

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, 2024

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, 2024

<u>Name</u>	<u>Term Expires</u>
Tootie Smith, Chair 2051 Kaen Road Oregon City, Oregon 97045	December 31, 2024
Ben West, Commissioner 2051 Kaen Road Oregon City, Oregon 97045	December 31, 2026
Paul Savas, Commissioner 2051 Kaen Road Oregon City, Oregon 97045	December 31, 2026
Martha Schrader, Commissioner 2051 Kaen Road Oregon City, Oregon 97045	December 31, 2024
Mark Shull, Commissioner 2051 Kaen Road Oregon City, Oregon 97045	December 31, 2024

ADMINISTRATIVE OFFICES

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

LEGAL COUNSEL

Jane E. Vetto
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

FINANCIAL SECTION

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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the aggregate discretely presented component units of the Housing Authority of Clackamas County, Oregon (the Authority), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate discretely presented component units of the Housing Authority of Clackamas County, Oregon as of June 30, 2024, 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.

We did not audit the financial statements of Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP, the discretely presented component units of the Authority, which represents 100% of the assets, 100% of the net position, and 100% of the revenues of the discretely presented component units of the Authority. Those financial statements were audited by other auditors, whose reports thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions. The financial statements of Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of OPEB and Pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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, as listed in the table of contents, and the schedule of expenditures of federal awards, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024, 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 November 22, 2024, on our consideration of the Authority's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. 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.



Ashley Osten, Partner, for
Moss Adams LLP
Portland, Oregon
November 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

JUNE 30, 2024

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, 2024. 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 \$108,120, an increase of \$16,748 over the prior fiscal year. Of this amount, \$95,870 (unrestricted net position) may be used to meet our ongoing obligations to provide low-cost housing.
- The Authority's total assets were \$178,419, a net increase of \$22,679 from the prior fiscal year, which is primarily due to issuing \$12,929 in notes receivable and receiving restricted cash of \$7,500 from the Metro affordable housing bond program. These restricted funds will finance the development of low-income housing projects.
- Total liabilities were \$71,124, an increase of \$6,334 from the prior fiscal year primarily due to most of the \$7,500 of Metro affordable housing bond program funds being unspent as of June 30, 2024. Those funds are reported as unearned revenue within liabilities until the restricted purpose of the funds is met.
- Unrestricted net position increased by \$21,223, as Metro affordable housing bond program funds were spent in 2024 across multiple projects. With restricted net position dropping by \$4,797, this led to the Authority's total net position increasing by \$16,748.
- Total operating revenues were \$66,445, a small decrease of \$110 since last year.
- Total operating expenses were \$53,436, an increase of \$14,037. With higher voucher income revenue in 2024, the Authority increased its housing assistance payments by \$11,200 in 2024.

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, 2024

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 basic financial statements include the following four discretely presented component units: Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP. Discretely presented component unit information can be found in the notes to the basic financial statements. Complete financial statements can be obtained from the Authority at PO Box 1510, 13930 S. Gain St., Oregon City, OR 97045.

Authority Financial Analysis

Net Position

The following provides a summary of the Authority’s net position for 2024 and 2023:

	2024	2023
	\$(000's)	
Assets:		
Assets, excluding capital assets	\$ 164,404	\$ 141,981
Capital assets	14,015	13,759
Total assets	178,419	155,740
Deferred outflows of resources	1,603	1,666
Liabilities:		
Current liabilities	18,094	11,110
Noncurrent liabilities	53,030	53,680
Total liabilities	71,124	64,790
Deferred inflows of resources	778	1,243
Net position:		
Net investment in capital assets	10,850	10,528
Restricted	1,400	6,197
Unrestricted	95,870	74,647
Total net position	\$ 108,120	\$ 91,372

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

JUNE 30, 2024

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 \$108,120 at the close of the most recent fiscal year.

Ten percent of the Authority’s net position, \$10,850, reflects its net investment in capital assets, primarily housing, less any related debt used to acquire those assets that are still outstanding. One percent of the Authority’s net position, \$1,400, is restricted. These cash reserves are producing interest revenue. The remaining eighty-nine percent is unrestricted net position of the Authority, \$95,870, which is available for future use to provide program services and the remaining debt service.

The total net position of the Authority increased by \$16,748 during the current fiscal year. Unrestricted net position increased by \$21,223, as Metro affordable housing bond program funds were spent in 2024 across multiple projects. With restricted net position dropping by \$4,797, this led to the Authority’s total net position increasing by \$16,748. There was no significant change in net investment in capital assets since the prior year.

Changes in Net Position

The following provides a summary of the Authority’s change in net position for 2024 compared to 2023:

	<u>2024</u>	<u>2023</u>
	\$(000's)	
Revenues:		
Intergovernmental revenues	\$ 61,656	\$ 48,549
Rental income	3,271	3,018
Other revenue	1,518	14,988
	<u>66,445</u>	<u>66,555</u>
Expenses:		
Housing assistance payments	39,862	28,642
Other operating expenses	13,574	10,757
Nonoperating revenues, net	(3,025)	(2,057)
	<u>50,411</u>	<u>37,342</u>
Net income before contributions	16,034	29,213
Capital contributions	714	574
Change in net position	16,748	29,787
Net position, beginning of year	<u>91,372</u>	<u>61,585</u>
Net position, end of year	<u>\$ 108,120</u>	<u>\$ 91,372</u>

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

JUNE 30, 2024

Authority Financial Analysis (Continued)

Operating revenues decreased by just \$110 since the prior year. Total operating expenses increased by \$14,037 primarily due to higher HAP payments made in 2024.

Capital Asset and Debt Analysis

The Authority's dollars invested in capital assets totaled \$14,015, which was a small increase of \$256, as there were no significant capital additions to Authority operations in 2024. Long-term debt totaled \$49,969, which was a small decrease of \$479.

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 ~90% 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 2,201 families but due to average rental assistance needed per family exceeding the HAP funding received on average per family, the Authority utilized 101% of its rental assistance dollars and was only able to serve 94% of our available vouchers (UMAs).

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 additional funding to cover existing HUD programs and new tenant-protected vouchers in the coming year. New awards with no increases in staffing would equate to more stable program cost coverage with increased administrative fees.

Housing Inventory is limited in that rental vacancies are scarce, and landlords can raise rents with few repercussions. Oregon has seen the cost of rent increase year over year and this year, coupled with the cost of inflation, landlords were allowed to increase their rents by 14.6% before being capped at 10% as of July 2023. These rental caps only exist for rent increases and do not keep new market rental escalations down. We have seen fair market rents increase well above 12%.

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

JUNE 30, 2024

Economic Factors (Continued)

Cost of living is one of the highest in the United States and Oregon is over 10% above the national average, with housing 22% higher than the national average.

In May of 2020, voters in the Metro region passed the Supportive Housing Services (SHS) measure (Measure 26-210). The measure raises money for supportive housing services for people experiencing homelessness or at risk of experiencing homelessness.

Clackamas County is receiving 21.33% of the total revenue generated by Measure 26-210 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.

HACC receives grant funds from SHS through the County to expand its rent assistance offerings with this funding with a total goal to serve 1,065 families or more in the coming year. HACC will also receive State Funded Long Term Rent Assistance funds with the goal to house an additional 112 households next Fiscal year.

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, 2024

	Housing Authority of Clackamas County	Discretely Presented Component Units
	<hr/>	<hr/>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 8,726,396	\$ 1,967,189
Investments	2,001,167	-
Accounts receivable, net of allowance for doubtful accounts of \$283,368	3,861,849	114,703
Accrued interest on notes receivable, net of allowance of \$1,151,175	5,961,085	-
Inventory	20,137	-
Other assets	339,637	662,921
Total current assets	<hr/> 20,910,271	<hr/> 2,744,813
Restricted assets:		
Cash	13,928,742	5,056,145
Investments with fiscal agent	139,078	-
Noncurrent assets:		
Notes receivable	129,425,671	-
Other assets	-	255,102
Capital assets not being depreciated	4,010,809	7,146,652
Capital assets being depreciated	10,004,559	124,249,553
TOTAL ASSETS	<hr/> 178,419,130	<hr/> 139,452,265
DEFERRED OUTFLOW OF RESOURCES	<hr/> 1,603,248	<hr/> -
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<hr/> 180,022,378	<hr/> 139,452,265
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued expenses	3,504,318	1,119,605
Accrued interest payable	421,012	-
Tenant deposits payable from restricted assets	151,967	224,521
Unearned revenue	12,623,053	101,135
Other current liabilities payable from restricted assets	-	4,109,645
Current portion of long-term liabilities	1,393,858	1,015,630
Total current liabilities	<hr/> 18,094,208	<hr/> 6,570,536
Noncurrent liabilities:		
Other - notes payable	-	101,137,582
Long-term liabilities, net of current	53,030,501	-
TOTAL LIABILITIES	<hr/> 71,124,710	<hr/> 107,708,118
DEFERRED INFLOW OF RESOURCES	<hr/> 777,851	<hr/> -
NET POSITION:		
Net investment in capital assets	10,849,753	29,242,993
Restricted	1,399,619	4,831,624
Unrestricted	95,870,445	(2,330,470)
TOTAL NET POSITION	<hr/> \$ 108,119,817	<hr/> \$ 31,744,147

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, 2024**

	Housing Authority of Clackamas County	Discretely Presented Component Units
OPERATING REVENUES:		
Rental income	\$ 3,271,332	\$ 7,502,515
HUD PHA operating grants	2,780,885	-
Voucher income	31,180,174	-
Other government grants	27,693,824	-
Other income	1,518,405	152,918
	<u>66,444,620</u>	<u>7,655,433</u>
Total operating revenues		
OPERATING EXPENSES:		
Housing assistance payments	39,861,678	-
Administrative expenses	7,900,791	1,274,998
Tenant services	521,704	-
Utilities	1,190,313	930,537
Ordinary maintenance and operations	2,013,325	1,380,682
General expenses	417,585	529,570
Other expenses	691,678	-
Depreciation and amortization	839,056	3,998,541
	<u>53,436,130</u>	<u>8,114,328</u>
Total operating expenses		
OPERATING INCOME (LOSS)	<u>13,008,490</u>	<u>(458,895)</u>
NONOPERATING REVENUE (EXPENSE):		
Investment return	4,725,757	26,323
Interest expense	(1,653,628)	(3,916,657)
Other	(47,222)	(196,814)
	<u>3,024,907</u>	<u>(4,087,148)</u>
Total non-operating expense		
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	16,033,397	(4,546,043)
Capital contributions	714,291	2,940,490
CHANGE IN NET POSITION	16,747,688	(1,605,553)
NET POSITION, June 30, 2023	<u>91,372,129</u>	<u>33,349,700</u>
NET POSITION, June 30, 2024	<u>\$ 108,119,817</u>	<u>\$ 31,744,147</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, 2024

	<u>Housing Authority of Clackamas County</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Received from grants	\$ 68,548,279
Received from tenants	3,154,819
Payments to suppliers	(4,965,525)
Payments for housing subsidies	(39,861,678)
Payments to employees	(7,450,861)
Other	440,227
	<u>19,865,261</u>
NET CASH FROM OPERATING ACTIVITIES	<u>19,865,261</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Payments received from notes	813,346
Purchase of notes	(12,928,617)
	<u>(12,115,271)</u>
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	<u>(12,115,271)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of capital assets	(1,255,579)
Capital grants received	714,291
Principal payments on long-term debt	(878,970)
Proceeds received from long-term debt	400,000
Interest paid on long-term debt	(1,653,628)
	<u>(2,673,886)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(2,673,886)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received from investments	3,531,892
Purchases of investments	(77,967)
	<u>3,453,925</u>
NET CASH FROM INVESTING ACTIVITIES	<u>3,453,925</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,530,029
CASH AND CASH EQUIVALENTS, June 30, 2023	<u>14,125,110</u>
CASH AND CASH EQUIVALENTS, June 30, 2024	<u>\$ 22,655,138</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income	\$ 13,008,490
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation	839,056
OPEB and pension	4,318
Change in assets and liabilities:	
Increase in inventory	(1)
Decrease in other assets	1,094,185
Increase in accounts receivable	(1,600,074)
Increase in accounts payable and accrued expenses	129,539
Decrease in due to Clackamas County	(934,979)
Decrease in tenant deposits	(2,837)
Increase in compensated absences	25,949
Increase in unearned revenue	7,301,615
	<u>\$ 19,865,261</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 19,865,261</u>

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, 2024

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, LLC - Easton Ridge Apartments is 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, 2023, is included in these basic financial statements.

