)	420,322	353,187	(2,155,592)
<b>TOTAL NET POSITION</b>	<b>\$ 4,395,411</b>	<b>\$ 4,616,946</b>	<b>\$ 1,131,432</b>	<b>\$ 10,143,789</b>

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**12. DISCRETELY PRESENTED COMPONENT UNITS (Continued)**

	Easton Ridge LLC	Pedcor Investments 2016-CLV LP	Hillside Manor LP	Total
<b>OPERATING REVENUES:</b>				
Rental income	\$ 2,884,911	\$ 142,922	\$ 565,551	\$ 3,593,384
Total operating revenues	<u>2,884,911</u>	<u>142,922</u>	<u>565,551</u>	<u>3,593,384</u>
<b>OPERATING EXPENSES:</b>				
Administrative expenses	389,629	12,659	177,117	579,405
Utilities	225,803	1,998	112,512	340,313
Ordinary maintenance and operations	382,752	2,430	46,489	431,671
General expenses	120,819	5,543	59,280	185,642
Depreciation and amortization	924,337	275,893	100,833	1,301,063
Total operating expenses	<u>2,043,340</u>	<u>298,523</u>	<u>496,231</u>	<u>2,838,094</u>
<b>OPERATING INCOME (LOSS)</b>	<u>841,571</u>	<u>(155,601)</u>	<u>69,320</u>	<u>755,290</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Interest income	7,531	17	-	7,548
Interest expense	(1,076,346)	(77,170)	(45,279)	(1,198,795)
Total non-operating revenue (expense)	<u>(1,068,815)</u>	<u>(77,153)</u>	<u>(45,279)</u>	<u>(1,191,247)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<u>(227,244)</u>	<u>(232,754)</u>	<u>24,041</u>	<u>(435,957)</u>
Capital contributions (distributions)	<u>-</u>	<u>-</u>	<u>1,107,391</u>	<u>1,107,391</u>
<b>CHANGE IN NET POSITION</b>	<u>(227,244)</u>	<u>(232,754)</u>	<u>1,131,432</u>	<u>671,434</u>
<b>NET POSITION</b> at beginning of the year	<u>4,622,655</u>	<u>4,849,700</u>	<u>-</u>	<u>9,472,355</u>
<b>NET POSITION</b> at end of the year	<u>\$ 4,395,411</u>	<u>\$ 4,616,946</u>	<u>\$ 1,131,432</u>	<u>\$ 10,143,789</u>

**REQUIRED SUPPLEMENTARY INFORMATION**



**REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2021**

Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios:

	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2018</b>
<b>Total OPEB Liability</b>				
Service Cost	\$ 21,929	\$ 19,623	\$ 14,746	\$ 14,498
Interest	9,053	10,893	12,563	12,408
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(99,869)	-	(22,343)	-
Changes of assumptions	(525)	8,095	20,023	(1,150)
Benefit payments	(6,711)	(32,128)	(25,641)	(29,342)
<b>Total OPEB Liability - Beginning</b>	<u>350,952</u>	<u>344,469</u>	<u>345,121</u>	<u>348,707</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 274,829</u>	<u>\$ 350,952</u>	<u>\$ 344,469</u>	<u>\$ 345,121</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ -	\$ -	\$ -	\$ 29,342
Net investment income	-	-	-	-
Benefit payments	-	-	-	(29,342)
<b>Net change in plan fiduciary net position</b>	-	-	-	-
<b>Plan fiduciary net position - Beginning</b>	-	-	-	-
<b>Plan fiduciary net position - Ending (b)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total OPEB liability - ending (a)-(b)</b>	\$ 274,829	\$ 350,952	\$ 344,469	\$ 345,121
<b>Covered-employee payroll</b>	\$3,002,516	\$2,774,135	\$2,458,570	\$2,164,052
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	9.15%	12.65%	14.01%	15.95%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the Authority is showing two year presentation.

**REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2021**

**Schedule of Authority's Pension Contributions**

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>
Contractually required contribution	\$ 636,600	\$ 623,700	\$ 416,000	\$ 446,991	\$ 348,000
Contributions to the					
contractually required contribution	<u>(636,600)</u>	<u>(623,700)</u>	<u>(416,000)</u>	<u>(446,991)</u>	<u>(348,000)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 2,934,000	\$ 2,442,000	\$ 2,459,000	\$ 2,450,000	\$ 2,353,000
Contribution as a percentage of covered payroll	21.7%	25.5%	16.9%	18.2%	14.8%
	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>
Contractually required contribution	\$ 309,000	\$ 273,000	\$ 278,000	\$ 290,000	\$ 287,000
Contributions to the					
contractually required contribution	<u>(309,000)</u>	<u>(273,000)</u>	<u>(278,000)</u>	<u>(290,000)</u>	<u>(287,000)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered employee payroll	\$ 2,058,000	\$ 2,025,000	\$ 2,087,000	\$ 2,113,000	\$ 2,087,000
Contribution as a percentage of covered payroll	15.0%	13.5%	13.3%	13.7%	13.8%

### Schedule of Authority's Proportionate Share of Net Pension Liability

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>
Authority's proportion of the net pension liability (asset)	0.02384254%	0.02242230%	0.02415869%	0.02640814%	0.02813710%
Authority's proportionate share of the net pension liability (asset)	\$ 5,203,262	\$ 3,878,521	\$ 3,659,723	\$ 3,559,827	\$ 4,224,032
Authority's covered employee payroll	\$ 2,442,000	\$ 2,459,000	\$ 2,450,000	\$ 2,353,000	\$ 2,058,000
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	213.1%	157.7%	149.4%	151.3%	205.2%
Plan fiduciary net position as a percentage of the total pension liability	75.8%	80.2%	82.1%	81.1%	80.5%
	<u>FY 2016</u>				
Authority's proportion of the net pension liability (asset)	0.03017175%				
Authority's proportionate share of the net pension liability (asset)	\$ 1,732,299				
Authority's covered employee payroll	\$ 2,025,000				
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	85.5%				
Plan fiduciary net position as a percentage of the total pension liability	91.9%				

**SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)**

**JUNE 30, 2021**

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Rosewood Station	Hillside Manor LLC	Webster Road LLC
<b>ASSETS:</b>									
<b>CURRENT ASSETS:</b>									
Cash - unrestricted	\$ 2,023,822	\$ 88,356	\$ 1,493,522	\$ 468,804	\$ -	\$ 87,716	\$ -	\$ 134,507	\$ -
Investments - unrestricted	174,584	-	-	315,703	-	988,829	-	-	-
Accounts receivable:									
PHA projects	-	-	-	-	-	-	-	-	-
HUD other programs	-	-	1,067	-	2,241	-	-	-	-
Other governments	-	-	-	-	-	-	-	-	-
Miscellaneous	5,035	3,103	119,628	14,243	-	484,777	-	-	-
Tenants - rent/misc	55,437	8,668	192,960	-	-	-	-	-	-
Tenants - fraud	-	-	11,167	-	-	-	-	-	-
Allowance for doubtful accounts:									
Rents	(4,312)	-	(48,806)	-	-	-	-	-	-
Other	-	-	(54,279)	-	-	-	-	-	-
Fraud recovery	-	-	(4,496)	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	275,000	-	-	-
Accrued interest	-	-	152,475	-	-	3,539,390	-	80,488	-
Allowance for Accrued Interest	-	-	(152,475)	-	-	(1,813,345)	-	(80,488)	-
	56,160	11,771	217,241	14,243	2,241	2,485,822	-	-	-
Prepaid expenses and other assets	81,744	-	100,701	60,745	-	100	-	-	-
Inventory	-	-	81,930	-	-	-	-	-	-
Allowance for obsolete inventory	-	-	(62,715)	-	-	-	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>2,336,310</b>	<b>100,127</b>	<b>1,830,679</b>	<b>859,495</b>	<b>2,241</b>	<b>3,562,467</b>	<b>-</b>	<b>134,507</b>	<b>-</b>
<b>RESTRICTED CASH AND INVESTMENTS:</b>									
Other than security deposits	609,015	121,247	149,960	5,017,823	-	426,043	-	-	-
Security deposits	10,485	2,027	97,969	-	-	-	-	-	-
	619,500	123,274	247,929	5,017,823	-	426,043	-	-	-
<b>NONCURRENT ASSETS:</b>									
Notes receivable	-	-	1,605,000	4,500,000	-	27,073,341	33,010,555	19,884,334	5,891,237
Capital Assets:									
Land	827,388	78,500	2,522,548	-	-	-	-	-	-
Buildings and improvements	3,614,120	1,173,973	22,895,245	-	879,583	-	-	-	-
Furniture and equipment - dwellings	-	-	-	-	-	-	-	-	-
Furniture and equipment - administration	44,037	-	558,595	37,316	-	-	-	-	-
Site improvements	-	-	4,667,752	-	58,183	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	(3,016,483)	(1,029,145)	(25,369,099)	(37,316)	(61,241)	-	-	-	-
Total Capital Assets	1,469,062	223,328	5,275,041	-	876,525	-	-	-	-
<b>TOTAL ASSETS</b>	<b>4,424,872</b>	<b>446,729</b>	<b>8,958,649</b>	<b>10,377,318</b>	<b>878,766</b>	<b>31,061,851</b>	<b>33,010,555</b>	<b>20,018,841</b>	<b>5,891,237</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>276,217</b>	<b>17,875</b>	<b>740,880</b>	<b>509,661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS and DEFERRED OUTFLOWS OF RESOURCES</b>	<b>4,701,089</b>	<b>464,604</b>	<b>9,699,529</b>	<b>10,886,979</b>	<b>878,766</b>	<b>31,061,851</b>	<b>33,010,555</b>	<b>20,018,841</b>	<b>5,891,237</b>

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)**

**JUNE 30, 2021**

Rental Assistance Vouchers SF-0018V	Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program	Shelter Plus Care	Metro Supportive Housing Program	CARES Act HCV	CARES Act Mainstream	CARES Act PH	Eliminations	Total
\$ -	\$ -	\$ -	\$ 111,611	\$ 3,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,412,262
-	-	-	-	58,014	-	-	-	-	-	-	-	1,537,130
23,814	33,434	-	-	-	-	-	-	-	-	-	(3,308)	57,248
-	-	-	8,672	35,047	-	-	393,475	-	-	-	-	1,063,980
-	-	-	-	-	-	-	-	-	-	-	-	257,065
-	-	-	-	-	-	-	-	-	-	-	-	11,167
-	-	-	-	-	-	-	-	-	-	-	-	(53,118)
-	-	-	-	-	-	-	-	-	-	-	-	(54,279)
-	-	-	-	-	-	-	-	-	-	-	-	(4,496)
-	-	-	-	-	-	-	-	-	-	-	-	275,000
-	-	-	-	-	-	-	-	-	-	-	-	3,772,353
-	-	-	-	-	-	-	-	-	-	-	-	(2,046,308)
23,814	33,434	-	8,672	35,047	-	-	393,475	-	-	-	(3,308)	3,278,612
-	-	-	6,995	-	-	-	-	-	-	-	-	250,285
-	-	-	-	-	-	-	-	-	-	-	-	81,930
-	-	-	-	-	-	-	-	-	-	-	-	(62,715)
23,814	33,434	-	127,278	96,985	-	-	393,475	-	-	-	(3,308)	9,497,504
1,368,530	191,418	88,156	96,058	144,036	-	-	-	-	-	-	-	8,212,286
-	-	-	4,345	11,317	-	-	-	-	-	-	-	126,143
1,368,530	191,418	88,156	100,403	155,353	-	-	-	-	-	-	-	8,338,429
-	-	-	-	-	-	-	-	-	-	-	-	91,964,467
-	-	-	380,548	90,000	-	-	-	-	-	-	-	3,898,984
-	-	-	5,897,826	1,348,300	-	-	-	-	-	-	-	35,809,047
-	-	-	-	20,069	-	-	-	-	-	-	-	20,069
57,702	-	-	29,999	6,237	-	-	-	-	-	-	-	733,886
-	-	-	-	-	-	-	-	-	-	-	-	4,725,935
-	-	-	-	-	-	-	-	-	-	-	-	-
(48,761)	-	-	(100,440)	(1,262,248)	-	-	-	-	-	-	-	(30,924,733)
8,941	-	-	6,207,933	202,358	-	-	-	-	-	-	-	14,263,188
1,401,285	224,852	88,156	6,435,614	454,696	-	-	393,475	-	-	-	(3,308)	124,063,588
469,137	21,662	-	-	11,982	-	-	27,497	-	-	-	-	2,074,911
1,870,422	246,514	88,156	6,435,614	466,678	-	-	420,972	-	-	-	(3,308)	126,138,499

(Continued)

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
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**COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)**

