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Secretary of State

State of Oregon

**OREGON HOUSING AND  
COMMUNITY SERVICES DEPARTMENT**

For the Years Ended June 30, 2000 and 1999



Audits Division

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**Audits Division**

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*Auditing for a Better Oregon*

The Honorable John Kitzhaber, M.D.  
Governor of Oregon  
254 State Capitol  
Salem, Oregon 97310-4047

Bob Repine, Director  
Oregon Housing and Community Services Department  
1600 State Street  
Salem, Oregon 97301-4246

This report presents the results of our annual audit of the Oregon Housing and Community Services Department (department).

As required by auditing standards, we performed the audit to obtain reasonable assurance about whether the financial statements and accompanying notes have been presented fairly by management. Our Independent Auditor's Report and the financial statements for the years ended June 30, 2000 and 1999, are included in the Financial Section of this report. We concluded that the financial statements are fairly presented in accordance with generally accepted accounting principles.

Auditing standards also require us to review the department's internal control and compliance with applicable laws and regulations. Our report on the results of those reviews is included in the Audit Results section of this report. We noted no instances of noncompliance that are required to be reported under government auditing standards. Similarly, we did not note any material weaknesses in internal control over financial reporting.

We appreciate the cooperation and assistance of the department's management and staff during the course of the audit.

OREGON AUDITS DIVISION

John N. Lattimer  
Director

Fieldwork Completion Date:  
November 3, 2000



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## **SUMMARY**

### **BACKGROUND**

The Oregon Housing and Community Services Department (department) provides financing options for home ownership, rental, and specialized housing and administers federal anti-poverty programs. In addition to receiving federal funds, the department finances its housing programs primarily through the issuance of tax-exempt general obligation and revenue bonds. The department's various bond programs constitute the enterprise funds, which were the subject of our audit.

### **AUDIT PURPOSE**

The audit was conducted for the purpose of reporting on the department's enterprise funds financial statements for the year ended June 30, 2000, and on the internal controls and compliance with applicable laws and regulations.

### **AUDIT RESULTS**

Our audit concluded that the combined financial statements for the Oregon Housing and Community Services Department's enterprise funds are presented fairly. Our review and evaluation of internal controls and tests of compliance with applicable laws and regulations disclosed no significant findings.



## INTRODUCTION

### ORGANIZATION AND FUNCTIONS

The Oregon Housing and Community Services Department (department) was established in 1991 under the provisions of *Oregon Revised Statutes* 456.555. The department's mission is to reach out for opportunities to create partnerships that improve Oregonians lives and the quality of our communities. The department consists of the Director's office and four divisions.

The Director's Office, in addition to managing the overall operations of the department, is responsible for maintaining the department's information, computer, network, and telecommunications resources, and providing technical expertise and assistance to community supported sponsors and local governments in developing "needs driven" affordable housing throughout the state. The office is also responsible for the department's human resource management and the implementation of the department's communication strategy. The governor appoints the director of the department.

The Financial Management Division is responsible for the accounting and financial reporting functions of the department, and administers the department's bonded debt and loan programs.

The Asset and Property Management Division is responsible for ensuring that the department's financial security is maintained and the properties are maintained in a decent, safe and sanitary condition. The division monitors loan and grant properties after they have closed and the projects are in operation.

The Community Services Division is responsible for the community service programs and serves as the link between the federal government and local community action agencies. The division administers programs that provide help for the homeless, weatherization and energy assistance; and it provides technical assistance, planning, research, and dispute resolutions services.

The Housing Division is responsible for the housing finance program operations which provides permanent financing for new and rehabilitated affordable housing using tax-exempt or taxable bond proceeds, Housing Trust Fund and other program resources. The division provides subsidies to affordable housing developments.

The department issues both revenue bonds and general obligation bonds to carry out its housing programs. The amount of revenue bonds issued and outstanding is limited by statute to \$2 billion. General obligation bonds issued and outstanding are not to exceed 0.5 percent of the true cash value of all taxable property in the state. The resulting bond proceeds provide mortgage financing for programs focusing primarily on first-time home buyers, federally subsidized rental units for lower-income households, and housing to meet the special needs of elderly and disabled persons.

The State Housing Council serves as a policy-making board for the department's housing programs, and is responsible for approving any loan or grant in excess of \$100,000, except for single family loans which are reviewed if in excess of \$150,000. The council consists of seven members appointed by the Governor, subject to Senate confirmation, to four-year terms.

The Community Action Directors of Oregon (CADO) is a private, not-for-profit organization which consists of directors of Oregon community action agencies and other private and public agencies. CADO serves as an advisory body to the department on anti-poverty planning and program initiatives.

## **FINANCIAL ACTIVITIES**

The primary sources of funding for the housing programs include bond proceeds, interest on cash and investments, and mortgage principal and interest repayments. These funding sources are used to make real estate loans to qualified individuals and entities, to call bonds, and to meet scheduled debt service payments.

For the year ended June 30, 2000, the housing programs reported operating revenues of \$93.7 million and operating expenses of \$82.1 million. Retained earnings

increased to \$135 million as of June 30, 2000 from \$124 million as of June 30, 1999. As of June 30, 2000, revenue bonds outstanding totaled \$1,059 million. Total general obligation bonds outstanding were \$290 million. Loans receivable, net of an allowance for uncollectible accounts, totaled \$903.0 million.



## **AUDIT RESULTS**





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254 State Capitol  
Salem, Oregon 97310-4047

Bob Repine, Director  
Oregon Housing and Community Services Department  
PO Box 14508  
Salem, Oregon 97309-0409

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

We have audited the enterprise fund financial statements of the Oregon Housing and Community Services Department (department), as of and for the year ended June 30, 2000, and have issued our report thereon dated November 3, 2000. We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the

internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Oregon Housing and Community Services Department's management, the governor of the state of Oregon, and the Oregon Legislative Assembly and is not intended to be and should not be used by anyone other than those specified parties.

#### OREGON AUDITS DIVISION

Sharron E. Walker, CPA, CFE  
Deputy Director

Fieldwork Completion Date:  
November 3, 2000

## **COMMENDATION**

The courtesies and cooperation extended by officials and employees of the Oregon Housing and Community Services Department during the course of this review were commendable and sincerely appreciated.

## **AUDIT TEAM**

Joel Leming, CPA, Audit Administrator

Jason Stanley, CPA

Pamela Stroebe, CPA

Debbie Ferguson

Cynthia Hubbard

Silvar Storm



**FINANCIAL SECTION**





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Bob Repine, Director  
Oregon Housing and Community Services Department  
PO Box 14508  
Salem, Oregon 97309-0409

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying combined financial statements of the enterprise funds of the state of Oregon Housing and Community Services Department as of and for the years ended June 30, 2000 and 1999. These financial statements are the responsibility of the department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform these audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the combined financial statements present only the enterprise funds and are not intended to present fairly the financial position of the state of Oregon Housing and Community Services Department, and the results of its operations and cash flows of its governmental fund types, fiduciary fund types, and account groups in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the enterprise funds of the state of Oregon Housing and Community Services Department as of June 30, 2000 and 1999, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the enterprise funds combined financial statements taken as a whole. The combining enterprise funds financial statements are presented for purposes of additional analysis and are not a required part of the enterprise funds combined financial statements of the department. Such information has been subjected to the auditing procedures applied in the audit of the enterprise funds combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the enterprise funds combined financial statements taken as a whole.

The other data in this report, designated as the statistical section and supplementary information in the table of contents, is presented for the purpose of additional analysis and is not a required part of the enterprise funds combined financial statements. This information has not been subjected to the auditing procedures applied in the audits of the enterprise funds combined financial statements and, accordingly, we do not express an opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2000, on our consideration of the enterprise fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and trust indentures. That report is separately presented in the AUDIT RESULTS section of this report.