2) Pedcor Investments 2016-CLV LP - Rosewood Terrace is 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 Investments 2016-CLV LP. Rosewood Terrace's fiscal year end is December 31, and its fiscal year ended December 31, 2023, is included as part of these basic financial statements.

3) Hillside Manor LP – Hillside Manor is 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. Hillside Manor LP's fiscal year end is December 31, and its fiscal year ended December 31, 2023, is included in these basic financial statements.

4) Webster Road Housing LP – Webster Road is 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 Housing LP's fiscal year end is December 31, and its fiscal year ended December 31, 2023, is included in these basic financial statements.

These projects are considered a component unit and included in the Authority because, under GASB 61 guidelines, in management's professional judgment, the projects exclusion would

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1. REPORTING ENTITY AND DESCRIPTION OF OPERATIONS (Continued)

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 projects are not fiscally dependent on the Authority. Certain information may be presented differently in these financial statements 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 are 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 nonoperating 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 nonoperating 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 the replacement of Public Housing or project-based Vouchers. These investments are stated at amortized cost, which approximates fair value.

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YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable represent amounts due from HUD and tenants. Based on historical information, the Authority estimates the amounts due from tenants that may be uncollectible. No allowance for doubtful accounts is considered necessary for HUD receivables. Accounts receivable subject to the allowance for doubtful accounts was \$4,145,217.

Capital Assets

Capital assets are recorded at the 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 asset's value 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.

Unearned Revenue

Unearned revenue is recorded for transactions for which revenue recognition has not yet occurred. The Authority's unearned revenue consists of grants, developer fees, and certain amounts related to voucher utilization for HUD rent assistance programs.

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 premiums and discounts are amortized on a method that approximates the effective interest method over the related bond repayment period. The 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 the 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 assets 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 assets that applies to a future period and, so, will not be recognized as an inflow of resources (revenue) until then.

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YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Budgets

The Authority does not have an annual appropriated budget for the year ended June 30, 2024. 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 in accordance with restrictions imposed by third parties.

Unrestricted – Resources used for the Authority's general operations, which are not 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.

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YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of new GASB pronouncement

During the fiscal year ended June 30, 2024, the Authority implemented the following GASB pronouncements:

GASB Statement No. 100, Accounting Changes and Error Corrections, Issued June 2022

The Authority implemented GASB Statement No. 100 for the year ended June 30, 2024, and there was no effect on the Authority's financial statements due to the adoption of this standard.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash, cash equivalents, and investments are comprised of:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Deposits	\$ 8,726,396	\$ 13,928,742	\$ 22,655,138
Investments with Fiscal Agent	-	139,078	139,078
Oregon Treasurer's Local			
Government Investment Pool	2,001,167	-	2,001,167
	<u>\$ 10,727,563</u>	<u>\$ 14,067,820</u>	<u>\$ 24,795,383</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, 2024, the bank balance was \$22,358,866. Of the Authority's June 30, 2024, bank balance deposit, \$317,043 was covered by the FDIC and the remainder was collateralized by the PFCP.

At June 30, 2024, 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 governments 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.

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YEAR ENDED JUNE 30, 2024

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

Investments Measured at Fair Value

Per GASB Statement No. 72, *Fair Value Measurement and Application*, 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.

Securities classified in Level 1 of the fair value hierarchy 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.

Cash and cash equivalents and the Oregon Short-Term funds investment pool are not measured at fair value and thus are not subject to the fair value disclosure requirements. Investments with a fiscal agent are recorded at amortized cost and as such are also not subjected to leveling requirements.

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. 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.

<u>Maturity</u>	<u>Minimum %</u>	<u>Actual %</u>
Less than 1,080 days	100%	100%

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, 2024. 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, 2024, none of the Authority's investments are subject to custodial credit risk.

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NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

4. NOTES RECEIVABLE

The notes receivable balance at June 30, 2024, is \$129,425,671, and the related accrued interest receivable balance, net of an allowance of \$1,151,175, at June 30, 2024, is \$7,112,260. 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 Low-Income Housing Tax Credit (LIHTC) property, construction of the Webster Road Project, and Metro bonds loaned for projects, which include: Fuller Road Station Apartments, Good Shepherd Village, Las Flores Maple Apartments, and Marylhurst Commons.

The Authority accrues interest on these notes and records an allowance against accrued interest when the collectability of interest is based on the operating results of the property, subject to other priority liens. Notes and interest receivable as of June 30, 2024, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Easton Ridge LLC, notes receivable	\$ 14,538,524	\$ -	\$ (296,482)	\$ 14,242,042
Easton Ridge LLC, mortgage loan receivable	12,235,000	-	-	12,235,000
Easton Ridge LLC, accrued interest mortgage loan	4,384,704	508,729	(573,114)	4,320,319
Rosewood Station Disposition, notes receivable	1,605,000	-	-	1,605,000
Rosewood Station Disposition, accrued interest	109,878	51,587	-	161,465
Rosewood Station, notes receivable	32,138,441	-	(516,864)	31,621,577
Hillside Manor LLC, sponsor loan #1	5,676,008	-	-	5,676,008
Hillside Manor LLC, seller loan	5,747,500	-	-	5,747,500
Hillside Manor LLC, accrued interest seller note	223,016	68,849	-	291,865
Hillside Manor LLC, accrued interest sponsor note	133,016	66,987	-	200,003
Webster Road LLC, Metro bond	2,939,209	-	-	2,939,209
Webster Road LLC, accrued interest Metro bond	123,444	184,917	-	308,361
Webster Road LLC, HACC seller loan	1,770,056	-	-	1,770,056
Webster Road LLC, accrued interest HACC seller loan	76,052	38,504	-	114,556
Webster Road LLC, HOME Note	-	400,000	-	400,000
Las Flores Maple Apartments	15,107,850	795,150	-	15,903,000
Las Flores Maple Apartments, accrued interest	565,469	589,191	-	1,154,660
Fuller Road Station	8,570,000	-	-	8,570,000
Fuller Road Station, accrued interest	126,175	85,935	-	212,110
Good Shepherd	14,132,812	4,197,188	-	18,330,000
Good Shepherd, accrued interest	154,075	143,702	-	297,777
Marylhurst Commons	2,850,000	-	-	2,850,000
Marylhurst Commons, accrued interest	22,566	28,578	-	51,144
Loan Receivable HSP Bldg C - Metro Bond	-	5,836,279	-	5,836,279
Loan Receivable HSP Bldg A & B	-	1,100,000	-	1,100,000
Loan Receivable HSP Bldg C	-	600,000	-	600,000
	<u>\$ 123,228,795</u>	<u>\$ 14,695,596</u>	<u>\$ (1,386,460)</u>	<u>\$ 136,537,931</u>

HOUSING AUTHORITY OF CLACKAMAS COUNTY
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NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

4. NOTES RECEIVABLE (Continued)

	Gross Notes and Interest Receivable	Uncollectible Allowance Rate	Uncollectible Allowance	Notes and Interest Receivable, net
Easton Ridge LLC, notes receivable	\$ 14,242,042	0.00%	\$ -	\$ 14,242,042
Easton Ridge LLC, mortgage loan receivable	12,235,000	0.00%	-	12,235,000
Easton Ridge LLC, accrued interest mortgage loan	4,320,319	26.65%	1,151,175	3,169,144
Rosewood Station Disposition, notes receivable	1,605,000	0.00%	-	1,605,000
Rosewood Station Disposition, accrued interest	161,465	0.00%	-	161,465
Rosewood Station, notes receivable	31,621,577	0.00%	-	31,621,577
Hillside Manor LLC, sponsor loan #1	5,676,008	0.00%	-	5,676,008
Hillside Manor LLC, seller loan	5,747,500	0.00%	-	5,747,500
Hillside Manor LLC, accrued interest seller note	291,865	0.00%	-	291,865
Hillside Manor LLC, accrued interest sponsor note	200,003	0.00%	-	200,003
Webster Road LLC, Metro bond	2,939,209	0.00%	-	2,939,209
Webster Road LLC, accrued interest Metro bond	308,361	0.00%	-	308,361
Webster Road LLC, HACC seller loan	1,770,056	0.00%	-	1,770,056
Webster Road LLC, accrued interest HACC seller loan	114,556	0.00%	-	114,556
Webster Road LLC, HOME Note	400,000	0.00%	-	400,000
Las Flores Maple Apartments	15,903,000	0.00%	-	15,903,000
Las Flores Maple Apartments, accrued interest	1,154,660	0.00%	-	1,154,660
Fuller Road Station	8,570,000	0.00%	-	8,570,000
Fuller Road Station, accrued interest	212,110	0.00%	-	212,110
Good Shepherd	18,330,000	0.00%	-	18,330,000
Good Shepherd, accrued interest	297,777	0.00%	-	297,777
Marylhurst Commons	2,850,000	0.00%	-	2,850,000
Marylhurst Commons, accrued interest	51,144	0.00%	-	51,144
Loan Receivable HSP Bldg C - Metro Bond	5,836,279	0.00%	-	5,836,279
Loan Receivable HSP Bldg A & B	1,100,000	0.00%	-	1,100,000
Loan Receivable HSP Bldg C	600,000	0.00%	-	600,000
	<u>\$ 136,537,931</u>		<u>\$ 1,151,175</u>	<u>\$ 135,386,756</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 \$296,482 in 2024. 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.

Rosewood Station was constructed, 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, 2024 Rosewood Station had drawn down \$33,427,558 for construction which is included in the note receivable balance, and \$516,864 was repaid during fiscal year 2024.

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 has issued:

HOUSING AUTHORITY OF CLACKAMAS COUNTY
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YEAR ENDED JUNE 30, 2024

4. NOTES RECEIVABLE (Continued)

1) Sponsor Loan #1 of \$5,676,008 with 1% simple interest, and 2) Seller Loan of \$5,747,500 with interest compounded annually of 1.15%, and the note is due on December 31, 2070. As of June 30, 2024, the construction loans had drawn down to \$14,531,861 which is included in the note receivable balances.