**JUNE 30, 2021**

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Rosewood Station	Hillside Manor LLC	Webster Road LLC
<b>LIABILITIES:</b>									
<b>CURRENT LIABILITIES:</b>									
Accounts payable	\$ 244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	98,770	78,987	-	-	-	-	-
Accrued compensated absences	12,609	-	6,888	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	415,569	-	-	-
Tenant security deposits	10,485	2,027	97,969	-	-	-	-	-	-
Unearned revenue	9,064	-	13,989	4,070,000	-	-	-	-	-
Current portion of long-term debt	3,111	7,988	-	-	-	275,000	-	-	-
Other current liabilities	690,419	62,249	-	3,716	-	-	-	-	-
Accrued liabilities	156,503	2,414	309,632	28,817	2,241	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>882,435</b>	<b>74,678</b>	<b>527,248</b>	<b>4,181,520</b>	<b>2,241</b>	<b>690,569</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NONCURRENT LIABILITIES:</b>									
Long-term debt, net of current portion	59,883	27,453	-	-	-	14,826,489	33,010,555	14,271,341	5,891,237
Long-term debt, payable to Clackamas County	317,319	540,000	-	-	-	-	-	-	-
Accrued compensated absences - noncurrent	239,569	-	130,879	-	-	-	-	-	-
Other noncurrent liabilities - Pension & OPEB liability	684,130	46,692	1,896,099	1,568,729	-	-	-	-	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,300,901</b>	<b>614,145</b>	<b>2,026,978</b>	<b>1,568,729</b>	<b>-</b>	<b>14,826,489</b>	<b>33,010,555</b>	<b>14,271,341</b>	<b>5,891,237</b>
<b>TOTAL LIABILITIES</b>	<b>2,183,336</b>	<b>688,823</b>	<b>2,554,226</b>	<b>5,750,249</b>	<b>2,241</b>	<b>15,517,058</b>	<b>33,010,555</b>	<b>14,271,341</b>	<b>5,891,237</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
	52,906	1,787	93,066	141,593	-	-	-	-	-
<b>NET POSITION:</b>									
Net investment in capital assets	1,088,749	(352,113)	5,275,041	-	876,525	-	-	-	-
Restricted	619,500	123,274	149,960	5,017,823	-	426,043	-	-	-
Unrestricted	756,598	2,833	1,627,236	(22,686)	-	15,118,750	-	5,747,500	-
<b>TOTAL NET POSITION</b>	<b>\$ 2,464,847</b>	<b>\$ (226,006)</b>	<b>\$ 7,052,237</b>	<b>\$ 4,995,137</b>	<b>\$ 876,525</b>	<b>15,544,793</b>	<b>-</b>	<b>5,747,500</b>	<b>-</b>

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)**

**JUNE 30, 2021**

Rental Assistance Vouchers SF-0018V	Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program	Shelter Plus Care 2002	Metro Supportive Housing Program	CARES ACT HCV	CARES ACT Mainstream	CARES ACT PH	Eliminations	Total
\$ -	\$ -	\$ -	\$ 96	\$ 18,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,052
63,519	-	-	-	-	-	-	-	-	-	-	-	241,276
-	-	-	-	-	-	-	-	-	-	-	-	19,497
-	-	-	-	-	-	-	-	-	-	-	-	415,569
-	-	-	4,345	11,083	-	-	-	-	-	-	-	125,909
-	-	-	-	7,195	-	-	-	-	-	-	-	4,100,248
-	-	-	73,457	6,297	-	-	-	-	-	-	-	365,853
182,968	-	-	120,956	-	-	-	393,475	-	-	-	-	1,453,783
11,556	-	-	10,426	-	-	-	-	-	-	-	(3,308)	518,281
<u>258,043</u>	<u>-</u>	<u>-</u>	<u>209,280</u>	<u>43,287</u>	<u>-</u>	<u>-</u>	<u>393,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,308)</u>	<u>7,259,468</u>
-	-	-	2,252,898	21,959	-	-	-	-	-	-	-	70,361,815
-	-	-	686,212	-	-	-	-	-	-	-	-	1,543,531
-	-	-	-	-	-	-	-	-	-	-	-	370,448
<u>1,179,612</u>	<u>50,696</u>	<u>-</u>	<u>-</u>	<u>42,823</u>	<u>-</u>	<u>-</u>	<u>48,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,517,251</u>
<u>1,179,612</u>	<u>50,696</u>	<u>-</u>	<u>2,939,110</u>	<u>64,782</u>	<u>-</u>	<u>-</u>	<u>48,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,793,045</u>
<u>1,437,655</u>	<u>50,696</u>	<u>-</u>	<u>3,148,390</u>	<u>108,069</u>	<u>-</u>	<u>-</u>	<u>441,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,308)</u>	<u>85,052,513</u>
<u>87,473</u>	<u>3,534</u>	<u>-</u>	<u>-</u>	<u>2,271</u>	<u>-</u>	<u>-</u>	<u>(983)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,647</u>
8,941	-	-	3,195,366	174,102	-	-	-	-	-	-	-	10,266,611
581,445	191,418	88,156	96,058	155,353	-	-	-	-	-	-	-	7,449,030
(245,092)	866	-	(4,200)	26,883	-	-	(19,990)	-	-	-	-	22,988,698
<u>\$ 345,294</u>	<u>\$ 192,284</u>	<u>\$ 88,156</u>	<u>\$ 3,287,224</u>	<u>\$ 356,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,990)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,704,339</u>