OREGON AUDITS DIVISION

Sharron E. Walker, CPA, CFE  
Deputy Director

November 3, 2000

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**COMBINED BALANCE SHEETS**  
 PROPRIETARY FUND TYPE  
 JUNE 30, 2000 AND 1999

	<b>Enterprise Funds</b>	
	<u>2000</u>	<u>Totals</u> 1999
<b><u>Assets</u></b>		
Cash and Cash Equivalents	\$ 54,146,367	\$ 77,604,596
Securities Lending Cash Collateral	4,503,500	6,662,430
Investments	542,800,226	551,622,578
Accrued Interest Receivable	10,340,765	10,546,434
Accounts Receivable	14,210	484,805
Interfund Receivable	404,260	175,201
Prepaid Expenses	111,313	31,611
Loans Receivable (Net)	902,954,349	743,343,154
Acquired Property	333,700	848,504
Deferred Charges	13,436,006	12,276,745
Fixed Assets (Net)	435,222	936,867
Advances to Other Funds	75,000	75,000
<b>Total Assets</b>	<b>\$ 1,529,554,918</b>	<b>\$ 1,404,607,925</b>
<b><u>Liabilities and Fund Equity</u></b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 952,434	\$ 1,187,410
Vacation Payable	273,943	262,773
Interfund Payable	302,493	123,770
Deferred Income	49,986	38,988
Trust Funds Payable	1,430,749	398,002
Obligations Under Securities Lending	4,503,500	6,662,430
Accrued Interest Payable	32,378,541	29,571,659
Matured Bonds and Interest Payable	534,798	702,758
Bonds Payable	1,349,889,751	1,238,014,917
Loans Payable	75,000	268,500
Arbitrage Rebate Liability	3,460,617	2,426,984
<b>Total Liabilities</b>	<b>1,393,851,812</b>	<b>1,279,658,191</b>
<b>Fund Equity:</b>		
Contributed Capital	906,154	906,154
Retained Earnings	134,796,952	124,043,580
<b>Total Fund Equity</b>	<b>135,703,106</b>	<b>124,949,734</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,529,554,918</b>	<b>\$ 1,404,607,925</b>

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

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
 PROPRIETARY FUND TYPE  
 FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	<b>Enterprise Funds</b>	
	<u>2000</u>	<u>Totals</u> <u>1999</u>
<b><u>Operating Revenues:</u></b>		
Interest on Loans	\$ 59,712,811	\$ 51,599,437
Investment Income	29,165,409	21,504,499
Transfer/Commitment Fees	3,137,948	1,526,166
Administrative Fees	839,522	587,101
Mortgage Credit Certificate Fees	150	570
Low Income Housing Tax Credit Fees	582,379	510,704
Gain on Sale of Foreclosed Property	61,394	24,315
Miscellaneous Revenue	213,103	196,198
<b>Total Operating Revenues</b>	<u>93,712,716</u>	<u>75,948,990</u>
<b><u>Operating Expenses:</u></b>		
Interest on Bonds	68,769,372	60,580,845
Mortgage Service Fees	2,132,604	1,693,703
Foreclosure Costs	43,269	40,161
Bad Debt Expense	(89,255)	132,070
Amortization of Deferred Bond Issuance Costs	1,575,026	1,251,314
Real Estate Owned Expenses	750	1,716
Interest on Loans	29,377	3,968
Loss on Disposition of Fixed Assets	6,507	3,377
Other Related Program Expenses	1,249,465	1,260,801
Administrative Costs:		
Personal Services	4,764,953	4,370,317
Services and Supplies	3,077,230	2,911,380
Depreciation/Amortization	515,674	460,439
<b>Total Operating Expenses</b>	<u>82,074,972</u>	<u>72,710,091</u>
<b>Operating Income (Loss)</b>	<u>11,637,744</u>	<u>3,238,899</u>
<b><u>Operating Transfers-In (Out):</u></b>		
Operating Transfers-In	18,228,794	12,449,422
Operating Transfers-Out	(18,228,787)	(12,449,383)
<b>Total Operating Transfers-In (Out)</b>	<u>7</u>	<u>39</u>
<b>Net Income (Loss) Before Extraordinary Items</b>	11,637,751	3,238,938
Extraordinary Loss from Bond Call	(884,379)	(500,822)

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

EXHIBIT B (CONTINUED)

	<b>Enterprise Funds</b>	
	<u>2000</u>	<u>Totals</u>
<b>Net Income (Loss)</b>	<u>10,753,372</u>	<u>2,738,116</u>
<b>Retained Earnings – Beginning</b>	<u>124,043,580</u>	<u>121,305,464</u>
<b>Retained Earnings – Ending</b>	<u><b>\$ 134,796,952</b></u>	<u><b>\$ 124,043,580</b></u>

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**COMBINED STATEMENTS OF CASH FLOWS**  
 PROPRIETARY FUND TYPE  
 FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	<u>Enterprise Funds</u>	
	<u>2000</u>	<u>Totals</u> <u>1999</u>
<b><u>Cash Flows from Operating Activities:</u></b>		
Operating Income (Loss)	\$ 11,637,744	\$ 3,238,899
<b><u>Adjustments to Reconcile Operating Income to Net Cash</u></b>		
<b><u>Provided by Operating Activities:</u></b>		
Depreciation and Amortization	515,674	460,439
Amortization of Deferred Bond Issue Costs	1,575,026	1,251,314
Interest Income on Cash and Investments	(29,165,409)	(21,504,499)
Interest Expense on Securities Lending	389,209	331,776
Interest Expense on Bonds	68,769,372	60,580,845
Interest Expense on Loans	29,377	3,968
Loss on Disposition of Assets	6,507	3,377
<b><u>(Increase)/Decrease in Assets:</u></b>		
Loan Interest Receivable	(208,180)	(256,827)
Accounts Receivable	470,595	(243,335)
Interfund Receivable	(229,059)	14,285
Prepaid Expenses	(79,702)	40,662
Loans Receivable (Net)	(159,611,195)	(86,757,476)
Acquired Property	514,804	(612,380)
<b><u>Increase/(Decrease) in Liabilities:</u></b>		
Accounts Payable	(398,710)	296,747
Vacation Payable	11,170	54,806
Interfund Payable	178,723	31,643
Deferred Income	10,998	(5,006)
Trust Funds Payable	1,032,747	(4,733,262)
Matured Bonds and Interest Payable	(167,960)	(345,791)
<b>Total Adjustments</b>	<u>(116,356,013)</u>	<u>(51,388,714)</u>
<b>Net Cash Provided (Used) in Operating Activities</b>	<u>(104,718,269)</u>	<u>(48,149,815)</u>

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

	<b>Enterprise Funds</b>	
	<u>2000</u>	<u>Totals</u> <u>1999</u>
<b>Net Cash Provided (Used) in Operating Activities</b>	<u>(104,718,269)</u>	<u>(48,149,815)</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>		
Proceeds from Bond Sales	405,125,945	385,854,455
Principal Payments on Bonds	(293,050,000)	(162,835,000)
Interest Payments on Bonds	(66,165,550)	(59,006,836)
Loan Proceeds	512,500	268,500
Principal Payments on Loans	(706,000)	-
Interest Payments on Loans	(30,779)	-
Operating Transfers–In	18,228,794	12,449,422
Operating Transfers–Out	(18,228,787)	(12,449,383)
Bond Issue Costs	(3,358,653)	(2,838,771)
Bond Call Costs	(92,928)	(780)
Interest Paid on Securities Lending	(389,209)	(331,776)
<b>Net Cash Provided (Used) in Noncapital Financing Activities</b>	<u>41,845,333</u>	<u>161,109,831</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>		
Acquisition of Capital Assets	(20,536)	(342,185)
<b>Net Cash Provided (Used) in Capital and Related Financing Activities</b>	<u>(20,536)</u>	<u>(342,185)</u>
<b><u>Cash Flows from Investing Activities:</u></b>		
Purchase of Investments	(1,094,274,682)	(752,885,785)
Proceeds from Sales and Maturities of Investments	1,108,154,793	633,489,166
Interest on Cash and Investments	25,165,923	22,057,826
Investment Income on Securities Lending	389,209	331,776
<b>Net Cash Provided (Used) in Investing Activities</b>	<u>39,435,243</u>	<u>(97,007,017)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(23,458,229)</u>	<u>15,610,814</u>
<b>Cash and Cash Equivalents Balance – Beginning</b>	<u>77,604,596</u>	<u>61,993,782</u>
<b>Cash and Cash Equivalents Balance – Ending</b>	<u><b>\$ 54,146,367</b></u>	<u><b>\$ 77,604,596</b></u>
<b>Noncash Investing, Capital, and Financing Activities:</b>		
Foreclosed Property	<u><b>\$ 791,815</b></u>	<u><b>\$ 1,245,971</b></u>



STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PROPRIETARY FUND TYPE – ENTERPRISE FUNDS**  
JUNE 30, 2000

The accompanying financial statements of the Oregon Housing and Community Services Department (OHCS D) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the American Institute of Certified Public Accountants. Under GASB Statement No. 20, OHCS D does not apply FASB pronouncements issued after November 30, 1989, for proprietary activities, unless GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.

**NOTE 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

OHCS D is a part of the State of Oregon reporting entity. OHCS D currently operates under the provisions of Sections 456.515 to 456.725 of the Oregon Revised Statutes.

Through sales of bonds, OHCS D finances home ownership and multi-family units for elderly, disabled, and lower to moderate-income persons. OHCS D has issued \$2,340,854,183 in revenue bonds for the Single-Family Mortgage Program, \$19,065,000 in revenue bonds for the Loans to Lenders Program, \$185,135,000 in revenue bonds for the Assisted or Insured Multi-Unit Program, and \$78,325,000 in revenue bonds for Multifamily Housing Revenue Bonds. OHCS D has issued \$442,030,000 in State of Oregon general obligation bonds for the Elderly and Disabled Housing Program. State of Oregon general obligation bonds are authorized by Oregon Constitution Article XI-I(2).

The combined financial statements and notes include only the bonded debt financial activity of OHCS D. OHCS D operates other programs which have no impact on the bond related activity of OHCS D. The financial activity for these non-bond related programs is presented as supplementary information following the statistical section.