Webster Road was constructed 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 seller note in the amount of \$1,770,056, accruing interest at 2.08% compounded annually, and a HOME note of \$400,000, which is a 0.0% interest deferred payment loan, with a maturity date of 55 years from the effective date.

Maple Apartments - Metro Bond Project under construction that is partially funded by Metro Housing Bond funds, issued a loan from first Regional Affordable Housing bond fund NOFA, and has drawn down the full amount \$15,903,000 accruing interest at 3.75% per annum compounding annually.

Fuller Road Station - Metro Bond Project under construction that is partially funded by Metro Housing Bond funds, issued as a loan from HACC. The entire \$8,570,000 of Metro Bond funds was drawn down for the project with simple interest accruing at a rate of 1.0%.

Good Shepherd Village - Metro Bond Project under construction that is partially funded by Metro Project Housing Bond funds, issued a loan from first Regional Affordable Housing bond fund NOFA, and during 2024 drew down the remaining \$4,197,188 for a total of \$18,330,000 accruing interest of 1% per annum compounding annually.

Marylhurst Commons - Metro Bond Project under construction that is partially funded by Metro Project Housing Bond funds, issued as a loan from HACC. The entire \$2,850,000 of Metro Bond funds was drawn down for the project with simple interest accruing at a rate of 1.0%.

Hillside Park Building C - Metro Bond Project under construction, issued as a loan from HACC. The entire \$5,836,279 of Metro Bond funds was draw down for the project.

Hillside Park Building A & B - This property is still in development. \$1,100,000 was borrowed as a short term note with 0.0% interest to be paid at closing.

Hillside Park Building C - This property is still in development. \$600,000 was borrowed as a short term note with 0.0% interest to be paid at closing.

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NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

5. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Capital Assets not being depreciated:					
Land	\$ 3,928,984	\$ -	\$ -	\$ (30,000)	\$ 3,898,984
Construction in progress	147,550	111,825	(147,550)	-	111,825
Total capital assets not being depreciated	4,076,534	111,825	(147,550)	(30,000)	4,010,809
Capital Assets being depreciated:					
Buildings and improvements	41,329,144	1,143,754	-	30,000	42,502,898
Furniture and equipment	943,438	-	(12,783)	-	930,655
Total Capital Assets being depreciated:	42,272,582	1,143,754	(12,783)	30,000	43,433,553
Less Accumulated depreciation:					
Buildings and improvements	(31,897,887)	(827,373)	-	-	(32,725,260)
Furniture and equipment	(692,051)	(11,683)	-	-	(703,734)
Total Accumulated depreciation	(32,589,938)	(839,056)	-	-	(33,428,994)
Total capital assets being depreciated, net	9,682,644	304,698	(12,783)	30,000	10,004,559
Total Capital Assets, net	\$ 13,759,178	\$ 416,523	\$ (160,333)	\$ -	\$ 14,015,368

Depreciation expense for the Authority was \$839,056 for the year ended June 30, 2024.

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 \$25,134 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.

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 \$1,930,090 were obtained to construct and purchase low-income housing units. \$1,757,078 of this balance is noninterest-bearing and requires no payments as long as the Authority operates the facility as low-income housing.

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YEAR ENDED JUNE 30, 2024

6. LONG-TERM LIABILITIES (Continued)

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 \$22,471,325. The pledge will remain in effect until the revenue bonds are paid in full. As of June 30, 2024, pledged debt service was \$863,975 for the coming year. The Authority received pledged interest in the amount of \$556,375 for 2013 Series A bond interest at June 30, 2024. 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 1.00 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 1.00 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 \$14,242,044 as of June 30, 2024.

Rosewood Station construction continued with draws against the construction bonds up until the fiscal year ended June 30, 2022. These bonds bear interest at 2.25%, per annum through April 1, 2022. Commencing May 1, 2021, the interest rate is the Secured Overnight Financing Rate (SOFR) 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, 2024, was \$31,621,576.

Clayton Mohr Commons is 24 units of veteran housing and has a mortgage of \$2,415,448 bearing an interest rate of 5.5%, and a loan balance of \$2,150,391 as of June 30, 2024. 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.

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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%)	\$ 37,076	\$ -	\$ (11,942)	\$ 25,134
Clayton Mohr Commons Mortgage Notes Payable (Interest 2% to 11%)	2,186,451	-	(36,060)	2,150,391
Loans Payable to Clackamas County	1,547,711	400,000	(17,621)	1,930,090
Rosewood Station Construction Bonds	32,138,441	-	(516,865)	31,621,576
2013 Easton Ridge A Bonds Payable (Interest 1.75% to 4.0%)	14,500,000	-	(295,000)	14,205,000
Bond Premium	38,525	-	(1,481)	37,044
	<u>14,538,525</u>	<u>-</u>	<u>(296,481)</u>	<u>14,242,044</u>
Total	<u>\$ 50,448,204</u>	<u>\$ 400,000</u>	<u>\$ (878,969)</u>	<u>\$ 49,969,235</u>

Future maturities are as follows:

Fiscal Year	Loans Payable	Clayton Mohr Commons Mortgage Notes Payable	Loan Payable to Clackamas County	2018 A Rosewood Bonds Payable	2013 A Easton Ridge Bonds Payable	Total	Interest
2025	\$ 12,410	\$ 38,095	\$ -	\$ 529,935	\$ 310,000	\$ 890,440	\$ 1,609,967
2026	8,176	40,243	-	543,337	320,000	911,756	1,578,643
2027	4,548	42,513	-	557,077	335,000	939,138	1,546,343
2028	-	44,912	-	571,164	345,000	961,076	1,513,298
2029	-	47,445	-	585,608	360,000	993,053	1,480,231
2030-2034	-	280,518	-	3,157,812	2,005,000	5,443,330	6,880,102
2035-2039	-	369,079	-	3,577,805	2,405,000	6,351,884	5,874,582
2040-2044	-	1,287,586	-	4,053,657	2,915,000	8,256,243	4,438,848
2045-2049	-	-	-	4,592,798	3,545,000	8,137,798	3,073,723
2050-2054	-	-	-	5,203,645	1,702,043	6,905,688	1,642,207
2055-2059	-	-	-	5,895,736	-	5,895,736	811,698
2060-2064	-	-	-	2,353,002	-	2,353,002	68,142
Undetermined	-	-	1,930,090	-	-	1,930,090	-
	<u>\$ 25,134</u>	<u>\$ 2,150,391</u>	<u>\$ 1,930,090</u>	<u>\$ 31,621,576</u>	<u>\$ 14,242,043</u>	<u>\$ 49,969,234</u>	<u>\$ 30,517,784</u>

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6. LONG-TERM LIABILITIES (Continued)

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

Changes in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 477,470	\$ 25,948	\$ -	\$ 503,418	\$ 503,418
Total OPEB Liability	261,854	-	(27,537)	234,317	-
Net Pension Liability	3,396,701	320,688	-	3,717,389	-
Loans & Notes Payable	3,771,238	400,000	(65,623)	4,105,615	50,505
Bonds Payable	46,676,966	-	(813,346)	45,863,620	839,935
Total	\$ 54,584,229	\$ 746,636	\$ (906,506)	\$ 54,424,359	\$ 1,393,858

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/ACFR/2022-ACFR.pdf>.

Benefits provided under Chapter 238-Tier One / Tier Two

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

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7. PENSION PLAN (Continued)

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.

1. *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.

2. *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.

3. *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).

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:

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

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.

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7. PENSION PLAN (Continued)

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.

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, 2021, actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. 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, 2024, were \$660,071.

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7. PENSION PLAN (Continued)

Actuarial Valuations:

The employer contribution rates effective July 1, 2023, through June 30, 2025, 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.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, published July 20, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 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>Healthy retirees and beneficiaries: 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>Active members: 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>Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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7. PENSION PLAN (Continued)

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 2020 Experience Study, which reviewed experience for the four-year period ending on December 31, 2020.

Discount Rate:

The discount rate used to measure the total pension liability was 6.90 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.

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.

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7. PENSION PLAN (Continued)

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:

Asset Class/Strategy	Target Allocation	
Cash	0.0	%
Debt Securities	25.0	
Public Equity	27.5	
Private Equity	20.0	
Real Estate	12.5	
Real Assets	7.5	
Diversifying Strategies	7.5	
Total	100.0	%

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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.

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7. PENSION PLAN (Continued)

<u>Long-Term Expected Rate of Return</u> ¹				
Asset Class	Target Allocation	Annual Arithmetic Return ²	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

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 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	Rate 1% Decrease (5.90%)	Discount Rate (6.90%)	Rate 1% Increase (7.90%)
Proportionate share of the net pension liability	\$6,140,427	\$3,717,389	\$1,689,563

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, 2024, the Authority reported a liability of \$3,717,389 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021, and rolled forward to June 30, 2023.

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7. PENSION PLAN (Continued)

The Authority's proportion of the net pension liability 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.

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.

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7. PENSION PLAN (Continued)

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, 2024, the Authority's proportion was 0.0198 percent, which was a decrease of 0.0023 percent since June 30, 2023.

For the year ended June 30, 2024, the Authority recognized pension expense of \$566,779. On June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 181,792	\$ 14,740
Changes of assumptions	330,231	2,462
Net difference between projected and actual earnings on investments	66,817	-
Changes in proportionate share	50,469	420,870
Differences between employer contributions and proportionate share of system contributions	297,936	196,289
Total (prior to post-measurement date contributions)	927,245	634,361
Contributions made subsequent to measurement date	666,071	-
Total Deferred Outflows/Inflows of Resources	\$1,593,316	634,361
Net Deferred Outflows/(Inflows) of Resources		\$958,955

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7. PENSION PLAN (Continued)

\$666,071 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 ending June 30, 2025. 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 2025	\$42,937
Fiscal Year 2026	(161,029)
Fiscal Year 2027	315,187
Fiscal Year 2028	93,665
Fiscal Year 2029	2,124
Total	\$292,884

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-, and 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 \$199,688.

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7. PENSION PLAN (Continued)

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.

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 \$234,317 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2023, 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	3.97%
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 experience study issued July 2023 of the Oregon Public Employees Retirement System, except for the different basis used to project future mortality improvements.

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

YEAR ENDED JUNE 30, 2024

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

Mortality rates were based on the MacLeod Watts Scale 2022.

Changes in the Total OPEB Liability and related ratios

		Total OPEB Liability
Balance at 6/30/23		\$ 261,854
Changes during year		
	Service cost	16,343
	Interest	10,532
	Differences between expected and actual experience	(39,461)
	Changes in assumptions	(4,260)
	Benefit payments	(10,691)
Balance at 6/30/24		\$ 234,317

Total OPEB liability as a percentage of covered employee payroll was 7.73%.

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 2024 is 3.97%. Healthcare cost trend rate was assumed to start at 6.5% (effective January 2025) and arrive an ultimate rate of 3.9% for years 2075 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 (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$248,474	\$234,317	\$220,981

Change in Healthcare Cost Trend Rate	1% Decrease In Current Trend	Current Trend	1% Increase In Current Trend
Total OPEB Liability	\$215,449	\$234,317	\$256,139

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

YEAR ENDED JUNE 30, 2024

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

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, 2024.