**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION (FINANCIAL DATA SCHEDULE)**

**YEAR ENDED JUNE 30, 2021**

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Rosewood Station	Hillside Manor LLC	Webster Road LLC	Rental Assistance Vouchers SF-0018V
<b>REVENUES:</b>										
Tenant rental revenue	\$ 461,623	\$ 84,065	\$ 1,426,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant revenue - other	10,611	1,235	40,517	-	-	-	-	-	-	-
<b>Total Tenant Revenue</b>	<b>472,234</b>	<b>85,300</b>	<b>1,466,689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
HUD PHA operating grants	-	-	1,929,439	-	691,853	-	-	-	-	-
HUD PHA capital grants	-	-	-	-	488,041	-	-	-	-	-
Mgmt fee	-	-	-	313,261	-	-	-	-	-	-
Asset mgmt fee	-	-	-	53,400	-	-	-	-	-	-
Bookkeeping fee	-	-	-	39,397	-	-	-	-	-	-
Other Fees	-	-	-	137,296	-	-	-	-	-	-
Other government grants	-	-	-	-	-	-	-	-	-	-
Voucher income	-	-	-	-	-	-	-	-	-	17,347,976
Investment income	4,970	-	1,775	2,489	-	9,943	-	-	-	-
Fraud recovery	-	-	266	-	-	-	-	-	-	34,385
Other revenue	2,832,649	11,765	14,911	8,139,959	-	-	-	-	-	1,066,092
Investment income restricted	-	-	182	427	-	595,875	-	-	-	-
Gain(Loss) on sale of fixed assets	(1,790,185)	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,519,668</b>	<b>97,065</b>	<b>3,413,262</b>	<b>8,686,229</b>	<b>1,179,894</b>	<b>605,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,448,453</b>
<b>OPERATING EXPENSES:</b>										
Administrative:										
Salaries	122,563	25,686	465,057	1,062,875	-	-	-	-	-	389,096
Employee benefit contributions	84,570	8,230	451,876	858,986	-	-	-	-	-	313,907
Audit fees	1,286	-	13,011	13,378	6,500	-	-	-	-	12,916
Management fees	-	-	313,260	-	-	-	-	-	-	-
Bookkeeping fee	-	-	39,397	-	-	-	-	-	-	-
Office expense	632,052	1,282	199,046	392,604	2,975	-	-	-	-	214,852
Legal expense	19,571	-	5,089	14,409	-	-	-	-	-	838
Travel expense	-	-	3,674	2,990	-	-	-	-	-	4,445
Asset mgmt fee	-	-	53,400	-	-	-	-	-	-	-
Other	599,322	-	-	-	137,292	-	-	-	-	-
Tenant Services:										
Salaries	-	-	57,032	-	-	-	-	-	-	52,814
Relocation costs	-	-	-	-	2,692	-	-	-	-	-
Employee benefit contributions	-	-	37,834	-	-	-	-	-	-	40,262
Other expenses	-	-	22,875	-	-	-	-	-	-	-
Utilities:										
Water	10,727	3,273	199,125	-	-	-	-	-	-	-
Electricity	5,317	9,036	26,750	9,743	-	-	-	-	-	-
Gas	489	-	3,710	2,548	-	-	-	-	-	-
Sewer	28,725	13,374	399,842	-	-	-	-	-	-	-
Ordinary Maintenance and Operations:										
Labor	49,529	6,054	579,921	5,666	-	-	-	-	-	-
Employee benefit contributions	35,022	4,201	404,767	3,255	-	-	-	-	-	-
Materials	14,207	7,648	199,403	298	-	-	-	-	-	891
Contract costs	48,974	8,411	375,501	1,235	199,151	-	-	-	-	1,197
Protective Services:										
Contract costs	1,009	-	30,371	158	-	-	-	-	-	671
General Expenses:										
Property insurance	15,062	2,356	75,082	-	-	-	-	-	-	-
Liability insurance	2,905	542	14,255	3,686	-	-	-	-	-	5,513
Workers' compensation	1,919	201	18,870	3,275	-	-	-	-	-	1,116
All other insurance	1,299	-	5,739	-	-	-	-	-	-	1,614
Other expenses	-	-	2,932	13,579	-	-	-	-	-	50,929
Payment in lieu of taxes	-	-	78,446	-	-	-	-	-	-	-
Bad debt - tenant rents	163	-	22,964	-	-	-	-	-	-	-
Bad debt - other	643	-	2,755	-	-	-	-	-	-	-
Severance expense	40,000	-	4	-	-	-	-	-	-	-
Interest expense	14,170	495	-	-	-	595,875	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>1,729,524</b>	<b>90,789</b>	<b>4,101,988</b>	<b>2,388,685</b>	<b>348,610</b>	<b>595,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,091,061</b>
<b>INCOME (LOSS) BEFORE OTHER EXPENSES</b>	<b>(209,856)</b>	<b>6,276</b>	<b>(688,726)</b>	<b>6,297,544</b>	<b>831,284</b>	<b>9,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,357,392</b>

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION (FINANCIAL DATA SCHEDULE)**

**YEAR ENDED JUNE 30, 2021**

Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program	Shelter Plus Care Program	Metro Supportive Housing Program	CARES ACT HCV	CARES ACT Mainstream	CARES ACT PH	Eliminations	Total
\$ -	\$ -	\$ 310,872	\$ 207,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,489,752
-	-	12,921	11,049	-	-	-	-	-	-	-	76,333
-	-	323,793	218,069	-	-	-	-	-	-	-	2,566,085
-	-	-	-	60,350	-	-	-	-	-	-	2,681,642
-	-	-	-	-	-	-	-	-	-	-	488,041
-	-	-	-	-	-	-	-	-	-	(313,261)	-
-	-	-	-	-	-	-	-	-	-	(53,400)	-
-	-	-	-	-	-	-	-	-	-	(39,397)	-
-	-	-	-	-	-	-	-	-	-	(137,296)	-
1,572,513	88,150	-	-	-	439,543	393,475	1,470,882	298,517	247,876	-	2,410,750
283	-	-	495	-	-	-	-	-	-	-	19,448,182
-	-	-	-	-	-	-	-	-	-	-	19,955
-	6	-	7,882	-	39,430	-	-	-	-	-	34,651
-	-	-	3	-	-	-	-	-	-	-	12,112,694
-	-	-	-	-	-	-	-	-	-	-	596,487
-	-	-	-	-	-	-	-	-	-	-	(1,790,185)
<b>1,572,796</b>	<b>88,156</b>	<b>323,793</b>	<b>226,449</b>	<b>60,350</b>	<b>478,973</b>	<b>393,475</b>	<b>1,470,882</b>	<b>298,517</b>	<b>247,876</b>	<b>(543,354)</b>	<b>38,568,302</b>
20,243	-	31,101	22,714	52,404	27,000	112,193	259,345	13,755	28,700	-	2,632,732
17,305	-	5,587	17,848	-	-	56,350	173,637	9,139	8,710	-	2,006,145
675	-	-	-	-	-	-	-	-	-	-	47,766
-	-	18,328	18,230	-	-	-	-	-	-	(313,261)	36,557
-	-	-	-	-	-	-	-	-	-	(39,397)	-
10,983	-	16,418	13,871	7,946	-	35,572	68,596	14,520	198,509	-	1,809,226
34	-	1,175	-	-	-	6,519	-	-	-	-	47,635
230	-	484	-	-	-	-	-	-	-	-	11,823
-	-	-	-	-	-	-	-	-	-	(53,400)	-
-	-	12,531	-	-	-	20,047	911	48	7,614	(137,296)	640,469
-	-	-	-	-	-	-	-	-	-	-	109,846
-	-	-	-	-	-	-	-	-	-	-	2,692
-	-	-	-	-	-	-	-	-	-	-	78,096
-	-	-	-	-	-	-	-	-	-	-	22,875
-	-	14,317	-	-	-	-	-	-	-	-	227,442
-	-	4,375	6,928	-	-	-	-	-	-	-	62,149
-	-	-	-	-	-	-	-	-	-	-	6,747
-	-	14,995	34,345	-	-	-	-	-	-	-	491,281
-	-	3,113	15,495	-	-	-	-	-	546	-	660,324
-	-	-	-	-	-	-	-	-	330	-	447,575
42	-	9,788	6,791	-	-	-	203	11	657	-	239,939
41	-	16,130	48,445	-	-	-	-	-	-	-	699,085
25	-	-	-	-	-	-	434	23	-	-	32,691
-	-	-	6,064	-	-	-	-	-	-	-	98,564
290	-	4,317	-	-	-	-	-	-	-	-	31,508
59	-	-	-	-	-	215	860	45	120	-	26,680
85	-	-	-	-	-	-	-	-	-	-	8,737
-	-	-	-	-	-	182,569	186	10	2,690	-	252,895
-	-	-	-	-	-	-	-	-	-	-	78,446
-	-	7,966	-	-	-	-	-	-	-	-	31,093
-	-	-	-	-	-	-	-	-	-	-	3,398
-	-	-	-	-	-	-	-	-	-	-	40,004
-	-	119,994	-	-	-	-	-	-	-	-	730,534
<b>50,012</b>	<b>-</b>	<b>280,619</b>	<b>190,731</b>	<b>60,350</b>	<b>27,000</b>	<b>413,465</b>	<b>504,172</b>	<b>37,551</b>	<b>247,876</b>	<b>(543,354)</b>	<b>11,614,954</b>
<b>1,522,784</b>	<b>88,156</b>	<b>43,174</b>	<b>35,718</b>	<b>-</b>	<b>451,973</b>	<b>(19,990)</b>	<b>966,710</b>	<b>260,966</b>	<b>-</b>	<b>-</b>	<b>26,953,348</b>