**B. Basis of Presentation – Fund Accounting**

OHCS D programs and accounts are organized by "funds," each of which is a separate accounting entity. Each major program utilizes a separate set of self-balancing accounts to record the assets, liabilities, retained earnings, revenues, and expenses of their activities. All bond programs are classified in the proprietary fund type. The proprietary fund type contains two types of funds: Enterprise Funds and Internal Service Funds. All bond programs of OHCS D are accounted for in the Enterprise Funds.

**Proprietary Fund**

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. OHCS D utilizes two enterprise funds which are differentiated primarily by the type of bond financing employed to support their respective programs:

- (1) The Housing Finance Fund accounts for programs that are supported by revenue bond financing, including the Assisted or Insured Multi-Unit, Multifamily Housing, and Single-Family Mortgage Programs. General and administrative costs of these programs are accounted for in the Housing Finance Account. The Combined Program Account is maintained to act as a reserve against possible deficiencies that may arise in the payment of debt service or related expenses of the Assisted or Insured Multi-Unit and Single-Family Mortgage Programs.

**Notes to the Financial Statements** (Continued)  
Proprietary Fund Type — Enterprise Funds  
June 30, 2000

- (2) The Elderly and Disabled Housing Program accounts for activities, including applicable administrative costs, that are primarily financed by general obligation bonds of the State of Oregon.

**C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All proprietary fund types are accounted for using the flow of economic resources measurement focus and are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time related liabilities are incurred. All assets and liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings. Proprietary fund operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

**D. Budgets**

The Oregon Legislature approves budgets for a biennial period. Operating expenses are subject to limitation and bond related expenses are subject to administrative limitation. Both types of limitation lapse at the end of the biennium. Budgets are adopted on a basis which differs from generally accepted accounting principles and financial reporting standards in the treatment of bond proceeds and loan purchases. For budgetary purposes, these transactions are treated on a cash basis and other operating revenues and expenses are on an accrual basis.

**E. Cash Equivalents**

For purposes of the Statement of Cash Flows, all OHCS D moneys held in the State Treasury Oregon Short Term Fund and moneys held in money market funds are considered to be cash equivalents. All short term U.S. Treasury and U.S. Agency securities and repurchase agreements are considered to be investments.

**F. Investments**

OHCS D's investments are stated at fair value. Investment fair value is determined using quoted market prices. Securities lending cash collateral reinvested by the State Treasury Oregon Short Term Fund in short-term debt investments with remaining maturities of up to ninety days on June 30, 2000 is reported at amortized cost.

**G. Receivables**

Receivables are shown net of an allowance for uncollectible accounts. Receivables included are amounts due that represent revenues earned or accrued in the current period. Types included in this classification relate to interest, mortgage loans receivable, and other miscellaneous receivables.

**Notes to the Financial Statements** (Continued)  
Proprietary Fund Type — Enterprise Funds  
June 30, 2000

**H. Short-term Interfund Receivable/Payable**

During the course of operations, many transactions occur between individual funds for various reasons. These receivables and payables are classified as "Interfund Receivables" and "Interfund Payables" on the balance sheet.

**I. Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items.

**J. Acquired Property**

Acquired properties resulting from mortgage foreclosures are stated at the lower of cost or fair market value. Cost is defined as the outstanding balance of the mortgage loan, plus major repairs, less any mortgage insurance payments received. Costs relating to the acquisition of such properties are charged to expense as they are incurred.

**K. Fixed Assets**

Fixed assets are reported at historical cost or estimated historical cost if the original cost is not determinable. Donated fixed assets are reported at their estimated fair market value at the time received. Fixed assets costing less than \$5,000 or having a useful life of less than two years are not capitalized.

Depreciation or amortization of fixed assets is charged as an expense against operations over the estimated useful life using the straight-line method of depreciation. The estimated useful life of all fixed assets is three years.

**L. Deferred Charges**

Bond issuance costs, including underwriters' discounts, are reflected as deferred charges and amortized over the term of the related bond issue using the bonds-outstanding method of amortization.

**M. Restricted Assets and Retained Earnings**

The use of all cash, cash equivalents, and investments of the Enterprise Fund are generally restricted as to purpose and use by the Bond Declarations and Indentures of Trust. The bond program funds are restricted for acquisition of loans, payment of debt service, and payment of operating costs. Individual reserve accounts have been established to meet certain requirements and the balances of these accounts as of June 30, 2000 were sufficient to meet all legal requirements.

**N. Compensated Absences**

Employees accrue vacation leave at various accrual rates and may generally be paid for up to a maximum of 250 hours of accrued vacation leave at termination. Accumulated vacation leave that is expected to be paid within 90 days is reported as an expense. Accumulated vacation leave is recorded as an expense and a liability of those funds as the benefits accrue to the employees. No liability is recorded for nonvesting, accumulated sick pay benefits.

**Notes to the Financial Statements** (Continued)  
 Proprietary Fund Type — Enterprise Funds  
 June 30, 2000

**O. Bond Discounts, Premiums, and Interest Accretion**

Bond discount or premium arising from the sale of serial or term bonds is charged or credited to interest expense over the life of the related bond issue using the bonds-outstanding method of amortization.

The capital appreciation bonds and deep discount bonds increase in value based on the initial yield to maturity as set forth in Accreted Value Tables in the bond issue's Official Statement. This increase in value is reflected as an increased liability in bonds payable on the Combined Balance Sheet and as interest expense on the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings.

**P. Comparative Data and Reclassifications**

Comparative total data for the prior year is presented in selected sections of this report in order to provide an understanding of the changes in OHCS D's financial position and operations. Certain prior amounts have been reclassified so that they conform with the current presentation. Additional information about the prior year can be found in OHCS D's Annual Financial Report for the year ended June 30, 1999.

**NOTE 2. Cash and Cash Equivalents, Investments, and Security Lending**

Deposits: At June 30, 2000, the book balance of cash and cash equivalents was \$54,146,367. The bank balance was \$52,762,410 of which \$50,190,810 was held in demand accounts with the State Treasurer and amounts invested in the Oregon Short Term Fund. State Treasurer demand deposit accounts and time certificates of deposit investments of the Short Term Fund held in state banks are insured or collateralized in excess of FDIC coverage for a minimum of 25 percent in accordance with State statute. Money market accounts held by the Bond Trustees as agents totaled \$2,036,802, of which \$200,000 was insured by FDIC. Cash with Fiscal Agent was \$534,798, of which \$310,586 was held by the bond trustees and \$224,212 held by Bank of New York. The funds held by the trustees are collateralized with securities held by their Trust Departments, but not in the State's name. The funds held by Bank of New York are backed by the faith and credit of Bank of New York, and are neither insured nor collateralized.

Securities in the Short Term Fund are held by the Treasury's agent in the name of the State of Oregon. They consist of 51 percent in government securities and 49 percent in time certificates of deposit, bankers acceptances, and other short-term commercial paper. Earnings on the Short Term Fund are allocated based on daily account balances.

Cash	\$ 50,314,735
Cash with Fiscal Agent	534,798
Money Market Accounts held by Bond Trustees	3,296,834
Total Cash and Cash Equivalents	<u>\$ 54,146,367</u>

Investments: The Bond Indentures authorize OHCS D to invest in direct obligations of, or obligations guaranteed by, the United States of America; bonds, debentures, notes, participation certifications, or other similar obligations issued by specified Federal Agencies; specified Public Housing Bonds; direct and general obligations of or obligations guaranteed by the State; investment agreements, secured or unsecured, with any institution whose debt securities are rated at least equal to the then existing rating on the bonds by the rating agencies; and deposits in interest-bearing time or demand deposits, or certificates of deposit secured by obligations described above. These are permissible investments under State statute. The Elderly and Disabled Housing Program Indenture also permits other investments for the State of Oregon under this statute.

**Notes to the Financial Statements** (Continued)  
**Proprietary Fund Type — Enterprise Funds**  
**June 30, 2000**

Investments at year-end included \$67,576,101 held by the State Treasurer in U.S. Treasury securities. Investments with the State Treasurer are held with the State Treasurer's agent in the name of the State of Oregon and segregated in the Treasurer's records in OHCS D's name.

Additional investments were held by the Trust Departments of the Bond Trustees as agents in OHCS D's name. Total Trust Departments investments consisted of \$392,529,174 in U.S. government securities and \$82,694,950 in repurchase agreements. Repurchase agreements are collateralized with securities held by a custodian in OHCS D's name.

OHCS D's investments are categorized below to give an indication of the level of risk assumed by OHCS D at year-end. Category 1 includes investments that are insured or registered, with securities held by OHCS D or its agent in OHCS D's name. Category 2 includes uninsured and unregistered investments, with securities held by the counterparty's trust department or agent in OHCS D's name. Category 3 includes uninsured and unregistered investments, with the securities held by the counterparty or by its trust department or agent but not in OHCS D's name.