HACC Members Implicit	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 9,932	\$ 25,846
Differences Between Expected and Actual Experience	-	117,644
Total	\$ 9,932	\$ 143,490

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

For the fiscal year ending June 30	Deferred Outflow/(Inflow) of Resources
2025	\$(18,518)
2026	(18,435)
2027	(18,325)
2028	(18,320)
2029	(19,039)
Thereafter	(40,921)
Total	<u><u>\$(133,558)</u></u>

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.

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

YEAR ENDED JUNE 30, 2024

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

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 2024, 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 year ended June 30, 2024, was \$154, 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.

10. COMMITMENTS

The Authority has no significant construction or legal commitments under contracts at June 30, 2024.

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

YEAR ENDED JUNE 30, 2024

11. DISCRETELY PRESENTED COMPONENT UNITS

Combining financial information for the discretely presented component units at December 31, 2023, are as follows:

	Easton Ridge LLC	Pedcor Investments 2016-CLV LP	Hillside Manor LP	Webster Road Housing LP	Total
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 962,828	\$ 115,826	\$ 459,164	\$ 429,371	\$ 1,967,189
Accounts receivable	58,828	16,171	7,975	31,729	114,703
Other assets	175,026	317,459	82,115	88,321	662,921
Total current assets	1,196,682	449,456	549,254	549,421	2,744,813
Restricted assets:					
Cash	3,446,117	758,882	473,847	377,299	5,056,145
Noncurrent assets:					
Other assets	-	243,637	11,465	-	255,102
Capital assets not being depreciated	3,229,376	3,917,276	-	-	7,146,652
Capital assets being depreciated	25,658,800	55,324,857	25,875,118	17,390,778	124,249,553
TOTAL ASSETS	33,530,975	60,694,108	26,909,684	18,317,498	139,452,265
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	157,739	813,996	114,720	33,150	1,119,605
Tenant deposits payable from restricted assets	139,767	73,289	11,465	-	224,521
Unearned revenue	59,246	-	9,513	32,376	101,135
Other current liabilities payable	4,083,997	-	-	25,648	4,109,645
Current portion of long-term debt	310,000	523,359	127,132	55,139	1,015,630
Total current liabilities	4,750,749	1,410,644	262,830	146,313	6,570,536
Other - notes payable	25,876,175	42,016,544	20,336,127	12,908,736	101,137,582
TOTAL LIABILITIES	30,626,924	43,427,188	20,598,957	13,055,049	107,708,118
NET POSITION:					
Net investment in capital assets	2,702,001	16,702,230	5,411,859	4,426,903	29,242,993
Restricted	3,306,350	685,593	462,382	377,299	4,831,624
Unrestricted	(3,104,300)	(120,903)	436,486	458,247	(2,330,470)
TOTAL NET POSITION	\$ 2,904,051	\$ 17,266,920	\$ 6,310,727	\$ 5,262,449	\$ 31,744,147

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

YEAR ENDED JUNE 30, 2024

11. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

	Easton Ridge LLC	Pedcor Investments 2016-CLV LP	Hillside Manor LP	Webster Road Housing LP	Total
OPERATING REVENUES:					
Rental income	\$ 3,029,640	\$ 2,725,023	\$ 1,005,843	\$ 742,009	\$ 7,502,515
Other income	77,028	61,712	4,066	10,112	152,918
Total operating revenues	<u>3,106,668</u>	<u>2,786,735</u>	<u>1,009,909</u>	<u>752,121</u>	<u>7,655,433</u>
OPERATING EXPENSES:					
Administrative expenses	471,698	433,024	258,365	111,911	1,274,998
Utilities	390,849	224,559	251,012	64,117	930,537
Ordinary maintenance and operations	515,284	530,481	213,528	121,389	1,380,682
General expenses	238,550	128,573	102,059	60,388	529,570
Depreciation and amortization	927,505	1,726,250	794,439	550,347	3,998,541
Total operating expenses	<u>2,543,886</u>	<u>3,042,887</u>	<u>1,619,403</u>	<u>908,152</u>	<u>8,114,328</u>
OPERATING INCOME (LOSS)	<u>562,782</u>	<u>(256,152)</u>	<u>(609,494)</u>	<u>(156,031)</u>	<u>(458,895)</u>
NONOPERATING REVENUE (EXPENSE):					
Interest income	20,149	-	230	5,944	26,323
Interest expense	(1,097,093)	(2,108,916)	(340,890)	(369,758)	(3,916,657)
Other	(9,833)	(98,593)	(23,675)	(64,713)	(196,814)
Total nonoperating revenue (expense)	<u>(1,086,777)</u>	<u>(2,207,509)</u>	<u>(364,335)</u>	<u>(428,527)</u>	<u>(4,087,148)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(523,995)</u>	<u>(2,463,661)</u>	<u>(973,829)</u>	<u>(584,558)</u>	<u>(4,546,043)</u>
Capital contributions	<u>-</u>	<u>-</u>	<u>100,785</u>	<u>2,839,705</u>	<u>2,940,490</u>
CHANGE IN NET POSITION	<u>(523,995)</u>	<u>(2,463,661)</u>	<u>(873,044)</u>	<u>2,255,147</u>	<u>(1,605,553)</u>
NET POSITION at beginning of the year	<u>3,428,046</u>	<u>19,730,581</u>	<u>7,183,771</u>	<u>3,007,302</u>	<u>33,349,700</u>
NET POSITION at end of the year	<u>\$ 2,904,051</u>	<u>\$ 17,266,920</u>	<u>\$ 6,310,727</u>	<u>\$ 5,262,449</u>	<u>\$ 31,744,147</u>

12. SUBSEQUENT EVENTS

- On May 21, 2024, HACC submitted one Section 18 disposition applications to HUD for 131 scattered site units. On September 25, 2024, HACC received disposition approval from HUD.
- On June 26, 2024, HACC submitted three Section 18 disposition applications to HUD for Clackamas Heights (99 units)/OCVM (100 units), Hillside Park Phase 2 (46 units), and 14 non-contiguous scattered site units. On October 31, 2024, HACC received disposition approval from HUD for Clackamas Heights (99 units)/OCVM (100 units). The other 2 applications are still under review with HUD.

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

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

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Total OPEB Liability							
Service Cost	\$ 16,343	\$ 17,262	\$ 21,997	\$ 21,929	\$ 19,623	\$ 14,746	\$ 14,498
Interest	10,532	10,173	5,624	9,053	10,893	12,563	12,408
Differences between expected and actual experience	(39,461)	(18,853)	-	(99,869)	-	(22,343)	-
Changes of assumptions	(4,260)	134	(30,861)	(525)	8,095	20,023	(1,150)
Benefit payments	(10,691)	(10,602)	(7,849)	(6,711)	(32,128)	(25,641)	(29,342)
Total OPEB Liability - Beginning	<u>261,854</u>	<u>263,740</u>	<u>274,829</u>	<u>350,952</u>	<u>344,469</u>	<u>345,121</u>	<u>348,707</u>
Total OPEB Liability - Ending (a)	<u>\$ 234,317</u>	<u>\$ 261,854</u>	<u>\$ 263,740</u>	<u>\$ 274,829</u>	<u>\$ 350,952</u>	<u>\$ 344,469</u>	<u>\$ 345,121</u>
Plan fiduciary net position							
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,342
Net investment income	-	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-	(29,342)
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - Beginning	-	-	-	-	-	-	-
Plan fiduciary net position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total OPEB liability - ending (a)-(b)	\$ 234,317	\$ 261,854	\$ 263,740	\$ 274,829	\$ 350,952	\$ 344,469	\$ 345,121
Covered-employee payroll	\$ 3,031,898	\$ 2,449,738	\$ 3,416,860	\$ 3,002,516	\$ 2,774,135	\$ 2,458,570	\$ 2,164,052
Total OPEB liability as a percentage of covered-employee payroll	7.73%	10.69%	7.72%	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 seven year presentation.

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

Schedule of Authority's Pension Contributions

	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Contractually required contribution	\$ 660,071	\$ 721,169	\$ 588,815	\$ 636,600	\$ 623,700
Contributions to the contractually required contribution	<u>(660,071)</u>	<u>(721,169)</u>	<u>(588,815)</u>	<u>(636,600)</u>	<u>(623,700)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 3,983,138	\$ 3,409,000	\$ 3,296,000	\$ 2,934,000	\$ 2,442,000
Contribution as a percentage of covered payroll	16.6%	21.2%	17.9%	21.7%	25.5%
	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Contractually required contribution	\$ 416,000	\$ 446,991	\$ 348,000	\$ 309,000	\$ 273,000
Contributions to the contractually required contribution	<u>(416,000)</u>	<u>(446,991)</u>	<u>(348,000)</u>	<u>(309,000)</u>	<u>(273,000)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 2,459,000	\$ 2,450,000	\$ 2,353,000	\$ 2,058,000	\$ 2,025,000
Contribution as a percentage of covered payroll	16.9%	18.2%	14.8%	15.0%	13.5%

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

Schedule of Authority's Proportionate Share of Net Pension Liability

	<u>FY2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Authority's proportion of the net pension liability (asset)	0.01984652%	0.02218325%	0.02219643%	0.02384254%	0.02242230%
Authority's proportionate share of the net pension liability (asset)	\$ 3,717,389	\$ 3,396,701	\$ 2,656,131	\$ 5,203,262	\$ 3,878,521
Authority's covered payroll	\$ 3,409,000	\$ 3,296,000	\$ 2,934,000	\$ 2,442,000	\$ 2,459,000
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	109.0%	103.1%	90.5%	213.1%	157.7%
Plan fiduciary net position as a percentage of the total pension liability	81.7%	84.5%	75.8%	75.8%	80.2%
	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Authority's proportion of the net pension liability (asset)	0.02415869%	0.02640814%	0.02813710%	0.03017175%	0.02879496%
Authority's proportionate share of the net pension liability (asset)	\$ 3,659,723	\$ 3,559,827	\$ 4,224,032	\$ 1,732,299	\$ (652,700)
Authority's covered payroll	\$ 2,450,000	\$ 2,353,000	\$ 2,058,000	\$ 2,142,000	\$ 2,025,000
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	149.4%	151.3%	205.2%	80.9%	-32.2%
Plan fiduciary net position as a percentage of the total pension liability	82.1%	81.1%	80.5%	91.9%	103.6%

SUPPLEMENTARY INFORMATION

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

COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)