(Continued)

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION (FINANCIAL DATA SCHEDULE)**

**YEAR ENDED JUNE 30, 2021**

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Rosewood Station	Hillside Manor LLC	Webster Road LLC	Rental Assistance Vouchers SF-0018V
<b>OTHER EXPENSES:</b>										
Extraordinary maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Casualty losses recovered	-	-	(58,886)	-	-	-	-	-	-	-
Grant Expense	602,600	-	-	2,939,209	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-	-	-	15,363,626
Housing assistance payments - port-in	-	-	-	-	-	-	-	-	-	1,007,010
Depreciation	151,229	39,534	386,014	-	46,250	-	-	-	-	5,960
<b>TOTAL OTHER EXPENSES</b>	<b>753,829</b>	<b>39,534</b>	<b>327,128</b>	<b>2,939,209</b>	<b>46,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,376,596</b>
<b>NET INCOME (LOSS)</b>	<b>(963,685)</b>	<b>(33,258)</b>	<b>(1,015,854)</b>	<b>3,358,335</b>	<b>785,034</b>	<b>9,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>980,796</b>
<b>OPERATING TRANSFER</b>	<b>(153,186)</b>	<b>-</b>	<b>676,584</b>	<b>750,000</b>	<b>(1,273,398)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>(1,116,871)</b>	<b>(33,258)</b>	<b>(339,270)</b>	<b>4,108,335</b>	<b>(488,364)</b>	<b>9,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>980,796</b>
<b>NET POSITION, June 30, 2020</b>	<b>3,581,718</b>	<b>(192,748)</b>	<b>7,391,507</b>	<b>886,802</b>	<b>1,364,889</b>	<b>15,534,850</b>	<b>-</b>	<b>5,747,500</b>	<b>-</b>	<b>(635,502)</b>
<b>NET POSITION, June 30, 2021</b>	<b>\$ 2,464,847</b>	<b>\$ (226,006)</b>	<b>\$ 7,052,237</b>	<b>\$ 4,995,137</b>	<b>\$ 876,525</b>	<b>\$ 15,544,793</b>	<b>\$ -</b>	<b>\$ 5,747,500</b>	<b>\$ -</b>	<b>\$ 345,294</b>
<b>OTHER INFORMATION:</b>										
Debt principal payment	\$ 3,111	\$ 7,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION (FINANCIAL DATA SCHEDULE)**

**YEAR ENDED JUNE 30, 2021**

Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program	Shelter Plus Care Program	Metro Supportive Housing Program	CARES ACT HCV	CARES ACT Mainstream	CARES ACT PH	Eliminations	Total
\$ -	\$ -	\$ -	\$ 32,761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,761
-	-	-	-	-	-	-	-	-	-	-	(58,886)
-	-	-	-	-	-	-	-	-	-	-	3,541,809
1,446,827	-	-	-	-	451,973	-	966,710	260,966	-	-	18,490,102
-	-	-	-	-	-	-	-	-	-	-	1,007,010
-	-	100,440	44,943	-	-	-	-	-	-	-	774,370
<u>1,446,827</u>	<u>-</u>	<u>100,440</u>	<u>77,704</u>	<u>-</u>	<u>451,973</u>	<u>-</u>	<u>966,710</u>	<u>260,966</u>	<u>-</u>	<u>-</u>	<u>23,787,166</u>
75,957	88,156	(57,266)	(41,986)	-	-	(19,990)	-	-	-	-	3,166,182
-	-	-	-	-	-	-	-	-	-	-	-
75,957	88,156	(57,266)	(41,986)	-	-	(19,990)	-	-	-	-	3,166,182
<u>116,327</u>	<u>-</u>	<u>3,344,490</u>	<u>398,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,538,157</u>
<u>\$ 192,284</u>	<u>\$ 88,156</u>	<u>\$ 3,287,224</u>	<u>\$ 356,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,990)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,704,339</u>
\$ -	\$ -	\$ -	\$ 6,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,954

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF NET POSITION - PUBLIC HOUSING DETAIL**