	Risk Category			Reported Amount	Fair Value
	- 1 -	- 2 -	- 3 -		
U.S. Government and Agency Securities	\$ 460,105,276	\$ -	\$ -	\$ 460,105,276	\$ 460,105,276
Repurchase Agreements	82,694,950	-	-	82,694,950	82,694,950
Subtotal	<u>\$ 542,800,226</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 542,800,226	\$ 542,800,226
Not Categorized:					
Securities Lending short-term collateral Investment Pool				4,496,318	4,496,318
Investments held by broker-dealers under securities loans with cash collateral:					
U.S. Government and Agency Securities				<u>4,392,249</u>	<u>4,392,249</u>
Subtotal				\$ 551,688,793	\$ 551,688,793
Less: Balances treated as Cash and Cash Equivalents on the Balance Sheet				(4,496,318)	(4,496,318)
Less: Balances treated as Securities Lending Cash Collateral on the Balance Sheet				<u>(4,392,249)</u>	<u>(4,392,249)</u>
Total Investments				<u>\$ 542,800,226</u>	<u>\$ 542,800,226</u>

**Securities Lending:** In accordance with State of Oregon investment policies, state agencies may participate in securities lending and the State has, through Securities Lending Authorization Agreements, authorized its custodians to lend the State's securities pursuant to a form of loan agreement. There have been no significant violations of the provisions of securities lending agreements during the period of these financial statements. During the year, the State's custodian lent short-term and fixed income securities and received as collateral U.S. dollar cash, U.S. government and agency securities, or letters of credit. Borrowers were required to deliver collateral for each loan equal to not less than 102 percent of the market value of the loaned security. The custodians did not have the ability to pledge or sell collateral securities absent a borrower default and the State did not impose any restrictions during the fiscal year on the amount of loans the custodian made on its behalf. The State, through its Securities Lending Agreements, is fully indemnified against borrower default. There were no losses during the year from the failure of borrowers to return loaned securities and no recoveries of amounts from prior losses.

The maturities of investments made with cash collateral during the year generally do not match the maturities of their securities loans. On June 30, 2000, the State had no credit risk exposure to borrowers. On June 30, 2000, OHCS D had no securities on loan.

OHCS D's cash balances are invested in the Oregon Short Term Fund (OSTF), as is the cash of other state agencies. As of June 30, 2000, the fair value of the collateral held and of securities on loan, including accrued income, from the OSTF was \$484,654,040 and \$496,137,329 respectively. OHCS D's allocated portion of the securities on loan and the related collateral is presented in the accompanying schedule of investments.

**Notes to the Financial Statements** (Continued)  
Proprietary Fund Type — Enterprise Funds  
June 30, 2000

**NOTE 3. Loans Receivable**

Loans receivable on June 30, 2000, consisted of:

	Loans Receivable	Less: Allowance for Uncollectible Accounts	Loans Receivable (Net)
Housing Finance Account	\$ 1,489,160	\$ (43,291)	\$ 1,445,869
Housing Finance Revenue Bonds	19,772,491	—	19,772,491
Mortgage Revenue Bonds	569,321,013	—	569,321,013
Assisted or Insured Multi-Unit Program	57,103,171	(120,646)	56,982,525
Multifamily Housing Revenue Bonds	44,869,950	(92,419)	44,777,531
Elderly and Disabled Housing Program	<u>211,669,400</u>	<u>(1,014,480)</u>	<u>210,654,920</u>
Total	<u>\$ 904,225,185</u>	<u>\$ (1,270,836)</u>	<u>\$ 902,954,349</u>

The Single-Family Mortgage Program provides financing for single-family homes for below median income home buyers. These loans are collateralized by first lien mortgages on the applicable real estate. Of the total mortgage principal balance outstanding, 79 percent is federally insured or guaranteed, 16 percent is covered by pool insurance and/or private mortgage insurance and 5 percent is uninsured. Based on prior experience, OHCS D does not anticipate any material loss in the collection of mortgage loans receivable or in the disposition of acquired properties.

The Assisted or Insured Multi-Unit Program provides permanent mortgage financing to qualified sponsors of multi-unit housing developments for persons of lower income within the State of Oregon. The mortgage loans made under this program must be either federally insured or made to finance housing for persons eligible for federal or state housing assistance.

Multifamily Housing Revenue Bonds finance mortgage loans for multi-family housing developments within the State that primarily contain housing units for persons or families of lower and moderate income.

The Elderly and Disabled Housing Program provides permanent mortgage financing for the construction or rehabilitation of structures or facilities which serve elderly or disabled persons.

OHCS D uses the allowance method to estimate uncollectible mortgage loans receivable. The composition of the loan portfolio is evaluated considering past loss experience, current economic conditions, amount of mortgage insurance, and the likelihood of properties being foreclosed upon. This evaluation, in management's judgment, is adequate to provide for potential losses.

**NOTE 4. Fixed Assets**

A summary of OHCS D's fixed assets at June 30, 2000 follows:

	Housing Finance Account	Elderly & Disabled Housing Program	Total
Equipment/Furniture	\$ 1,396,094	\$ 5,848	\$ 1,401,942
Data Processing Software	215,866	—	215,866
Leasehold Improvements	61,759	7,219	68,978
Less Depreciation/Amortization	<u>(1,240,929)</u>	<u>(10,635)</u>	<u>(1,251,564)</u>
Total Fixed Assets (Net)	<u>\$ 432,790</u>	<u>\$ 2,432</u>	<u>\$ 435,222</u>

**Notes to the Financial Statements** (Continued)  
Proprietary Fund Type — Enterprise Funds  
June 30, 2000

**NOTE 5. Interfund Transactions**

The following schedule summarizes interfund receivables and payables for the year ended June 30, 2000:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Housing Finance Account	\$ 230,389	\$ 173,871
Mortgage Revenue Bonds	173,871	72,144
Elderly and Disabled Housing Program	—	56,478
Total	<u>\$ 404,260</u>	<u>\$ 302,493</u>

The difference of \$101,767 between interfund receivables and payables is attributable to activity in OHCS D's governmental and trust funds that is not reflected in the financial statements.

The following schedule summarizes operating transfers for the year ended June 30, 2000:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Housing Finance Account	\$ 10,189,094	\$ 7,029,700
Combined Program Account	1,000,000	1,000,000
Housing Finance Revenue Bonds	—	3,250,000
Mortgage Revenue Bonds	6,010,000	1,500,000
Assisted or Insured Multi-Unit Program	10,000	5,241,893
Multifamily Housing Revenue Bonds	1,019,700	—
Elderly and Disabled Housing Program	—	207,194
Total	<u>\$ 18,228,794</u>	<u>\$ 18,228,787</u>

The difference of \$7 between transfers-in and transfers-out is attributable to activity in OHCS D's governmental and trust funds that is not reflected in the financial statements.

**NOTE 6. Long Term Debt**

Since OHCS D's inception in 1977, revenue and general obligation bonds and notes totaling \$3,090,294,183 have been issued, of which \$1,348,969,827 was outstanding at June 30, 2000. All issues of interim housing and construction loan revenue notes totaling \$24,885,000 were repaid prior to fiscal year 1988.

The following table summarizes bond issues by program and series as of June 30, 2000:

**Revenue Bonds**

Single Family Mortgage Program

**Housing Finance Revenue Bonds**

Series	Due Dates	Interest Range		Bonds Issued	Bonds Outstanding
		From	To		
1977 A	1979-2009	4.550	8.000%	\$ 43,800,000	\$ 10,930,000
1978 A	1979-2009	4.250	6.700%	55,945,000	2,720,000
1978 B	1980-2009	4.700	6.625%	48,000,000	4,050,000
1980 A	1981-2011	6.600	8.500%	100,000,000	—
1980 B	1981-2011	6.700	9.500%	42,000,000	—
1982 A	1985-2014	6.500	11.375%	111,969,082	—
1983 A	1995-1997	9.500	9.625%	14,925,000	—
1985 A	1986-2016	6.000	10.500%	25,000,512	—
1985 B	1986-2016	5.750	10.750%	40,003,986	—
1985 C	1987-2017	6.000	10.000%	30,001,101	—
Total				<u>\$ 511,644,681</u>	<u>\$ 17,700,000</u>