JUNE 30, 2024

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Pedcor Rosewood Station	Hillside Manor LLC	Webster Road LLC
ASSETS:									
CURRENT ASSETS:									
Cash - unrestricted	\$ 2,454,816	\$ (57,716)	\$ 1,073,366	\$ 2,503,368	\$ -	\$ 1,145,307	\$ -	305,547	\$ 207,703
Investments	(482,849)	-	-	343,544	-	1,075,280	-	-	-
Accounts receivable:									
PHA projects	-	-	-	-	-	-	-	-	-
HUD other programs	-	-	48	-	279,364	-	-	-	-
Other governments	-	-	-	-	-	-	-	-	-
Miscellaneous	32,417	-	-	623,778	-	-	5,305	1,199,827	810,904
Tenants - rent/misc	226,621	18,390	690,562	-	-	-	-	-	-
Tenants - fraud	-	-	106,018	-	-	-	-	-	-
Allowance for doubtful accounts:									
Rents	(4,312)	-	(292,526)	-	-	-	-	-	-
Other	-	-	(16,504)	-	-	-	-	-	-
Fraud recovery	-	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	161,465	1,715,691	-	4,320,319	-	491,868	422,917
Allowance for Accrued Interest	-	-	-	-	-	(1,151,175)	-	-	-
	254,726	18,390	649,063	2,339,469	279,364	3,169,144	5,305	1,691,695	1,233,821
Prepaid expenses and other assets	29,247	6,705	201,933	72,881	-	1,082,936	-	-	-
Inventory	-	-	86,883	-	-	-	-	-	-
Allowance for obsolete inventory	922	-	(67,668)	-	-	-	-	-	-
Due from other funds	60,000	-	-	100,000	-	-	-	-	-
TOTAL CURRENT ASSETS	2,316,862	(32,621)	1,943,577	5,359,262	279,364	6,472,667	5,305	1,997,242	1,441,524
RESTRICTED CASH AND INVESTMENTS:									
Other than security deposits	44,007	127,283	120,953	12,626,941	-	431,544	-	-	-
Security deposits	15,903	1,889	100,356	-	-	-	-	-	-
	59,910	129,172	221,309	12,626,941	-	431,544	-	-	-
NONCURRENT ASSETS:									
Notes receivable	-	-	1,605,000	53,189,279	-	26,477,043	31,621,576	11,423,508	5,109,265
Capital Assets:									
Land	827,388	78,500	2,522,548	-	-	-	-	-	-
Buildings and improvements	3,686,291	1,245,472	23,672,963	-	1,558,933	-	-	-	-
Furniture and equipment - dwellings	-	12,000	-	-	-	-	-	-	-
Furniture and equipment - administration	176,037	-	564,145	37,316	27,150	-	-	-	-
Site improvements	-	-	4,725,935	-	367,178	-	-	-	-
Construction in progress	-	-	-	-	111,825	-	-	-	-
Accumulated depreciation	(3,295,764)	(1,151,290)	(26,607,735)	(37,316)	(201,502)	-	-	-	-
Total Capital Assets	1,393,953	184,682	4,877,856	-	1,863,584	-	-	-	-
TOTAL ASSETS	3,770,725	281,233	8,647,742	71,175,482	2,142,948	33,381,254	31,626,881	13,420,750	6,550,789
DEFERRED OUTFLOWS OF RESOURCES									
	150,823	17,388	433,388	332,332	-	-	-	-	-
TOTAL ASSETS and DEFERRED OUTFLOWS OF RESOURCES	3,921,548	298,621	9,081,130	71,507,814	2,142,948	33,381,254	31,626,881	13,420,750	6,550,789

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

COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)

JUNE 30, 2024

Rental Assistance Vouchers SF-0018V	Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program (ROSS)	Shelter Plus Care Program	Metro Supportive Housing Program	Eliminations	Total
\$ 1,087,279	\$ 498,493	\$ 4,251	\$ 18,115	\$ 7,588	\$ (1,235)	\$ 79	\$ (520,565)	\$ -	\$ 8,726,396
-	-	-	-	63,356	-	-	1,001,836	-	2,001,167
-	-	-	-	-	-	-	-	-	-
-	126,101	-	-	-	2,706	-	-	(279,364)	128,855
93,232	-	316	-	44,841	-	-	-	-	2,810,620
115,482	8,196	-	-	-	-	457	11,529	-	1,071,237
26,477	-	-	-	-	-	2,010	-	-	134,505
-	-	-	-	-	-	-	-	-	-
-	-	-	29,006	-	-	-	-	-	(296,838)
-	968	-	-	-	-	-	-	-	12,502
-	-	-	-	-	-	-	-	-	968
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	7,112,260
-	-	-	-	-	-	-	-	-	(1,151,175)
235,191	135,265	316	29,006	44,841	2,706	2,467	11,529	(279,364)	9,822,934
9,386	-	-	3,691	11,053	-	-	4,641	(1,082,836)	339,637
-	-	-	-	-	-	-	-	-	86,883
-	-	-	-	-	-	-	-	-	(66,746)
-	-	-	-	-	-	-	-	(160,000)	-
1,331,856	633,758	4,567	50,812	126,838	1,471	2,546	497,441	(1,522,200)	20,910,271
357,476	56	73	124,344	96,065	-	-	-	-	13,928,742
-	-	-	5,067	15,863	-	-	-	-	139,078
357,476	56	73	129,411	111,928	-	-	-	-	14,067,820
-	-	-	-	-	-	-	-	-	129,425,671
-	-	-	380,548	90,000	-	-	-	-	3,898,984
-	-	-	5,897,826	1,348,300	-	-	-	-	37,409,785
-	-	-	-	20,069	-	-	-	-	32,069
57,702	-	-	29,999	6,237	-	-	-	-	898,586
-	-	-	-	-	-	-	-	-	5,093,113
-	-	-	-	-	-	-	-	-	111,825
(57,702)	-	-	(703,079)	(1,374,606)	-	-	-	-	(33,428,994)
-	-	-	5,605,294	90,000	-	-	-	-	14,015,368
1,689,332	633,814	4,640	5,785,517	328,766	1,471	2,546	497,441	(1,522,200)	178,419,130
301,211	13,857	-	-	20,937	-	-	333,312	-	1,603,248
1,990,543	647,671	4,640	5,785,517	349,703	1,471	2,546	830,753	(1,522,200)	180,022,378

(Continued)

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

COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)

JUNE 30, 2024

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Pedcor Rosewood Station	Hillside Manor LLC	Webster Road LLC
LIABILITIES:									
CURRENT LIABILITIES:									
Accounts payable	\$ 29,291	\$ 2,212	\$ 195,935	\$ 271,844	\$ -	\$ -	\$ -	-	\$ -
Accrued wages	-	-	108,579	115,371	-	-	-	-	-
Accrued compensated absences	427,631	-	75,787	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	421,012	-	-	-
Accounts payable HUD PHA programs	-	-	211,149	-	-	-	-	-	-
Tenant security deposits	17,303	1,889	115,448	-	-	-	-	-	-
Unearned revenue	10,680	16,985	70,818	12,516,234	-	-	-	-	-
Current portion of long-term debt	4,411	7,999	-	-	-	310,000	529,935	-	-
Other current liabilities	207,383	45,909	253,341	1,093,266	-	940,925	-	-	-
Accrued liabilities	-	-	99,234	32,808	279,364	-	-	-	-
TOTAL CURRENT LIABILITIES	696,699	74,994	1,130,291	14,029,523	279,364	1,671,937	529,935	-	-
NONCURRENT LIABILITIES:									
Long-term debt, net of current portion	8,688	4,037	-	-	-	13,932,043	31,091,641	-	-
Long-term debt, payable to Clackamas County	317,078	540,000	-	-	-	-	-	-	400,000
Accrued compensated absences - noncurrent	-	-	-	-	-	-	-	-	-
Net pension and total OPEB liabilities	364,682	40,567	1,077,910	833,772	-	-	-	-	-
TOTAL NONCURRENT LIABILITIES	690,448	584,604	1,077,910	833,772	-	13,932,043	31,091,641	-	400,000
TOTAL LIABILITIES	1,387,147	659,598	2,208,201	14,863,295	279,364	15,603,980	31,621,576	-	400,000
DEFERRED INFLOWS OF RESOURCES	68,504	6,923	216,669	170,910	-	-	-	-	-
NET POSITION:									
Net investment in capital assets	1,063,776	172,646	4,877,856	-	1,863,584	-	-	-	-
Restricted	42,607	127,283	105,861	110,707	-	431,544	-	-	-
Unrestricted	1,359,514	(667,829)	1,672,543	56,362,902	-	17,345,730	5,305	13,420,750	6,150,789
TOTAL NET POSITION	\$ 2,465,897	\$ (367,900)	\$ 6,656,260	\$ 56,473,609	\$ 1,863,584	17,777,274	5,305	13,420,750	- 6,150,789

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

COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)

JUNE 30, 2024

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	Eliminations	Total
\$ 18,239	\$ 33	\$ -	\$ 87,998	\$ 6,421	\$ 1,471	\$ -	\$ 97,094	\$ -	\$ 710,537
103,193	-	-	-	-	-	-	102,510	-	429,653
-	-	-	-	-	-	-	-	-	503,418
-	-	-	-	-	-	-	-	-	421,012
-	-	-	-	-	-	-	-	-	211,149
1,798	-	-	5,642	9,887	-	-	-	-	151,967
559	-	-	3,396	4,322	-	50	9	-	12,623,053
-	-	-	38,095	-	-	-	-	-	890,440
375,025	7,693	8,116	302,842	28,256	-	-	691	(1,242,836)	2,020,611
-	-	-	-	327	-	-	-	(279,364)	132,369
<u>498,814</u>	<u>7,726</u>	<u>8,116</u>	<u>437,973</u>	<u>49,213</u>	<u>1,471</u>	<u>50</u>	<u>200,304</u>	<u>(1,522,200)</u>	<u>18,094,209</u>
-	-	-	2,112,296	-	-	-	-	-	47,148,705
-	-	-	673,012	-	-	-	-	-	1,930,090
-	-	-	-	-	-	-	-	-	-
<u>775,943</u>	<u>32,329</u>	<u>-</u>	<u>-</u>	<u>48,847</u>	<u>-</u>	<u>-</u>	<u>777,656</u>	<u>-</u>	<u>3,951,706</u>
<u>775,943</u>	<u>32,329</u>	<u>-</u>	<u>2,785,308</u>	<u>48,847</u>	<u>-</u>	<u>-</u>	<u>777,656</u>	<u>-</u>	<u>53,030,501</u>
<u>1,274,757</u>	<u>40,055</u>	<u>8,116</u>	<u>3,223,281</u>	<u>98,060</u>	<u>1,471</u>	<u>50</u>	<u>977,960</u>	<u>(1,522,200)</u>	<u>71,124,710</u>
<u>168,287</u>	<u>5,517</u>	<u>-</u>	<u>-</u>	<u>8,336</u>	<u>-</u>	<u>-</u>	<u>132,705</u>	<u>-</u>	<u>777,851</u>
-	-	-	2,781,891	90,000	-	-	-	-	10,849,753
355,678	56	73	123,769	102,041	-	-	-	-	1,399,619
<u>191,821</u>	<u>602,043</u>	<u>(3,549)</u>	<u>(343,424)</u>	<u>51,266</u>	<u>-</u>	<u>2,496</u>	<u>(279,912)</u>	<u>-</u>	<u>95,870,445</u>
<u>- \$ 547,499</u>	<u>\$ 602,099</u>	<u>\$ (3,476)</u>	<u>\$ 2,562,236</u>	<u>\$ 243,307</u>	<u>\$ -</u>	<u>\$ 2,496</u>	<u>\$ (279,912)</u>	<u>\$ -</u>	<u>\$ 108,119,817</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, 2024