**JUNE 30, 2021**

	AMP 1	AMP 2	AMP 3	AMP 4	Total Low Rent Public Housing and Capital Grant Program
<b>ASSETS:</b>					
<b>CURRENT ASSETS:</b>					
Cash:					
Cash - unrestricted	\$ 244,303	\$ 416,809	\$ 611,519	\$ 220,891	\$ 1,493,522
Cash - security deposits	22,090	34,509	18,150	23,220	97,969
Total Cash	<u>266,393</u>	<u>451,318</u>	<u>629,669</u>	<u>244,111</u>	<u>1,591,491</u>
Accounts Receivable:					
HUD	2,550	-	544	214	3,308
Miscellaneous	12,962	57,485	10,933	38,248	119,628
Tenants	30,850	93,600	16,486	52,024	192,960
Allowance for doubtful accounts:					
Rents	(7,712)	(23,818)	(4,263)	(13,013)	(48,806)
Other	(5,833)	(26,206)	(4,920)	(17,320)	(54,279)
Fraud recovery	-	(3,787)	(481)	(228)	(4,496)
Fraud recovery	-	8,805	1,603	759	11,167
Total Accounts Receivable	<u>32,817</u>	<u>106,079</u>	<u>19,902</u>	<u>60,684</u>	<u>219,482</u>
Prepaid expenses and other assets	22,914	36,117	17,298	24,372	100,701
Inventory	81,930	-	-	-	81,930
Allowance for obsolete inventories	(62,715)	-	-	-	(62,715)
<b>TOTAL CURRENT ASSETS</b>	<u>341,339</u>	<u>593,514</u>	<u>666,869</u>	<u>329,167</u>	<u>1,930,889</u>
<b>RESTRICTED CASH AND INVESTMENTS</b>	<u>586</u>	<u>35,812</u>	<u>5,834</u>	<u>107,728</u>	<u>149,960</u>
<b>NONCURRENT ASSETS:</b>					
Notes receivable	-	1,605,000	-	-	1,605,000
Capital Assets:					
Land	19,541	2,425,542	10,772	66,693	2,522,548
Buildings and improvements	5,087,157	13,229,444	2,382,396	3,075,831	23,774,828
Furniture and equipment - administration	414,364	62,451	27,121	54,659	558,595
Site and leasehold improvements	783,911	1,372,818	1,271,525	1,297,681	4,725,935
Accumulated depreciation	(5,702,616)	(12,390,136)	(3,431,455)	(3,906,133)	(25,430,340)
<b>TOTAL NONCURRENT ASSETS</b>	<u>602,357</u>	<u>4,700,119</u>	<u>260,359</u>	<u>588,731</u>	<u>6,151,566</u>
<b>TOTAL ASSETS</b>	<u>944,282</u>	<u>6,934,445</u>	<u>933,062</u>	<u>1,025,626</u>	<u>9,837,415</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>159,274</u>	<u>289,372</u>	<u>135,750</u>	<u>156,484</u>	<u>740,880</u>
<b>TOTAL ASSETS and DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,103,556</u>	<u>7,223,817</u>	<u>1,068,812</u>	<u>1,182,110</u>	<u>10,578,295</u>
<b>LIABILITIES:</b>					
<b>CURRENT LIABILITIES:</b>					
Accrued wages	23,886	37,134	15,690	22,060	98,770
Accrued compensated absences	1,262	2,343	2,010	1,273	6,888
Tenant security deposits	22,090	34,509	18,150	23,220	97,969
Unearned revenue	2,303	8,682	1,091	1,913	13,989
Accrued liabilities	42,742	85,374	38,009	145,748	311,873
Due to other funds	-	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>92,283</u>	<u>168,042</u>	<u>74,950</u>	<u>194,214</u>	<u>529,489</u>
<b>NONCURRENT LIABILITIES:</b>					
Accrued compensated absences - noncurrent	23,972	44,511	38,184	24,212	130,879
Other noncurrent liabilities - Pension & OPEB liability	414,282	713,962	355,333	412,522	1,896,099
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>438,254</u>	<u>758,473</u>	<u>393,517</u>	<u>436,734</u>	<u>2,026,978</u>
<b>TOTAL LIABILITIES</b>	<u>530,537</u>	<u>926,515</u>	<u>468,467</u>	<u>630,948</u>	<u>2,556,467</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>17,404</u>	<u>41,072</u>	<u>18,395</u>	<u>16,195</u>	<u>93,066</u>
<b>NET POSITION:</b>					
Net investment in capital assets	602,357	4,700,119	260,359	588,731	6,151,566
Restricted	586	35,812	5,834	107,728	149,960
Unrestricted	(47,328)	1,520,299	315,757	(161,492)	1,627,236
<b>TOTAL NET POSITION</b>	<u>\$ 555,615</u>	<u>\$ 6,256,230</u>	<u>\$ 581,950</u>	<u>\$ 534,967</u>	<u>\$ 7,928,762</u>

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF REVENUES AND EXPENSES - PUBLIC HOUSING DETAIL**

**YEAR ENDED JUNE 30, 2021**

	AMP 1			AMP 2			AMP 3		
	Operating	Capital Fund	Total	Operating	Capital Fund	Total	Operating	Capital Fund	Total
<b>REVENUES:</b>									
Tenant rental revenue	\$ 294,637	\$ -	\$ 294,637	\$ 657,003	\$ -	\$ 657,003	\$ 261,183	\$ -	\$ 261,183
Tenant revenue - other	6,943	-	6,943	7,576	-	7,576	9,290	-	9,290
HUD PHA grants	443,799	238,728	682,527	555,489	217,495	772,984	406,550	113,268	519,818
HUD PHA capital grants	-	245,067	245,067	-	153,637	153,637	-	12,460	12,460
Investment income	302	-	302	687	-	687	584	-	584
Investment income restricted	-	-	-	182	-	182	-	-	-
Fraud recovery	-	-	-	405	-	405	466	-	466
Other revenue	7,240	-	7,240	250	-	250	129	-	129
Gain (loss) on sale of fixed assets	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>752,921</b>	<b>483,795</b>	<b>1,236,716</b>	<b>1,221,592</b>	<b>371,132</b>	<b>1,592,724</b>	<b>678,202</b>	<b>125,728</b>	<b>803,930</b>
<b>EXPENSES:</b>									
Administrative:									
Administrative salaries	128,687	-	128,687	143,458	-	143,458	65,130	-	65,130
Auditing fees	2,677	1,449	4,126	4,367	2,124	6,491	2,976	1,464	4,440
Employee benefit contributions	111,542	-	111,542	146,232	-	146,232	80,899	-	80,899
Office expense	43,445	2,975	46,420	64,258	-	64,258	44,946	-	44,946
Legal expense	1,261	-	1,261	1,860	-	1,860	818	-	818
Travel expense	1,274	-	1,274	642	-	642	484	-	484
Other	-	30,613	30,613	-	44,835	44,835	-	30,922	30,922
	<u>288,886</u>	<u>35,037</u>	<u>323,923</u>	<u>360,817</u>	<u>46,959</u>	<u>407,776</u>	<u>195,253</u>	<u>32,386</u>	<u>227,639</u>
Tenant services:									
Salaries	12,737	-	12,737	18,617	-	18,617	12,839	-	12,839
Relocation costs	-	-	-	-	-	-	-	2,692	2,692
Employee benefit contributions	8,450	-	8,450	12,350	-	12,350	8,517	-	8,517
Other expenses	3,438	-	3,438	5,488	-	5,488	9,914	-	9,914
	<u>24,625</u>	<u>-</u>	<u>24,625</u>	<u>36,455</u>	<u>-</u>	<u>36,455</u>	<u>31,270</u>	<u>2,692</u>	<u>33,962</u>
Utilities:									
Water	40,648	-	40,648	77,655	-	77,655	36,907	-	36,907
Electricity	10,011	-	10,011	1,000	-	1,000	6,233	-	6,233
Gas	1,249	-	1,249	38	-	38	1,300	-	1,300
Sewer/Other utilities	104,127	-	104,127	124,419	-	124,419	64,615	-	64,615
	<u>156,035</u>	<u>-</u>	<u>156,035</u>	<u>203,112</u>	<u>-</u>	<u>203,112</u>	<u>109,055</u>	<u>-</u>	<u>109,055</u>
Ordinary maintenance and operations:									
Labor	122,750	-	122,750	210,393	-	210,393	116,685	-	116,685
Materials	40,523	-	40,523	67,172	-	67,172	38,315	-	38,315
Contracts	75,875	127,158	203,033	104,171	58,440	162,611	52,607	884	53,491
Employee benefits	83,929	-	83,929	147,950	-	147,950	83,496	-	83,496
	<u>323,077</u>	<u>127,158</u>	<u>450,235</u>	<u>529,686</u>	<u>58,440</u>	<u>588,126</u>	<u>291,103</u>	<u>884</u>	<u>291,987</u>
Protective services:									
Contract costs	14,992	-	14,992	279	-	279	107	-	107
General:									
Property insurance	15,085	-	15,085	28,460	-	28,460	12,422	-	12,422
Liability insurance	3,122	-	3,122	4,755	-	4,755	3,202	-	3,202
Workers' compensation	4,311	-	4,311	6,764	-	6,764	3,238	-	3,238
All other insurance	1,288	-	1,288	1,851	-	1,851	1,287	-	1,287
Other	551	-	551	951	-	951	963	-	963
Payments in lieu of taxes	13,646	-	13,646	44,689	-	44,689	14,978	-	14,978
Bad Debt - rent	8,490	-	8,490	3,719	-	3,719	2,572	-	2,572
Bad debt - other	1,018	-	1,018	-	-	-	(3,393)	-	(3,393)
Management fee	69,059	-	69,059	102,872	-	102,872	70,845	-	70,845
Accounting fee	8,685	-	8,685	12,936	-	12,936	8,911	-	8,911
Asset management fee	12,000	-	12,000	17,400	-	17,400	12,000	-	12,000
	<u>137,255</u>	<u>-</u>	<u>137,255</u>	<u>224,397</u>	<u>-</u>	<u>224,397</u>	<u>127,025</u>	<u>-</u>	<u>127,025</u>
Other:									
Extraordinary maintenance	-	-	-	-	-	-	-	-	-
Casualty losses recovered	-	-	-	(58,886)	-	(58,886)	-	-	-
Grant Expense	-	-	-	-	-	-	-	-	-
Depreciation expense	39,841	9,802	49,643	270,086	26,393	296,479	24,587	1,282	25,869
	<u>39,841</u>	<u>9,802</u>	<u>49,643</u>	<u>211,200</u>	<u>26,393</u>	<u>237,593</u>	<u>24,587</u>	<u>1,282</u>	<u>25,869</u>
<b>TOTAL EXPENSES:</b>	<b>984,711</b>	<b>171,997</b>	<b>1,156,708</b>	<b>1,565,946</b>	<b>131,792</b>	<b>1,697,738</b>	<b>778,400</b>	<b>37,244</b>	<b>815,644</b>
<b>EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER OPERATING EXPENSES</b>	<b>(231,790)</b>	<b>311,798</b>	<b>80,008</b>	<b>(344,354)</b>	<b>239,340</b>	<b>(105,014)</b>	<b>(100,198)</b>	<b>88,484</b>	<b>(11,714)</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating transfers in	76,533	-	76,533	112,094	-	112,094	77,306	-	77,306
Equity transfers	203,645	(203,645)	-	519,467	(519,467)	-	68,427	(68,427)	-
Operating transfers out	-	(76,533)	(76,533)	(250,000)	(112,094)	(362,094)	-	(77,306)	(77,306)
Special Item (Net gain/loss)	134,503	-	134,503	(596,818)	-	(596,818)	-	-	-
	<u>414,681</u>	<u>(280,178)</u>	<u>134,503</u>	<u>(215,257)</u>	<u>(631,561)</u>	<u>(846,818)</u>	<u>145,733</u>	<u>(145,733)</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE</b>	<b>\$ 182,891</b>	<b>\$ 31,620</b>	<b>\$ 214,511</b>	<b>\$ (559,611)</b>	<b>\$ (392,221)</b>	<b>\$ (951,832)</b>	<b>\$ 45,535</b>	<b>\$ (57,249)</b>	<b>\$ (11,714)</b>