**Notes to the Financial Statements** (Continued)  
**Proprietary Fund Type — Enterprise Funds**  
**June 30, 2000**

**Mortgage Revenue Bonds**

Series	Due Dates	Interest Range		Bonds	
		From	To	Issued	Outstanding
1988 A	1990-2014	5.400	7.750%	\$ 19,215,362	\$ —
1988 B	2019	8.500	8.500%	784,313	—
1988 C	1991-2017	6.900	7.700%	27,545,000	—
1989 A	2016	6.300	6.300%	25,000,000	—
1990 A	1991-2016	5.900	7.450%	25,000,000	—
1990 B	2016	6.250	6.250%	25,000,000	—
1990 C	2020	7.700	7.700%	10,645,000	—
1990 D	1992-2014	6.000	7.350%	6,960,000	—
1990 E	2021	7.600	7.600%	5,540,000	—
1990 F	2014	6.125	6.125%	5,540,000	—
1990 G	2016	6.250	6.250%	4,460,000	—
1991 A	1992-2015	5.000	7.200%	30,540,000	—
1991 B	2020	7.375	7.375%	18,650,000	—
1991 C	2016	4.800	4.800%	44,000,000	—
1991 D	1993-2027	4.750	6.800%	21,250,000	19,760,000
1991 E	1993-2016	4.750	6.750%	17,305,000	—
1991 F	2022	7.000	7.000%	6,345,000	—
1991 G	1994-2027	3.750	6.800%	25,000,000	—
1992 A	1994-2016	4.500	6.800%	32,874,827	3,469,827
1992 B	2028	6.875	6.875%	47,670,000	44,555,000
1992 C	1994-2016	2.400	5.550%	20,585,000	13,200,000
1992 D	2019	5.650	5.650%	4,415,000	3,175,000
1993 A	1994-2024	2.750	5.450%	36,720,000	28,705,000
1993 B	1995-2017	3.250	5.375%	18,795,000	13,330,000
1993 C	1994	2.800	2.800%	8,465,000	—
1994 A	1995-2018	3.750	6.400%	18,150,000	12,900,000
1994 B	2024	5.850	5.850%	6,850,000	2,060,000
1994 C	1996-2016	4.200	6.250%	12,440,000	10,350,000
1994 D	2020-2024	6.125	6.500%	10,610,000	4,755,000
1994 E	1996-2025	5.000	7.150%	35,000,000	—
1995 A	1996-2026	4.400	6.450%	25,000,000	20,285,000
1995 B	1997-2012	3.900	6.000%	9,800,000	8,485,000
1995 C	2015-2026	6.200	6.400%	20,200,000	15,825,000
1995 D	1996	4.100	4.100%	35,000,000	—
1995 E	1997-2027	4.000	6.000%	25,000,000	22,100,000
1995 F	2028	3.550	3.550%	24,740,000	—
1996 A	2008-2016	5.500	6.000%	6,465,000	6,405,000
1996 B	1998-2027	4.200	6.200%	18,535,000	15,185,000
1996 C	1997	3.850	3.850%	25,000,000	—
1996 D	1998-2027	4.300	6.375%	27,300,000	24,780,000
1996 E	2027	7.650	7.650%	3,700,000	—
1996 F	2016	4.000	4.000%	3,880,000	—
1996 G	2027	4.050	4.050%	9,315,000	—
1996 H	1998-2027	4.050	6.000%	27,300,000	26,505,000
1996 I	2027	6.860	6.860%	3,700,000	615,000
1996 J	1997	3.550	3.550%	4,275,000	—
1996 K	1997	3.650	3.650%	47,845,000	—
1997 A	1999-2027	4.600	6.200%	25,000,000	24,635,000
1997 B	2028	7.500	7.500%	4,750,000	2,275,000
1997 C	2018	3.950	3.950%	16,165,000	—
1997 D	2027	4.050	4.050%	10,650,000	—
1997 E	1999-2015	3.900	5.250%	8,475,000	8,130,000
1997 F	2017-2028	5.500	5.650%	14,025,000	13,895,000
1997 G	2028	6.700	6.700%	7,500,000	6,375,000
1997 H	1999-2028	4.000	5.650%	33,570,000	33,065,000
1997 I	2028	6.640	6.640%	7,500,000	6,505,000
1997 J	1998	3.850	3.850%	4,595,000	—
1997 K	1998	3.875	3.875%	47,450,000	—
1998 A	2000-2015	4.000	5.150%	10,655,000	10,625,000
1998 B	2018-2029	4.900	5.450%	19,345,000	18,990,000
1998 C	1999	3.750	3.750%	52,620,000	—
1998 D	2000-2029	3.850	5.300%	35,000,000	35,000,000
1998 E	1999	3.600	3.600%	36,140,000	—
1998 F	1999	3.650	3.650%	21,330,000	—

**Notes to the Financial Statements** (Continued)  
**Proprietary Fund Type — Enterprise Funds**  
**June 30, 2000**

1998 G	2000-2029	3.650	5.250%	35,000,000	34,350,000
1998 H	2015	3.100	3.100%	2,025,000	—
1998 I	2030	3.150	3.150%	29,235,000	—
1999 A	2001-2027	3.600	5.150%	25,480,000	25,480,000
1999 B	2030	5.250	5.250%	5,450,000	5,320,000
1999 C	2000	3.150	3.150%	37,615,000	—
1999 D	2000	3.200	3.200%	12,610,000	—
1999 E	2019-2027	4.850	5.400%	20,350,000	20,350,000
1999 F	2001-2028	3.850	5.500%	14,650,000	14,650,000
1999 G	2000	3.450	3.450%	46,310,000	—
1999 H	2000	3.480	3.480%	13,895,000	—
1999 I	2001-2020	4.100	5.550%	25,555,000	25,555,000
1999 J	2023-2030	5.200	5.750%	29,320,000	29,320,000
1999 K	2000	3.580	3.580%	30,000,000	30,000,000
1999 L	2013-2020	5.750	6.050%	10,000,000	10,000,000
1999 M	2002-2031	4.650	6.200%	32,260,000	32,260,000
1999 N	2000	3.850	3.850%	22,180,000	22,180,000
1999 O	2000	3.950	3.950%	2,210,000	2,210,000
2000 A	2001-2028	4.300	6.050%	18,265,000	18,265,000
2000 B	2025-2030	5.750	6.250%	16,735,000	16,735,000
2000 C	2001	4.250	4.250%	22,240,000	22,240,000
2000 D	2001	4.300	4.300%	3,540,000	3,540,000
2000 E	2002-2030	4.850	6.150%	29,160,000	29,160,000
2000 F	2028	6.250	6.250%	20,840,000	20,840,000
2000 G	2000-2001	4.300	4.500%	81,105,000	81,105,000
Total Mortgage Revenue Bonds				<u>\$ 1,829,209,502</u>	<u>\$ 899,499,827</u>
Total Single Family Mortgage Program				<u>\$ 2,340,854,183</u>	<u>\$ 917,199,827</u>

Loans to Lenders Program

Series	Due Dates	Interest Range		Bonds	Bonds
		From	To	Issued	Outstanding
1977 A	1978-1987	4.650	6.500%	\$ 19,065,000	\$ —
Total Loans to Lenders Program				<u>\$ 19,065,000</u>	<u>\$ —</u>

Assisted or Insured Multi-Unit Program

Series	Due Dates	Interest Range		Bonds	Bonds
		From	To	Issued	Outstanding
1978 A	1981-2010	5.250	7.250%	\$ 26,150,000	\$ —
1979 A	1982-2012	5.300	6.900%	34,660,000	—
1981 A	1984-2013	7.500	10.500%	17,775,000	—
1981 B	1984-2013	9.000	13.000%	18,175,000	—
1991 A	1992-2013	4.700	6.800%	15,665,000	12,205,000
1991 B	1992-2013	4.700	6.800%	18,270,000	14,235,000
1991 C	1993-2022	5.000	6.850%	5,985,000	610,000
1993 A	1994-2012	2.800	5.750%	48,455,000	36,845,000
Total Assisted or Insured Multi-Unit Program				<u>\$ 185,135,000</u>	<u>\$ 63,895,000</u>

Multifamily Housing Revenue Bonds

Series	Due Dates	Interest Range		Bonds	Bonds
		From	To	Issued	Outstanding
1996 A	1999-2028	4.650	6.200%	\$ 4,505,000	\$ 4,450,000
1997 A	1999-2029	4.100	5.700%	16,360,000	16,245,000
1997 B	2000-2029	4.000	5.550%	10,100,000	10,100,000
1999 A	2001-2030	3.450	5.150%	12,440,000	12,440,000
1999 B	2002-2031	4.300	6.000%	34,920,000	34,920,000
Total Multifamily Housing Revenue Bonds				<u>\$ 78,325,000</u>	<u>\$ 78,155,000</u>
Total Revenue Bonds				<u>\$ 2,623,379,183</u>	<u>\$ 1,059,249,827</u>