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Pedcor Rosewood Station	Hillside Manor LLC
REVENUES:								
Tenant rental revenue	\$ 632,367	77,561	1,884,914	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant revenue - other	4,977	19,962	15,188	-	-	-	-	-
Total Tenant Revenue	637,344	97,523	1,900,102	-	-	-	-	-
HUD PHA operating grants	-	-	2,396,498	-	359,690	-	-	-
HUD PHA capital grants	-	-	-	-	714,291	-	-	-
Mgmt fee	-	-	-	400,141	-	-	5,305	-
Asset mgmt fee	-	-	-	57,850	-	-	-	-
Bookkeeping fee	-	-	-	39,225	-	-	-	-
Other fees	-	-	-	-	-	-	-	-
Other government grants	-	-	-	13,356,397	-	-	-	-
Voucher income	-	-	-	-	-	-	-	-
Investment income	44,948	378	64,702	954,350	-	2,281,392	957,078	185,987
Fraud recovery	-	-	1,330	-	-	-	-	-
Other revenue	156,522	16,428	122,178	647,580	-	-	-	73,063
TOTAL REVENUES	838,814	114,329	4,484,810	15,455,543	1,073,981	2,281,392	962,383	- 259,050
OPERATING EXPENSES:								
Administrative:								
Salaries	139,462	-	288,153	1,158,693	-	-	-	-
Employee benefit contributions	43,330	-	261,629	587,142	-	-	-	-
Audit fees	2,368	-	27,470	28,741	6,500	-	-	-
Management fees	-	-	396,826	-	-	-	-	-
Bookkeeping fee	-	-	42,540	-	-	-	-	-
Office expense	11,700	4,459	166,890	206,459	3,742	-	-	-
Legal expense	614	-	100	69,250	-	-	-	-
Travel expense	145	-	13,990	16,646	-	-	-	-
Asset mgmt fee	-	-	57,850	-	-	-	-	-
Other	583	(219)	-	493,267	-	300	-	-
Tenant Services:								
Salaries	-	-	76,133	-	-	-	-	-
Relocation costs	-	-	-	22,923	215,181	-	-	-
Employee benefit contributions	-	-	46,598	-	-	-	-	-
Other expenses	-	25	8,266	-	-	-	-	-
Utilities:								
Water	14,726	3,972	239,629	-	-	-	-	-
Electricity	5,981	7,625	41,178	15,080	-	-	-	-
Gas	899	-	3,506	2,950	-	-	-	-
Sewer	30,276	13,820	460,191	-	-	-	-	-
Trash	12,949	3,163	196,767	5,187	-	-	-	-
Ordinary Maintenance and Operations:								
Labor	31,993	35,101	703,804	20,151	-	-	-	-
Employee benefit contributions	19,098	13,692	394,758	8,193	-	-	-	-
Materials	20,547	4,773	179,588	1,780	-	-	-	-
Contract costs	82,420	17,819	187,198	108,866	22,442	-	-	-
Protective Services:								
Contract costs	-	-	66,617	471	-	-	-	-
General Expenses:								
Property insurance	35,693	8,067	235,599	-	-	-	-	-
Liability insurance	5,332	1,038	29,137	8,204	-	-	-	-
Workers' compensation	1,443	-	26,468	4,731	-	-	-	-
All other insurance	-	-	14,304	-	-	-	-	-
Other expenses	133	-	117,035	7,035	-	-	-	-
Payment in lieu of taxes	-	-	112,146	-	-	-	-	-
Bad debt - tenant rents	-	-	82,580	-	-	-	-	-
Bad debt - other	-	-	-	-	-	-	-	-
Severance expense	-	-	-	-	-	-	-	-
Interest expense	1,340	204	-	-	-	574,121	957,078	-
TOTAL OPERATING EXPENSES	461,032	113,539	4,476,950	2,765,769	247,865	574,421	957,078	-
INCOME (LOSS) BEFORE OTHER EXPENSES	377,782	790	7,860	12,689,774	826,116	1,706,971	5,305	259,050

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, 2024

Webster Road LLC	Rental Assistance Vouchers SF-0018V	Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program (ROSS)	Shelter Plus Care Program	Metro Supportive Housing Program	Eliminations	Total	
\$ -	\$ -	\$ -	\$ -	\$ 414,183	\$ 222,180	\$ -	\$ -	\$ -	\$ -	\$ 2,817,022	
-	-	-	-	414,183	-	-	-	-	-	454,310	
-	-	-	-	414,183	222,180	-	-	-	-	3,271,332	
-	-	-	-	-	-	24,697	-	-	-	2,780,885	
-	-	-	-	-	-	-	-	-	-	714,291	
10,815	-	-	-	-	-	-	-	-	(400,141)	16,120	
-	-	-	-	-	-	-	-	-	(57,850)	-	
-	-	-	-	-	-	-	-	-	(39,225)	-	
-	-	-	-	-	-	-	-	-	-	-	
-	26,911,887	3,052,916	659,379	-	-	-	555,992	14,337,427	-	27,693,824	
223,421	5,295	4,623	241	-	3,342	-	-	-	-	31,180,174	
-	63,056	1,058	-	-	-	-	-	-	-	4,725,757	
-	403,354	926	-	-	16,884	-	(54)	(182)	-	65,404	
-	-	-	-	-	-	-	-	-	-	1,436,881	
-	-	-	-	-	-	-	-	-	-	-	
-	234,236	27,383,592	3,059,523	659,620	414,183	242,406	24,697	556,080	14,337,245	(497,216)	71,884,668
-	948,966	58,471	58,653	7,303	42,313	20,779	27,000	840,992	-	3,590,785	
-	625,549	35,803	35,892	4,148	1,490	-	-	415,565	-	2,010,548	
-	24,264	1,654	1,654	-	-	-	-	9,645	-	102,296	
-	-	-	-	25,893	21,342	-	-	-	(400,141)	43,920	
-	-	-	-	-	-	-	-	-	(39,225)	3,315	
-	230,044	8,107	5,504	19,063	6,560	-	-	58,197	-	720,725	
-	-	-	-	931	7,215	-	-	-	-	78,110	
-	12,101	65	252	957	675	3,918	-	9,113	-	57,862	
-	-	-	-	-	-	-	-	3,302	(57,850)	3,302	
-	58,832	35,278	53	-	552	-	-	701,282	-	1,289,928	
-	-	-	-	-	-	-	-	104,321	-	180,454	
-	-	-	-	-	-	-	-	-	-	238,104	
-	-	-	-	-	-	-	-	48,257	-	94,855	
-	-	-	-	-	-	-	-	-	-	8,291	
-	-	-	-	11,256	39,994	-	-	-	-	309,577	
-	-	-	-	17,178	6,403	-	-	-	-	93,445	
-	-	-	-	5,480	-	-	-	-	-	12,835	
-	-	-	-	27,027	-	-	-	-	-	531,314	
-	-	-	-	14,080	10,996	-	-	-	-	243,142	
-	-	-	-	11,458	15,022	-	-	-	-	817,529	
-	-	-	-	-	-	-	-	-	-	435,741	
-	2,687	71	71	20,539	23,356	-	-	226	-	253,638	
-	7,785	439	897	32,723	31,657	-	-	14,171	-	506,417	
-	-	-	-	-	-	-	-	-	-	67,088	
-	-	-	-	-	-	-	-	-	-	279,359	
-	10,354	706	706	18,968	3,685	-	-	3,985	-	82,115	
-	2,996	176	177	-	24	-	-	2,860	-	38,875	
-	1,501	105	106	-	-	-	-	1,220	-	17,236	
-	171,470	28	7,142	12,218	3,216	-	-	26,677	-	344,954	
-	-	-	-	-	-	-	-	-	-	112,146	
-	20	-	-	-	-	-	-	-	-	82,600	
-	-	1	-	20,938	-	-	-	-	-	20,939	
-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	120,885	-	-	-	-	-	1,653,628	
-	-	-	-	-	-	-	-	-	-	-	
-	2,096,569	140,904	111,107	371,045	214,500	24,697	27,000	2,239,813	(497,216)	14,325,073	
234,236	25,287,023	2,918,619	548,513	43,138	27,906	-	529,080	12,097,432	-	57,559,595	

(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, 2024

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Pedcor Rosewood Station	Hillside Manor LLC
OTHER EXPENSES:								
Extraordinary maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Casualty losses recovered	-	-	47,222	-	-	-	-	-
Grant Expense	-	-	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-	-
Housing assistance payments - port-in	-	-	-	-	-	-	-	-
Depreciation and amortization	89,979	42,508	378,108	-	105,109	-	-	-
FSS escrow payments	-	-	63,951	-	-	-	-	-
TOTAL OTHER EXPENSES	89,979	42,508	489,281	-	105,109	-	-	-
NET INCOME (LOSS)	287,803	(41,718)	(481,421)	12,689,774	721,007	1,706,971	5,305	259,050
OPERATING TRANSFER	-	-	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION	287,803	(41,718)	(481,421)	12,689,774	721,007	1,706,971	5,305	259,050
NET POSITION, June 30, 2023	2,178,094	(326,182)	7,137,681	43,783,835	1,142,577	16,070,303	-	13,161,700
NET POSITION, June 30, 2024	\$ 2,465,897	(367,900)	6,656,260	56,473,609	1,863,584	17,777,274	5,305	13,420,750
OTHER INFORMATION:								
Debt principal payment	\$ 4,043	\$ 7,899	\$ -	\$ -	\$ -	\$ 295,000	\$ 516,865	\$ -

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, 2024

Webster Road LLC	Rental Assistance Vouchers SF-0018V	Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program	Shelter Plus Care Program	Metro Supportive Housing Program	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	47,222
-	24,269,605	2,739,914	597,040	-	-	-	528,816	11,726,303	-	39,861,678
-	-	-	-	200,880	22,472	-	-	-	-	839,056
-	-	-	-	-	-	-	-	-	-	63,951
-	24,269,605	2,739,914	597,040	200,880	22,472	-	528,816	11,726,303	-	40,811,907
234,236	1,017,418	178,705	(48,527)	(157,742)	5,434	-	264	371,129	-	16,747,688
-	-	-	-	-	-	-	-	-	-	-
234,236	1,017,418	178,705	(48,527)	(157,742)	5,434	-	264	371,129	-	16,747,688
5,916,553	(469,919)	423,394	45,051	2,719,978	237,873	-	2,232	(651,041)	-	91,372,129
6,150,789	547,499	602,099	(3,476)	2,562,236	243,307	-	2,496	(279,912)	\$ -	\$ 108,119,817
\$ -	\$ -	\$ -	\$ -	\$ 53,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 877,488