AMP 4			Low Rent Public Housing and Capital Grant Program Total
Operating	Capital Fund	Total	
\$ 213,349	\$ -	\$ 213,349	\$ 1,426,172
16,708	-	16,708	40,517
523,601	122,362	645,963	2,621,292
-	76,877	76,877	488,041
202	-	202	1,775
-	-	-	182
(605)	-	(605)	266
7,292	-	7,292	14,911
-	-	-	-
<u>760,547</u>	<u>199,239</u>	<u>959,786</u>	<u>4,593,156</u>
127,782		127,782	465,057
2,990	1,464	4,454	19,511
113,203		113,203	451,876
46,397		46,397	202,021
1,150		1,150	5,089
1,274		1,274	3,674
-	30,922	30,922	137,292
<u>292,796</u>	<u>32,386</u>	<u>325,182</u>	<u>1,284,520</u>
12,839	-	12,839	57,032
-	-	-	2,692
8,517	-	8,517	37,834
4,035	-	4,035	22,875
<u>25,391</u>	<u>-</u>	<u>25,391</u>	<u>120,433</u>
43,915	-	43,915	199,125
9,506	-	9,506	26,750
1,123	-	1,123	3,710
106,681	-	106,681	399,842
<u>161,225</u>	<u>-</u>	<u>161,225</u>	<u>629,427</u>
130,093	-	130,093	579,921
53,393	-	53,393	199,403
142,847	12,670	155,517	574,652
89,392	-	89,392	404,767
<u>415,725</u>	<u>12,670</u>	<u>428,395</u>	<u>1,758,743</u>
14,993	-	14,993	30,371
19,115	-	19,115	75,082
3,176	-	3,176	14,255
4,557	-	4,557	18,870
1,313	-	1,313	5,739
467	-	467	2,932
5,133	-	5,133	78,446
8,183	-	8,183	22,964
5,130	-	5,130	2,755
70,484	-	70,484	313,260
8,865	-	8,865	39,397
12,000	-	12,000	53,400
<u>138,423</u>	<u>-</u>	<u>138,423</u>	<u>627,100</u>
-	-	-	-
-	-	-	(58,886)
-	-	-	-
51,500	8,773	60,273	432,264
51,500	8,773	60,273	373,378
<u>1,100,053</u>	<u>53,829</u>	<u>1,153,882</u>	<u>4,823,972</u>
(339,506)	145,410	(194,096)	(230,816)
327,306	-	327,306	593,239
138,616	(138,616)	-	-
-	(77,306)	(77,306)	(593,239)
-	-	-	(462,315)
<u>465,922</u>	<u>(215,922)</u>	<u>250,000</u>	<u>(462,315)</u>
<u>\$ 126,416</u>	<u>\$ (70,512)</u>	<u>\$ 55,904</u>	<u>\$ (693,131)</u>

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION FOR RENTAL ASSISTANCE VOUCHERS**

**JUNE 30, 2021**

**REVENUES:**

HUD administrative fee	\$ 1,923,661
Fraud revenue	17,191
Other	<u>1,066,092</u>
<b>Total revenues</b>	<u><u>3,006,944</u></u>

**EXPENSES:**

Administrative salaries	441,910
Employee benefits	354,169
Other administrative costs	292,699
Insurance	8,243
Other general (Port-In)	<u>1,007,010</u>
<b>Total expenses</b>	<u><u>2,104,031</u></u>