**Notes to the Financial Statements** (Continued)  
Proprietary Fund Type — Enterprise Funds  
June 30, 2000

**General Obligation Bonds**

Elderly and Disabled Housing Program

Series	Due Dates	Interest Range		Bonds	
		From	To	Issued	Outstanding
1978 A	1981-2008	5.100	8.000%	\$ 8,135,000	\$ —
1980 A	1983-2022	6.750	8.250%	14,890,000	—
1982 A	1984-2023	10.250	12.250%	17,740,000	—
1982 B	1985-2024	7.500	11.000%	47,150,000	—
1984 A	1987-2026	7.500	10.250%	11,300,000	—
1988 A	1990-2018	5.000	7.500%	3,475,000	—
1989 A	1991-2030	6.300	7.125%	7,000,000	4,545,000
1990 A	1991-2020	5.800	7.100%	5,305,000	4,635,000
1990 B	1991-2020	5.600	7.000%	9,395,000	8,185,000
1990 C	1992-2021	6.100	7.200%	4,190,000	1,770,000
1990 D	1992-2021	6.200	7.500%	15,810,000	13,565,000
1992 A	1993-2013	3.300	6.250%	11,985,000	9,355,000
1992 B	1993-2024	3.300	6.375%	56,505,000	51,150,000
1992 C	1993-2022	3.300	6.500%	14,695,000	12,395,000
1992 D	1993-2022	3.400	6.600%	9,020,000	8,050,000
1993 A	1995-2024	3.400	5.700%	11,140,000	9,905,000
1993 B	1994-2026	2.700	5.500%	11,060,000	10,155,000
1993 C	1994-2026	2.850	5.650%	13,915,000	13,125,000
1994 A	1995-2025	3.500	6.150%	9,440,000	5,620,000
1994 B	1996-2026	4.200	6.300%	24,400,000	22,405,000
1995 A	1996-2026	4.000	6.000%	14,100,000	12,305,000
1995 B	1997-2027	4.000	5.700%	24,240,000	17,820,000
1995 C	2028	3.650	3.650%	11,340,000	—
1996 A	1998-2027	4.050	5.600%	2,850,000	2,250,000
1996 B	1998-2027	4.200	5.800%	10,605,000	10,290,000
1997 A	1999-2028	4.050	5.375%	8,475,000	8,325,000
1998 A	2000-2029	3.400	4.500%	8,870,000	8,870,000
1998 B	2001-2030	3.550	4.875%	10,285,000	10,285,000
1998 C	2000-2029	4.900	6.000%	1,880,000	1,880,000
1999 A	2000-2030	3.250	5.150%	10,840,000	10,840,000
1999 B	2000-2031	3.350	5.250%	4,485,000	4,485,000
1999 C	2000-2005	5.400	6.160%	1,335,000	1,335,000
1999 D	2000-2030	3.950	6.000%	5,695,000	5,695,000
1999 E	2001-2031	5.000	6.250%	19,105,000	19,105,000
1999 F	2000-2006	6.250	7.000%	1,375,000	1,375,000
Total General Obligation Bonds				\$ 442,030,000	\$ 289,720,000
Total: June 30, 2000				\$ 3,065,409,183	\$ 1,348,969,827

**Bonds Payable Per Balance Sheet:**

Bonds payable are presented on the balance sheet at their carrying value which is defined as initial bond principal less unamortized bond discount plus the semiannual accretion in principal for capital appreciation and deep discount bonds as summarized below:

	Revenue Bonds				General Obligation Bonds	Total June 30, 2000
	Single Family Mortgage Program		Assisted or Insured Multi-Unit Program	Multifamily Housing Revenue Bonds	Elderly and Disabled Housing Program	
	Housing Finance Revenue Bonds	Mortgage Revenue Bonds				
Principal: (per preceding Schedule)	\$ 17,700,000	\$ 899,499,827	\$ 63,895,000	\$ 78,155,000	\$ 289,720,000	\$ 1,348,969,827
Less: Discount (Net)	—	(9,474)	(66,828)	—	(1,366,851)	(1,443,153)
Plus: Accretion	—	2,363,077	—	—	—	2,363,077
Bonds Payable (per 6/30/00 Balance Sheet)	\$ 17,700,000	\$ 901,853,430	\$ 63,828,172	\$ 78,155,000	\$ 288,353,149	\$ 1,349,889,751

**Notes to the Financial Statements** (Continued)  
Proprietary Fund Type — Enterprise Funds  
June 30, 2000

**Debt Service Requirements to Maturity**

The following table summarizes the amounts necessary to pay all future bonded debt principal and interest requirements as of June 30, 2000, for each fiscal year during the next five year period ending June 30, 2005, and in total for the succeeding period July 1, 2006, to June 30, 2031:

Year Ending June 30	Revenue Bonds	General Obligation Bonds	Total as of June 30, 2000
2001	\$ 203,945,154	\$ 24,254,390	\$ 228,199,544
2002	93,364,422	25,059,937	118,424,359
2003	69,054,915	25,071,360	94,126,275
2004	68,828,663	25,466,049	94,294,712
2005	69,733,109	24,758,729	94,491,838
2006-2031	<u>1,460,408,212</u>	<u>428,030,514</u>	<u>1,888,438,726</u>
Total	<u>\$ 1,965,334,475</u>	<u>\$ 552,640,979</u>	<u>\$ 2,517,975,454</u>
<u>Summary</u>			
Principal	1,059,249,827	289,720,000	1,348,969,827
Interest	<u>906,084,648</u>	<u>262,920,979</u>	<u>1,169,005,627</u>
Total	<u>\$ 1,965,334,475</u>	<u>\$ 552,640,979</u>	<u>\$ 2,517,975,454</u>

The interest stated above includes coupon interest and accreted interest OHCS D expects to pay over the life of the bonds outstanding. Coupon interest is paid semiannually on January 1 and July 1 for revenue bond programs, and February 1 and August 1 for general obligation bonds. Accreted interest on capital appreciation bonds and deep discount bonds accrue as shown in the respective Official Statements and is paid when the bonds mature or are redeemed.

As of June 30, 2000, various legislative or constitutional provisions limited the amount of bonds outstanding to \$2,000,000,000 in revenue bonds and approximately \$1,201,599,761 in general obligation bonds.

**NOTE 7. Lease Obligations**

OHCS D leases office space under operating leases. Total cost for the lease for the fiscal year ended June 30, 2000, was \$364,789. The future minimum lease payments for the next five years are:

Fiscal Year Ending:	Operating Lease
June30,2001	\$ 404,389
June30,2002	137,710
June30,2003	80,831
June30,2004	4,292
June30,2005	-
Total	<u>\$ 627,222</u>

**NOTE 8. Contributed Capital**

In 1971, the Oregon Legislature appropriated \$100,000 to OHCS D from the State General Fund to establish a revolving fund to make cash advances to qualified housing sponsors and to pay OHCS D expenses. All such advances or expense payments must be repaid to the revolving fund. The revolving fund is accounted for within the Housing Finance Account.

The 1995 Oregon Legislature approved House Bill 2051, which transferred the Oregon Rural Rehabilitation Program (ORR), totaling \$806,154, from the Division of State Lands to OHCS D. OHCS D loans ORR moneys for farmworker housing projects.

**Notes to the Financial Statements** (Continued)  
**Proprietary Fund Type — Enterprise Funds**  
**June 30, 2000**

**NOTE 9. Segment Information**

OHCS D provides mortgage loans for the Single-Family, Assisted or Insured Multi-Unit, Multifamily Housing Revenue Bonds, and Elderly and Disabled Housing Programs. The following schedule identifies selected financial information for major segments as of and for the year ending June 30, 2000:

	Housing Finance Account	Combined Program Account	Housing Finance Revenue Bonds	Mortgage Revenue Bonds	Assisted or Insured Multi-Unit Program	Multifamily Housing Revenue Bonds	Elderly and Disabled Housing Program	Total June 30, 2000
Operating Revenue	\$ 3,611,758	\$ 542,500	\$ 2,922,446	\$ 52,286,629	\$ 6,903,905	\$ 4,105,135	\$ 23,340,343	\$ 93,712,716
Depreciation and Amortization	515,248	—	20,639	1,164,597	90,245	62,253	237,718	2,090,700
Operating Income (Loss)	(3,816,108)	542,500	1,732,880	5,591,724	2,675,020	51,826	4,859,902	11,637,744
Operating Transfer In	10,189,094	1,000,000	—	6,010,000	10,000	1,019,700	—	18,228,794
Operating Transfer Out	(7,029,700)	(1,000,000)	(3,250,000)	(1,500,000)	(5,241,893)	—	(207,194)	(18,228,787)
Net Income (Loss)	(656,714)	542,500	(1,517,120)	9,374,130	(2,556,873)	1,071,526	4,495,923	10,753,372
Equipment: Acquisitions	17,678	—	—	—	—	—	2,858	20,536
Equipment: Dispositions	(262,299)	—	—	—	—	—	(53,761)	(316,060)
Net Working Capital	2,290,769	10,485,363	27,641,412	372,463,173	21,504,519	34,335,381	103,173,580	571,894,197
Total Assets Bonds and Other Long- Term Liabilities Payable from Operating Revenue	5,168,873	10,485,363	48,360,348	971,811,896	81,172,879	82,545,283	330,010,276	1,529,554,918
	—	—	17,700,000	904,519,176	64,124,526	78,159,448	288,847,218	1,353,350,368
Total Equity	4,169,428	10,485,363	29,841,879	45,591,786	14,984,737	2,218,190	28,411,723	135,703,106

**NOTE 10. Defined Benefit Retirement Plan**

OHCS D's employees participate in the Oregon Public Employee's Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. All OHCS D employees are eligible to participate in the system after completing six months of service. PERS is administered by the Public Employees Retirement Board under the guidelines of Oregon Revised Statutes, Chapter 238. The PERS retirement allowance, payable monthly for life, may be selected from twelve retirement benefit options. Options include survivorship benefits and lump sum refunds. The basic benefit formula is 1.67 percent of a member's final average salary multiplied by the member's number of years of service. Benefits may also be calculated under either a money match or an annuity-plus-pension computation if a greater benefit results. PERS also provides death and disability benefits. A copy of the Oregon Public Employees Retirement System annual financial report may be obtained from PERS, P.O. Box 23700, Tigard, Oregon 97281-3700.