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, 2024

	<u>AMP 1</u>	<u>AMP 2</u>	<u>AMP 3</u>	<u>AMP 4</u>	<u>Total Low Rent Public Housing and Capital Grant Program</u>
ASSETS:					
CURRENT ASSETS:					
Cash:					
Cash - unrestricted	\$ (33,573)	\$ 245,801	\$ 743,134	\$ 118,004	\$ 1,073,366
Cash - security deposits	23,955	38,740	11,711	25,950	100,356
Total Cash	<u>(9,618)</u>	<u>284,541</u>	<u>754,845</u>	<u>143,954</u>	<u>1,173,722</u>
Accounts Receivable:					
Tenants	232,045	312,319	80,050	172,166	796,580
Miscellaneous	2,301	130,733	79,583	66,795	279,412
Allowance for doubtful accounts:					
Tenants	(72,101)	(69,419)	(47,582)	(103,424)	(292,526)
Miscellaneous	(3,354)	(12,316)	(833)	(1)	(16,504)
Accrued interest receivable	-	161,465	-	-	161,465
Total Accounts Receivable	<u>158,891</u>	<u>522,782</u>	<u>111,218</u>	<u>135,536</u>	<u>928,427</u>
Prepaid expenses and other assets	43,173	83,344	32,544	42,872	201,933
Inventory	86,883	-	-	-	86,883
Allowance for obsolete inventories	(67,668)	-	-	-	(67,668)
TOTAL CURRENT ASSETS	<u>211,661</u>	<u>890,667</u>	<u>898,607</u>	<u>322,362</u>	<u>2,323,297</u>
RESTRICTED CASH AND INVESTMENTS	<u>4,675</u>	<u>91,342</u>	<u>6,338</u>	<u>18,598</u>	<u>120,953</u>
NONCURRENT ASSETS:					
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	5,146,611	14,281,230	2,425,828	3,378,227	25,231,896
Furniture and equipment - administration	447,064	62,451	27,121	54,659	591,295
Site and leasehold improvements	783,911	1,739,996	1,271,525	1,297,681	5,093,113
Construction in progress	-	55,800	-	56,025	111,825
Accumulated depreciation	(5,870,970)	(13,326,105)	(3,512,069)	(4,100,093)	(26,809,237)
TOTAL NONCURRENT ASSETS	<u>526,157</u>	<u>5,238,914</u>	<u>223,177</u>	<u>753,192</u>	<u>6,741,440</u>
TOTAL ASSETS	<u>742,493</u>	<u>7,825,923</u>	<u>1,128,122</u>	<u>1,094,152</u>	<u>10,790,690</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>92,204</u>	<u>157,541</u>	<u>72,157</u>	<u>111,486</u>	<u>433,388</u>
TOTAL ASSETS and DEFERRED OUTFLOWS OF RESOURCES	<u>834,697</u>	<u>7,983,464</u>	<u>1,200,279</u>	<u>1,205,638</u>	<u>11,224,078</u>
LIABILITIES:					
CURRENT LIABILITIES:					
Accounts payable	56,398	57,215	25,217	57,105	195,935
Accrued wages	41,442	75,775	25,155	41,993	184,365
Accounts payable HUD PHA programs	155,705	49,278	(34)	6,200	211,149
Tenant security deposits	26,840	43,509	14,149	30,950	115,448
Unearned revenue	32,428	20,379	2,910	15,101	70,818
Accrued liabilities	22,883	284,993	91,646	232,418	631,940
TOTAL CURRENT LIABILITIES	<u>335,696</u>	<u>531,149</u>	<u>159,043</u>	<u>383,767</u>	<u>1,409,655</u>
NONCURRENT LIABILITIES:					
Net pension and total OPEB liabilities	228,763	380,423	194,551	274,173	1,077,910
TOTAL NONCURRENT LIABILITIES	<u>228,763</u>	<u>380,423</u>	<u>194,551</u>	<u>274,173</u>	<u>1,077,910</u>
TOTAL LIABILITIES	<u>564,459</u>	<u>911,572</u>	<u>353,594</u>	<u>657,940</u>	<u>2,487,565</u>
DEFERRED INFLOWS OF RESOURCES	<u>45,724</u>	<u>71,811</u>	<u>45,454</u>	<u>53,680</u>	<u>216,669</u>
NET POSITION:					
Net investment in capital assets	526,157	5,238,914	223,177	753,192	6,741,440
Restricted	1,790	86,573	3,900	13,598	105,861
Unrestricted	(303,433)	1,674,594	574,154	(272,772)	1,672,543
TOTAL NET POSITION	<u>\$ 224,514</u>	<u>\$ 7,000,081</u>	<u>\$ 801,231</u>	<u>\$ 494,018</u>	<u>\$ 8,519,844</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, 2024

	AMP 1 :: 501			AMP 2 :: 502			AMP 3 :: 503		
	Operating	Capital Fund	Total	Operating	Capital Fund	Total	Operating	Capital Fund	Total
REVENUES:									
Tenant rental revenue	\$ 374,743	\$ -	\$ 374,743	\$ 925,222	\$ -	\$ 925,222	\$ 243,703	\$ -	\$ 243,703
Tenant revenue - other	(11,920)	-	(11,920)	30,201	-	30,201	(7,090)	-	(7,090)
HUD PHA grants	526,904	13,771	540,675	687,368	77,929	765,297	528,484	199,541	728,025
HUD PHA capital grants	-	11,878	11,878	-	647,503	647,503	-	-	-
Investment income	440	-	440	54,998	-	54,998	7,645	-	7,645
Fraud recovery	1,330	-	1,330	-	-	-	-	-	-
Other revenue	8,008	-	8,008	64,847	-	64,847	39,269	-	39,269
TOTAL REVENUE	899,505	25,649	925,154	1,762,636	725,432	2,488,068	812,011	199,541	1,011,552
EXPENSES:									
Administrative:									
Administrative salaries	70,023	-	70,023	118,535	-	118,535	32,718	-	32,718
Auditing fees	6,876	1,449	8,325	9,644	2,123	11,767	3,794	1,464	5,258
Employee benefit contributions	42,506	-	42,506	72,822	-	72,822	28,248	-	28,248
Office expense	39,480	1,520	41,000	53,210	2,222	55,432	32,659	-	32,659
Legal expense	-	-	-	-	-	-	100	-	100
Travel expense	3,550	-	3,550	4,307	-	4,307	3,108	-	3,108
Other	-	-	-	-	-	-	-	-	-
	<u>162,435</u>	<u>2,969</u>	<u>165,404</u>	<u>258,518</u>	<u>4,345</u>	<u>262,863</u>	<u>100,627</u>	<u>1,464</u>	<u>102,091</u>
Tenant services:									
Salaries	18,274	-	18,274	24,055	-	24,055	16,902	-	16,902
Relocation costs	-	6,622	6,622	-	4,000	4,000	-	198,077	198,077
Employee benefit contributions	11,140	-	11,140	14,905	-	14,905	10,277	-	10,277
Other expenses	2,020	-	2,020	853	-	853	3,576	-	3,576
	<u>31,434</u>	<u>6,622</u>	<u>38,056</u>	<u>39,813</u>	<u>4,000</u>	<u>43,813</u>	<u>30,755</u>	<u>198,077</u>	<u>228,832</u>
Utilities:									
Water	55,085	-	55,085	95,629	-	95,629	29,998	-	29,998
Electricity	12,983	-	12,983	1,606	-	1,606	14,246	-	14,246
Gas	850	-	850	404	-	404	1,111	-	1,111
Sewer/Other utilities	115,363	-	115,363	160,110	-	160,110	70,110	-	70,110
	<u>184,280</u>	<u>-</u>	<u>184,280</u>	<u>257,748</u>	<u>-</u>	<u>257,748</u>	<u>115,464</u>	<u>-</u>	<u>115,464</u>
Ordinary maintenance and operations:									
Labor	154,820	-	154,820	258,245	-	258,245	101,435	-	101,435
Materials	37,326	-	37,326	60,860	-	60,860	36,031	-	36,031
Contracts	85,440	4,180	89,620	142,388	13,785	156,173	64,080	-	64,080
Employee benefits	84,407	-	84,407	146,269	-	146,269	59,443	-	59,443
	<u>361,993</u>	<u>4,180</u>	<u>366,173</u>	<u>607,762</u>	<u>13,785</u>	<u>621,547</u>	<u>260,989</u>	<u>-</u>	<u>260,989</u>
Protective services:									
Contract costs	32,894	-	32,894	-	-	-	1,741	-	1,741
General:									
Property insurance	48,799	-	48,799	99,926	-	99,926	36,084	-	36,084
Liability insurance	6,466	-	6,466	9,792	-	9,792	5,988	-	5,988
Workers' compensation	5,780	-	5,780	9,981	-	9,981	3,563	-	3,563
All other insurance	3,111	-	3,111	4,650	-	4,650	3,240	-	3,240
Other	25,816	-	25,816	42,867	-	42,867	22,115	-	22,115
Payments in lieu of taxes	18,649	-	18,649	65,691	-	65,691	12,621	-	12,621
Bad debt - rent	17,696	-	17,696	5,807	-	5,807	25,407	-	25,407
Bad debt - other	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Management fee	88,916	-	88,916	131,374	-	131,374	87,503	-	87,503
Accounting fee	9,533	-	9,533	14,085	-	14,085	9,383	-	9,383
Asset management fee	13,000	-	13,000	18,850	-	18,850	13,000	-	13,000
	<u>237,765</u>	<u>-</u>	<u>237,765</u>	<u>403,022</u>	<u>-</u>	<u>403,022</u>	<u>218,904</u>	<u>-</u>	<u>218,904</u>
Other:									
Casualty losses recovered	(1,988)	-	(1,988)	49,210	-	49,210	-	-	-
FSS escrow payments	754	-	754	54,787	-	54,787	524	-	524
Depreciation expense	43,862	12,336	56,198	259,006	71,234	330,240	23,910	3,309	27,219
	<u>42,628</u>	<u>12,336</u>	<u>54,964</u>	<u>363,003</u>	<u>71,234</u>	<u>434,237</u>	<u>24,434</u>	<u>3,309</u>	<u>27,743</u>
TOTAL EXPENSES:	1,053,430	26,107	1,079,537	1,929,866	93,364	2,023,230	752,914	202,850	955,764
EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER OPERATING EXPENSES	(153,925)	(458)	(154,383)	(167,230)	632,068	464,838	59,097	(3,309)	55,788
OTHER FINANCING SOURCES (USES):									
Operating transfers in	-	-	-	-	-	-	-	-	-
Equity transfers	-	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	\$ (153,925)	\$ (458)	\$ (154,383)	\$ (167,230)	\$ 632,068	\$ 464,838	\$ 59,097	\$ (3,309)	\$ 55,788