**EXCESS OF EXPENSES OVER REVENUES** 902,913

**UNRESTRICTED NET POSITION, June 30, 2020** (635,502)

**UNRESTRICTED NET POSITION, June 30, 2021** \$ 267,411

**HAP REVENUE:**

HUD Housing Assistance Payments revenue	\$ 16,895,197
Fraud revenue	<u>17,194</u>
<b>Total HAP revenue</b>	16,912,391

**HAP EXPENSES** 16,330,946

**EXCESS OF HAP REVENUES OVER EXPENSES** 581,445

**RESTRICTED NET POSITION, June 30, 2020** -

**RESTRICTED NET POSITION, June 30, 2021** \$ 581,445



**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**SCHEDULE OF CLACKAMAS APARTMENTS CASH BALANCE**

**JUNE 30, 2021**

Cash:		
Cash and cash equivalents - unrestricted	\$	88,356
Cash and cash equivalents - restricted		<u>2,027</u>
Total		<u>90,383</u>
Less current obligations:		
Trust deed interest payable (15 days of interest)		54
Accounts payable (due within 30 days)		-
Accrued expenses		2,414
Tenant/resident security deposits		2,027
Unearned revenue		<u>-</u>
Total current obligations		<u>4,495</u>
Cash balance in excess of current obligations	\$	<u><u>85,888</u></u>

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**SCHEDULE OF CAPITAL FUND PROGRAM**

**YEAR ENDED JUNE 30, 2021**

	<u>Capital Fund Program Grant Approved</u>	<u>Capital Fund Program Grant Expended</u>
Public Housing Capital Fund 2013 Replacement Housing Factor (RHF)	<u>\$ 29,740</u>	<u>\$ 29,740</u>
Public Housing Capital Fund 2014 Replacement Housing Factor (RHF)	<u>\$ 29,467</u>	<u>\$ 29,467</u>
Public Housing Capital Fund 2015 Replacement Housing Factor (RHF)	<u>\$ 29,105</u>	<u>\$ 29,105</u>
Public Housing Capital Fund 2016 Replacement Housing Factor (RHF)	<u>\$ 29,545</u>	<u>\$ 29,545</u>
Public Housing Capital Fund 2016 Replacement Housing Factor (RHF)	<u>\$ 16,650</u>	<u>\$ 16,650</u>
Public Housing Capital Fund 2018	<u>\$ 1,335,766</u>	<u>\$ 1,335,766</u>

**SINGLE AUDIT SECTION**

## **Report of Independent Auditors 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***

Board of County Commissioners of  
Clackamas County, Oregon, as Governing Body of  
Housing Authority of Clackamas County  
Oregon City, Oregon

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 Housing Authority of Clackamas County (the Authority), a component unit of Clackamas County, Oregon, and the aggregate discretely presented component units, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 27, 2022. Our report includes reference to other auditors who audited the financial statements of Easton Ridge LLC, Hillside Manor LP, and Pedcor Investments-2016-CLV, LP, the discretely presented component units, as described in our report of the Authority's financial statements. The financial statements of Easton Ridge LLC, Hillside Manor LP, and Pedcor Investments-2016-CLV, LP were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Moss Adams LLP*

Portland, Oregon  
January 27, 2022

## **Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Board of County Commissioners  
Clackamas County, Oregon, as a Governing Body of  
Housing Authority of Clackamas County  
Oregon City, Oregon

### **Report on Compliance for the Major Federal Program**

We have audited Housing Authority of Clackamas County's (the Authority), a component unit of Clackamas County, Oregon, compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2021. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

#### ***Opinion on the Major Federal Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss Adams LLP

Portland, Oregon

January 27, 2022

**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor / Program Title</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
<b>DIRECT FROM:</b>		
<b>U.S. Department of Housing and Urban Development:</b>		
Public and Indian Housing	14.850	\$ 1,929,439
COVID-19 - Public and Indian Housing	14.850	247,876
Public and Indian Housing		<u>2,177,315</u>
Public Housing Capital Fund	14.872	<u>1,179,894</u>
Housing Choice Vouchers	14.871	17,467,657
COVID-19 - Housing Choice Vouchers	14.871	1,470,882
Mainstream Vouchers	14.879	1,496,839
COVID-19 - Mainstream Vouchers	14.879	298,517
Housing Voucher Cluster		<u>20,733,895</u>
Residential Opportunity and Supportive Services - Service Coordinators	14.870	<u>60,350</u>
Shelter Plus Care	14.238	<u>439,543</u>
<b>Total U.S. Department of Housing and     Urban Development</b>		<u>24,590,997</u>
<b>U.S. Department of Agriculture:</b>		
Farm Labor Housing Loans and Grants	10.405	<u>4,347</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u>\$ 24,595,344</u>

The accompanying notes are an integral part of this schedule.



**HOUSING AUTHORITY OF CLACKAMAS COUNTY**  
(A component unit of Clackamas County, Oregon)

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2021**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Housing Authority of Clackamas County, Oregon (the "Authority"), a component unit of Clackamas County, Oregon, under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not represent the financial position, changes in net position or cash flows of the Authority.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR 200, Subpart E (Cost Principles), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Subrecipients

All expenditures reported on this schedule were for the federal award activity of the Authority and no related funds for any of the programs were provided to subrecipients for the year ended June 30, 2021.

Note 4. PPE (Unaudited)

The Authority did not receive donated personal protective equipment (PPE) for the fiscal year ended June 30, 2021.

**HOUSING AUTHORITY OF CLACKAMAS COUNTY  
(A COMPONENT UNIT OF CLACKAMAS COUNTY, OREGON)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Section I - Summary of Auditor's Results**

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***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

***Federal Awards***

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>Assistance Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for the Major Federal Program</i>
14.871, 14.879	Housing Voucher Cluster	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

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**Section II - Financial Statement Findings**

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None reported

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**Section III - Federal Award Findings and Questioned Costs**

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None reported

## **Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards***

Board of County Commissioners of  
Clackamas County, Oregon, as Governing Body of  
Housing Authority of Clackamas County  
Oregon City, Oregon

We have audited the basic financial statements of Housing Authority of Clackamas County (the Authority), a component unit of Clackamas County, Oregon, and the aggregate discretely presented component units, as of and for the year ended June 30, 2021, and have issued our report thereon dated January 27, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. Our report includes reference to other auditors who audited the financial statements of Easton Ridge LLC, Hillside Manor LP, and Pedcor Investments-2016-CLV, LP, the aggregate discretely presented component units, as described in our report of the Authority's financial statements. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards* or the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules (OAR) 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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 that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State.

### **Internal Control Over Financial Reporting**

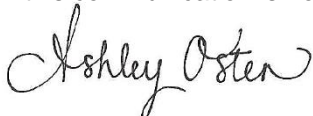
In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Moss Adams LLP  
Portland, Oregon  
January 27, 2022