Covered employees are required by State statute to contribute 6.0 percent of their salary to the plan. Current law permits employers to pay employee contributions to the Retirement Fund. OHCS D is required by statute to contribute actuarially computed amounts as determined by PERS. Rates are subject to change as a result of subsequent actuarial valuations. Currently, the rate is 9.73 percent of each covered employee's salary. The amounts contributed by OHCS D for the years ending June 30, 2000, 1999, and 1998 were \$544,565, \$448,375 and \$361,659, respectively, equal to the required contributions for each year. No pension liability existed at June 30, 2000, determined in accordance with Statement No. 27 of the Governmental Accounting Standards Board.

**Notes to the Financial Statements** (Continued)

Proprietary Fund Type — Enterprise Funds

June 30, 2000

**NOTE 11. Risk Financing**

The State of Oregon administers property and casualty insurance programs covering State government through its Insurance Fund. The Insurance Fund services claims for direct physical loss or damage to state property; tort liability claims brought against the State, its officers, employees, or agents; workers' compensation; and employees, elected officials, and members of commissions and boards for honesty and faithful performance.

As a state agency, OHCS D participates in the Insurance Fund. The cost of servicing insurance claims and payments is covered by charging an assessment to each State entity based on its share of services provided in a prior period. The total statewide assessment of each coverage is based on independent biennial actuarial forecasts and administrative expenses, less carry-forward or equity in the Insurance Fund.

**NOTE 12. Contingent Liabilities**

During the ordinary course of business, OHCS D becomes involved in litigation. OHCS D is represented in these actions by the Attorney General of the State of Oregon. In the opinion of OHCS D, based upon information furnished by counsel, the ultimate disposition of these actions will not have a material adverse effect on OHCS D's financial condition.

**NOTE 13. Extraordinary Items**

**Loss on Early Retirement of Bonds – Fiscal Year 2000**

On July 1, 1999, Mortgage Revenue Bonds (Single-Family Mortgage Program) with an aggregate principal amount of \$25,870,000 were called at par prior to maturity from prepayments of mortgages, excess reserves, and other excess revenues under the 1988 Indenture.

On July 14, 1999, Mortgage Revenue Bonds (Single-Family Mortgage Program) with an aggregate principal amount of \$1,465,000 were called at par prior to maturity.

On August 1, 1999, Elderly and Disabled Housing Bonds with an aggregate principal amount of \$8,415,000 were called prior to maturity, \$4,110,000 at par and \$4,305,000 at a premium.

On August 16, 1999, Mortgage Revenue Bonds (Single-Family Mortgage Program) with an aggregate principal amount of \$13,100,000 were called at par prior to maturity from prepayments of mortgages, excess reserves, and other excess revenues under the 1988 Indenture.

On October 1, 1999, Mortgage Revenue Bonds (Single-Family Mortgage Program) with an aggregate principal amount of \$38,245,000 were called at par prior to maturity from prepayments of mortgages, excess reserves, and other excess revenues under the 1988 Indenture.

On December 15, 1999, Mortgage Revenue Bonds (Single-Family Mortgage Program) with an aggregate principal amount of \$7,170,000 were called at par prior to maturity from prepayments of mortgages, excess reserves, and other excess revenues under the 1988 Indenture.

On May 1, 2000, Mortgage Revenue Bonds (Single-Family Mortgage Program) with an aggregate principal amount of \$12,385,000 were called at par prior to maturity from prepayments of mortgages, excess reserves, and other excess revenues under the 1988 Indenture.

These early retirements resulted in a loss on bond call of \$884,379.

**Notes to the Financial Statements** (Continued)  
 Proprietary Fund Type — Enterprise Funds  
 June 30, 2000

**NOTE 14. Subsequent Events**

On September 27, 2000, OHCS D issued the following Mortgage Revenue Bonds (Single-Family Mortgage Program):

	<u>Issue Amount</u>
2000 Series H	\$ 30,070,000
2000 Series I	4,930,000
2000 Series J	9,435,000

On October 19, 2000, OHCS D issued the following Multifamily Housing Revenue Bonds:

	<u>Issue Amount</u>
2000 Series A	\$ 18,325,000

On August 1, 2000, OHCS D called the following Mortgage Revenue Bonds (Single-Family Mortgage Program) prior to maturity:

	<u>Amount Called</u>		<u>Amount Called</u>
1992 Series B	\$ 2,265,000	1996 Series B	350,000
1992 Series C	345,000	1996 Series D	400,000
1993 Series B	320,000	1996 Series I	260,000
1994 Series A	340,000	1997 Series B	315,000
1994 Series B	330,000	1997 Series E	15,000
1994 Series C	200,000	1997 Series G	80,000
1994 Series D	305,000	1997 Series I	200,000
1995 Series A	670,000	1998 Series A	175,000
1995 Series B	55,000	1998 Series B	310,000
1995 Series C	195,000	1998 Series D	20,000
1995 Series E	615,000	1998 Series G	90,000

On August 1, 2000, OHCS D called the following Housing Finance Revenue Bonds (Single-Family Mortgage Program) prior to maturity:

	<u>Amount Called</u>
1978 Series A	\$ 2,720,000
1978 Series B	4,050,000

On November 1, 2000, OHCS D called the following Mortgage Revenue Bonds (Single-Family Mortgage Program) prior to maturity:

	<u>Amount Called</u>		<u>Amount Called</u>
1992 Series A	\$ 115,000	1996 Series H	\$ 310,000
1992 Series B	1,475,000	1996 Series I	340,000
1992 Series D	285,000	1997 Series B	370,000
1993 Series B	235,000	1997 Series G	205,000
1994 Series A	345,000	1997 Series I	445,000
1994 Series B	100,000	1998 Series B	155,000
1994 Series D	300,000	1998 Series D	170,000
1995 Series A	200,000	1998 Series G	415,000
1995 Series C	455,000	1999 Series B	390,000
1995 Series E	435,000	1999 Series E	65,000
1996 Series B	425,000	1999 Series F	65,000
1996 Series D	335,000	1999 Series J	90,000

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STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**COMBINING BALANCE SHEET**  
 ALL ENTERPRISE FUNDS  
 June 30, 2000

	<b>Housing Finance Fund</b>			
	Housing Finance Account	Combined Program Account	<u>Single-Family Mortgage Program</u>	
			Housing Finance Revenue Bonds	Mortgage Revenue Bonds
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 2,049,503	\$ 989	\$ 680,367	\$ 5,284,122
Securities Lending Cash Collateral	186,650	-	39,187	350,882
Investments	602,938	10,339,770	27,458,728	381,105,826
Accrued Interest Receivable	26,608	144,604	281,599	7,246,838
Accounts Receivable	7,913	-	-	2,568
Interfund Receivable	230,389	-	-	173,871
Prepaid Expenses	111,213	-	-	-
Loans Receivable (Net)	1,445,869	-	19,772,491	569,321,013
Acquired Property	-	-	79,554	254,146
Deferred Charges	-	-	48,422	8,072,630
Fixed Assets (Net)	432,790	-	-	-
Advances to Other Funds	75,000	-	-	-
<b>Total Assets</b>	<b>\$ 5,168,873</b>	<b>\$ 10,485,363</b>	<b>\$ 48,360,348</b>	<b>\$ 971,811,896</b>
<b><u>Liabilities and Fund Equity</u></b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 339,544	\$ -	\$ 6,533	\$ 461,607
Vacation Payable	221,492	-	-	-
Interfund Payable	173,871	-	-	72,144
Deferred Income	322	-	705	23,481
Trust Funds Payable	-	-	-	-
Obligations Under Securities Lending	186,650	-	39,187	350,882
Accrued Interest Payable	2,566	-	542,246	20,712,032
Matured Bonds and Interest Payable	-	-	229,798	80,788
Bonds Payable	-	-	17,700,000	901,853,430
Loans Payable	75,000	-	-	-
Arbitrage Rebate Liability	-	-	-	2,665,746
<b>Total Liabilities</b>	<b>999,445</b>	<b>-</b>	<b>18,518,469</b>	<b>926,220,110</b>
<b>Fund Equity:</b>				
Contributed Capital	906,154	-	-	-
Retained Earnings	3,263,274	10,485,363	29,841,879	45,591,786
<b>Total Fund Equity</b>	<b>4,169,428</b>	<b>10,485,363</b>	<b>29,841,879</b>	<b>45,591,786</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 5,168,873</b>	<b>\$ 10,485,363</b>	<b>\$ 48,360,348</b>	<b>\$ 971,811,896</b>