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, 2024

AMP 4 :: 504			Low Rent Public Housing and Capital Grant Program Total
Operating	Capital Fund	Total	
\$ 341,246	\$ -	\$ 341,246	\$ 1,884,914
3,997	-	3,997	15,188
653,742	68,449	722,191	2,756,188
-	54,910	54,910	714,291
1,619	-	1,619	64,702
-	-	-	1,330
10,054	-	10,054	122,178
<u>1,010,658</u>	<u>123,359</u>	<u>1,134,017</u>	<u>5,558,791</u>
66,877	-	66,877	288,153
7,156	1,464	8,620	33,970
118,053	-	118,053	261,629
41,541	-	41,541	170,632
-	-	-	100
3,025	-	3,025	13,990
-	-	-	-
<u>236,652</u>	<u>1,464</u>	<u>238,116</u>	<u>768,474</u>
16,902	-	16,902	76,133
-	6,481	6,481	215,180
10,276	-	10,276	46,598
1,817	-	1,817	8,266
<u>28,995</u>	<u>6,481</u>	<u>35,476</u>	<u>346,177</u>
58,918	-	58,918	239,629
12,343	-	12,343	41,178
1,141	-	1,141	3,506
<u>114,609</u>	<u>-</u>	<u>114,609</u>	<u>460,191</u>
<u>187,010</u>	<u>-</u>	<u>187,010</u>	<u>744,503</u>
189,304	-	189,304	703,804
45,371	-	45,371	179,588
92,057	4,478	96,535	406,408
<u>104,639</u>	<u>-</u>	<u>104,639</u>	<u>394,758</u>
<u>431,371</u>	<u>4,478</u>	<u>435,849</u>	<u>1,684,558</u>
31,982	-	31,982	66,617
50,790	-	50,790	235,599
6,891	-	6,891	29,137
7,145	-	7,145	26,468
3,303	-	3,303	14,304
26,238	-	26,238	117,035
15,185	-	15,185	112,146
33,670	-	33,670	82,580
-	-	-	-
-	-	-	-
89,033	-	89,033	396,826
9,540	-	9,540	42,540
13,000	-	13,000	57,850
<u>254,796</u>	<u>-</u>	<u>254,796</u>	<u>1,114,487</u>
-	-	-	47,222
7,885	-	7,885	63,950
<u>51,330</u>	<u>18,230</u>	<u>69,560</u>	<u>483,217</u>
<u>59,215</u>	<u>18,230</u>	<u>77,445</u>	<u>594,389</u>
<u>1,230,021</u>	<u>30,653</u>	<u>1,260,674</u>	<u>5,319,205</u>
<u>(219,363)</u>	<u>92,706</u>	<u>(126,657)</u>	<u>239,586</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ (219,363)</u>	<u>\$ 92,706</u>	<u>\$ (126,657)</u>	<u>\$ 239,586</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**

YEAR ENDED JUNE 30, 2024

REVENUES:

HUD administrative fee	\$ 2,199,075
Fraud revenue (half of \$63,056 in RNP)	31,528
Other	589,264
Total revenues	2,819,867

EXPENSES:

Administrative salaries	948,966
Employee benefits	625,549
Other administrative costs	507,205
Insurance	14,851
Other general (Port-In)	-
Total expenses	2,096,571

EXCESS OF REVENUES OVER EXPENSES 723,296

TRANFERS AND ADJUSTMENTS:

Equity adjustment -

UNRESTRICTED NET POSITION, June 30, 2023 (758,735)

UNRESTRICTED NET POSITION, June 30, 2024 \$ (35,439)

HAP REVENUE:

HUD Housing Assistance Payments revenue	\$ 24,532,197
Fraud revenue (half of \$63,056 in RNP)	31,528
Total HAP revenue	24,563,725

HAP EXPENSES 24,269,604

EXCESS OF EXPENSES OVER REVENUES 294,121

TRANFERS AND ADJUSTMENTS:

Equity adjustment -

RESTRICTED NET POSITION, June 30, 2023 288,817

RESTRICTED NET POSITION, June 30, 2024 \$ 582,938

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

SCHEDULE OF CLACKAMAS APARTMENTS CASH BALANCE

JUNE 30, 2024

Cash:	
Cash and cash equivalents - unrestricted	\$ (57,716)
Cash and cash equivalents - restricted	<u>129,172</u>
Total	<u>71,456</u>
Less current obligations:	
Trust deed interest payable (15 days of interest)	7
Accounts payable (due within 30 days)	2,212
Accrued expenses	45,909
Tenant/resident security deposits	1,889
Unearned revenue	<u>16,985</u>
Total current obligations	<u>67,002</u>
Cash balance in excess of current obligations	<u><u>\$ 4,454</u></u>

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

SCHEDULE OF CAPITAL FUND PROGRAM

YEAR ENDED JUNE 30, 2024

	<u>Capital Fund Program Grant Approved</u>	<u>Capital Fund Program Grant Expended</u>
Public Housing Capital Fund 2020	<u>\$ 80,770</u>	<u>\$ 80,770</u>
Public Housing Capital Fund 2021	<u>\$ 200,802</u>	<u>\$ 132,922</u>
Public Housing Capital Fund 2022	<u>\$ 758,933</u>	<u>\$ 547,450</u>
Public Housing Capital Fund 2023	<u>\$ 33,475</u>	<u>\$ 33,475</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 (*Government Auditing Standards*), the financial statements of the governmental activities and the aggregate discretely presented component units of the Housing Authority of Clackamas County, Oregon (the Authority), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 22, 2024. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units as described in our report on the Authority's financial statements. The financial statements of Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the aggregate discretely presented component units or that are reported on separately by those auditors who audited the financial statements of Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon
November 22, 2024

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Housing Authority of Clackamas County, Oregon's (the Authority), a component unit of Clackamas County, Oregon, compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Portland, Oregon
November 22, 2024

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

<u>Federal Grantor / Program Title</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
DIRECT FROM:		
U.S. Department of Housing and Urban Development:		
Public and Indian Housing		
OpFund Public Housing	14.850	\$ 2,396,138
Public and Indian Housing		<u>2,396,138</u>
Public Housing Capital Fund	14.872	<u>794,617</u>
Housing Choice Vouchers	14.871	26,731,272
Family Self Sufficiency - Section 8 Escrow	14.871	180,615
Mainstream Vouchers	14.879	2,926,815
Emergency Housing Vouchers	14.EHV	659,379
Housing Voucher Cluster		<u>30,498,081</u>
Residential Opportunity and Supportive Services - Service Coordinators	14.870	<u>21,991</u>
Continuum of Care	14.267	<u>555,992</u>
Total U.S. Department of Housing and Urban Development		<u>34,266,819</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 34,266,819</u>

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

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, 2024

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, 2024. 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 the 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, 2024.

**HOUSING AUTHORITY OF CLACKAMAS COUNTY
(A COMPONENT UNIT OF CLACKAMAS COUNTY, OREGON)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

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, 14.EHV	Housing Voucher Cluster	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs: \$ 1,028,005

Auditee qualified as low-risk auditee? Yes No

**HOUSING AUTHORITY OF CLACKAMAS COUNTY
(A COMPONENT UNIT OF CLACKAMAS COUNTY, OREGON)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Housing Authority Clackamas County (HACC).

A component unit of Clackamas County, Oregon

Summary Schedule of Prior Audit Findings

FINDING 2023-001: Significant Deficiency in Internal Control over Financial Reporting – Timeliness and Accuracy of Reconciliations: **RESOLVED**

The Authority concurred with the above referenced finding and created a response and proposed corrective action plan below.

Response to Audit Finding 2023-001:

- **Identification of Root Causes:** Our analysis indicates that the delays in completing monthly reconciliations are primarily attributed to challenges encountered during the implementation of the new YARDI ERP system. These challenges included mass data migration issues from the prior system to YARDI, insufficient training and familiarization with the new software, and unexpected system configuration challenges.
- **Impact Assessment:** We recognize that the inefficiencies resulting from software implementation issues can have far-reaching implications, such as inaccurate financial reporting, increased risk of errors, and diminished stakeholder confidence. It is imperative that we address these issues promptly to mitigate their impact on our operations.

Corrective Action Plan:

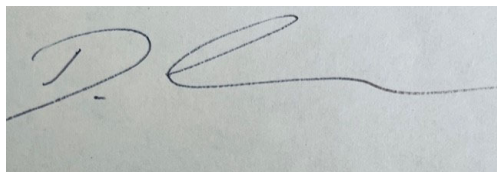
1. **Comprehensive Support and Training:** We will prioritize providing comprehensive support and training to all staff involved in the reconciliation process to ensure they are proficient in using YARDI efficiently and effectively. This will include hiring a new IT programmer analyst to support the ERP system, tailored training sessions with YARDI representatives (already scheduled for a one week, on-location training), user manuals, and access to support resources to address any questions or challenges encountered. **RESOLVED**

2. **Data Migration Review:** We will continue to conduct a thorough review of the data migration process and changes made to identify and rectify any discrepancies or incomplete data sets that may have affected the reconciliation process. This will involve collaborating closely with YARDI representatives to ensure data integrity and accuracy. **RESOLVED**
3. **System Optimization and Testing:** We commit to optimizing the performance of the new ERP system through rigorous testing and troubleshooting to identify and resolve any underlying technical issues or bugs. This may involve working closely with the software vendor to implement patches, updates, or customization to better suit our organization's needs. We have also committed to hiring an IT programmer analyst that will be our resident expert and point source for YARDI issues. First round of interviews for this position are scheduled for April 30th, 2024. **RESOLVED**
4. **Enhanced Communication and Collaboration:** We will improve communication and collaboration channels between relevant programs at the Authority to facilitate the timely resolution of issues and alignment of objectives. Regular meetings and status updates will be instituted to ensure transparency and accountability throughout the software implementation process. **RESOLVED**
5. **Monthly Reconciliations:** Recognizing the inherent risks associated with the timing, the data has been migrated and data integrity assured we have already begun to reconcile monthly and will continue to monitor this process closely in order to mitigate the impact of any unforeseen challenges or disruptions on the reconciliation process. **RESOLVED**
6. **Hiring of Finance Supervisor:** March 18th, 2024, the Authority hired a new Finance Supervisor with many years of experience as a comptroller. **RESOLVED**
7. **Timeline for Implementation:** We understand the urgency of addressing these issues and aim to implement the corrective action plan *immediately* and progress will be ongoing. We will provide regular updates on our progress and milestones achieved to the Auditors and senior management. **RESOLVED**

In conclusion, we have fully committed to resolving the software implementation issues affecting the timeliness of monthly reconciliations and enhancing our financial management processes. We will consider feedback from our business partners and consultants to move forward with efficiency and accuracy. We are currently contracting with a financial consultancy firm who specifically work with Public Housing Authorities (PHA's) to assess, analyze, and recommend improvements to their current financial practices, internal controls, and procedures, and to serve in a technical capacity to consult, train, and assist Finance staff. We are confident that the engagement with this consultant will further improve the Authority's financial management. We appreciate the insights provided through the audit process and welcome any further guidance or support from the Audit Committee in this endeavor.

Darren Chilton, Finance Manager, Housing Authority Clackamas County (HACC)

SIGNATURE:

A rectangular box containing a handwritten signature in black ink. The signature is cursive and appears to read 'D. Chilton'.

REPORT OF INDEPENDENT AUDITORS REQUIRED BY
OREGON STATE REGULATIONS

Report of Independent Auditors Required by Oregon State Regulations

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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the aggregate discretely presented component units of the Housing Authority of Clackamas County, Oregon (the Authority), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 22, 2024. We did not audit the financial statements of Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, or Webster Road Housing LP which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP, are based solely on the report of the other auditors.

Compliance

As part of obtaining reasonable assurance about whether the Authority's basic 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 (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to, the following:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Insurance and fidelity bonds
- Programs funded from outside sources
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the Authority was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that 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 entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of County Commissioners and management of the Authority and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in cursive script that reads "Ashley Osten".

Ashley Osten, Partner, for
Moss Adams LLP
Portland, Oregon
November 22, 2024