Assisted Or Insured Multi-Unit Program	Multifamily Housing Revenue Bonds	Total	Elderly and Disabled Housing Program	Totals	
				2000	1999
\$ 819,878	\$ 2,138,984	\$ 10,973,843	\$ 43,172,524	\$ 54,146,367	\$ 77,604,596
62,638	8,996	648,353	3,855,147	4,503,500	6,662,430
22,247,004	33,469,859	475,224,125	67,576,101	542,800,226	551,622,578
438,615	885,187	9,023,451	1,317,314	10,340,765	10,546,434
-	-	10,481	3,729	14,210	484,805
-	-	404,260	-	404,260	175,201
-	-	111,213	100	111,313	31,611
56,982,525	44,777,531	692,299,429	210,654,920	902,954,349	743,343,154
-	-	333,700	-	333,700	848,504
622,219	1,264,726	10,007,997	3,428,009	13,436,006	12,276,745
-	-	432,790	2,432	435,222	936,867
-	-	75,000	-	75,000	75,000
<b>\$ 81,172,879</b>	<b>\$ 82,545,283</b>	<b>\$ 1,199,544,642</b>	<b>\$ 330,010,276</b>	<b>\$ 1,529,554,918</b>	<b>\$ 1,404,607,925</b>
\$ 1,987	\$ 364	\$ 810,035	\$ 142,399	\$ 952,434	\$ 1,187,410
-	-	221,492	52,451	273,943	262,773
-	-	246,015	56,478	302,493	123,770
7,343	-	31,851	18,135	49,986	38,988
-	-	-	1,430,749	1,430,749	398,002
62,638	8,996	648,353	3,855,147	4,503,500	6,662,430
1,915,469	2,158,285	25,330,598	7,047,943	32,378,541	29,571,659
76,179	-	386,765	148,033	534,798	702,758
63,828,172	78,155,000	1,061,536,602	288,353,149	1,349,889,751	1,238,014,917
-	-	75,000	-	75,000	268,500
296,354	4,448	2,966,548	494,069	3,460,617	2,426,984
66,188,142	80,327,093	1,092,253,259	301,598,553	1,393,851,812	1,279,658,191
-	-	906,154	-	906,154	906,154
14,984,737	2,218,190	106,385,229	28,411,723	134,796,952	124,043,580
14,984,737	2,218,190	107,291,383	28,411,723	135,703,106	124,949,734
<b>\$ 81,172,879</b>	<b>\$ 82,545,283</b>	<b>\$ 1,199,544,642</b>	<b>\$ 330,010,276</b>	<b>\$ 1,529,554,918</b>	<b>\$ 1,404,607,925</b>

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
 ALL ENTERPRISE FUNDS  
 For the Year Ended June 30, 2000

	<b>Housing Finance Fund</b>			
	Housing Finance Account	Combined Program Account	<u>Single-Family Mortgage Program</u>	
Housing Finance Revenue Bonds			Mortgage Revenue Bonds	
<b><u>Operating Revenues:</u></b>				
Interest on Loans	\$ 76,380	\$ -	\$ 1,470,069	\$ 33,845,237
Investment Income	239,996	542,500	1,437,624	18,394,751
Transfer/Commitment Fees	2,439,922	-	-	-
Administrative Fees	158,186	-	-	-
Mortgage Credit Certificate Fees	150	-	-	-
Low Income Housing Tax Credit Fees	582,379	-	-	-
Gain on Sale of Foreclosed Property	-	-	14,753	46,641
Miscellaneous Revenue	114,745	-	-	-
<b>Total Operating Revenues</b>	<b>3,611,758</b>	<b>542,500</b>	<b>2,922,446</b>	<b>52,286,629</b>
<b><u>Operating Expenses:</u></b>				
Interest on Bonds	-	-	1,084,493	43,468,048
Mortgage Service Fees	477	-	76,965	1,899,705
Foreclosure Costs	-	-	4,077	39,192
Bad Debt Expense	4,070	-	-	-
Amortization of Deferred Bond Issuance Costs	-	-	20,639	1,164,597
Real Estate Owned Expenses	-	-	-	750
Interest on Loans	29,377	-	-	-
Loss on Disposition of Fixed Assets	6,507	-	-	-
Other Related Program Expenses	537,512	-	3,392	122,613
Administrative Costs:				
Personal Services	3,876,557	-	-	-
Services and Supplies	2,458,118	-	-	-
Depreciation/Amortization	515,248	-	-	-
<b>Total Operating Expenses</b>	<b>7,427,866</b>	<b>-</b>	<b>1,189,566</b>	<b>46,694,905</b>
<b>Operating Income (Loss)</b>	<b>(3,816,108)</b>	<b>542,500</b>	<b>1,732,880</b>	<b>5,591,724</b>
<b><u>Operating Transfers-In (Out):</u></b>				
Operating Transfers-In	10,189,094	1,000,000	-	6,010,000
Operating Transfers-Out	(7,029,700)	(1,000,000)	(3,250,000)	(1,500,000)
<b>Total Operating Transfers-In (Out)</b>	<b>3,159,394</b>	<b>-</b>	<b>(3,250,000)</b>	<b>4,510,000</b>
<b>Net Income (Loss) Before Extraordinary Items</b>	<b>(656,714)</b>	<b>542,500</b>	<b>(1,517,120)</b>	<b>10,101,724</b>
Extraordinary Loss from Bond Call	-	-	-	(727,594)
<b>Net Income (Loss)</b>	<b>(656,714)</b>	<b>542,500</b>	<b>(1,517,120)</b>	<b>9,374,130</b>
<b>Retained Earnings – Beginning</b>	<b>3,919,988</b>	<b>9,942,863</b>	<b>31,358,999</b>	<b>36,217,656</b>
<b>Retained Earnings – Ending</b>	<b>\$ 3,263,274</b>	<b>\$ 10,485,363</b>	<b>\$ 29,841,879</b>	<b>\$ 45,591,786</b>

Assisted or Insured Multi-Unit Program	Multifamily Housing Revenue Bonds	Total	Elderly and Disabled Housing Program	Totals	
				2000	1999
\$ 5,483,587	\$ 2,113,620	\$ 42,988,893	\$ 16,723,918	\$ 59,712,811	\$ 51,599,437
913,894	1,991,515	23,520,280	5,645,129	29,165,409	21,504,499
–	–	2,439,922	698,026	3,137,948	1,526,166
506,424	–	664,610	174,912	839,522	587,101
–	–	150	–	150	570
–	–	582,379	–	582,379	510,704
–	–	61,394	–	61,394	24,315
–	–	114,745	98,358	213,103	196,198
<u>6,903,905</u>	<u>4,105,135</u>	<u>70,372,373</u>	<u>23,340,343</u>	<u>93,712,716</u>	<u>75,948,990</u>
3,838,555	3,828,229	52,219,325	16,550,047	68,769,372	60,580,845
40,577	4,857	2,022,581	110,023	2,132,604	1,693,703
–	–	43,269	–	43,269	40,161
(6,167)	49,138	47,041	(136,296)	(89,255)	132,070
90,245	62,253	1,337,734	237,292	1,575,026	1,251,314
–	–	750	–	750	1,716
–	–	29,377	–	29,377	3,968
–	–	6,507	–	6,507	3,377
265,675	108,832	1,038,024	211,441	1,249,465	1,260,801
–	–	3,876,557	888,396	4,764,953	4,370,317
–	–	2,458,118	619,112	3,077,230	2,911,380
–	–	515,248	426	515,674	460,439
<u>4,228,885</u>	<u>4,053,309</u>	<u>63,594,531</u>	<u>18,480,441</u>	<u>82,074,972</u>	<u>72,710,091</u>
<u>2,675,020</u>	<u>51,826</u>	<u>6,777,842</u>	<u>4,859,902</u>	<u>11,637,744</u>	<u>3,238,899</u>
10,000	1,019,700	18,228,794	–	18,228,794	12,449,422
(5,241,893)	–	(18,021,593)	(207,194)	(18,228,787)	(12,449,383)
<u>(5,231,893)</u>	<u>1,019,700</u>	<u>207,201</u>	<u>(207,194)</u>	<u>7</u>	<u>39</u>
(2,556,873)	1,071,526	6,985,043	4,652,708	11,637,751	3,238,938
–	–	(727,594)	(156,785)	(884,379)	(500,822)
<u>(2,556,873)</u>	<u>1,071,526</u>	<u>6,257,449</u>	<u>4,495,923</u>	<u>10,753,372</u>	<u>2,738,116</u>
<u>17,541,610</u>	<u>1,146,664</u>	<u>100,127,780</u>	<u>23,915,800</u>	<u>124,043,580</u>	<u>121,305,464</u>
<b><u>\$ 14,984,737</u></b>	<b><u>\$ 2,218,190</u></b>	<b><u>\$ 106,385,229</u></b>	<b><u>\$ 28,411,723</u></b>	<b><u>\$ 134,796,952</u></b>	<b><u>\$ 124,043,580</u></b>

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**COMBINING STATEMENT OF CASH FLOWS**  
 ALL ENTERPRISE FUNDS  
 For the Year Ended June 30, 2000

	<b>Housing Finance Fund</b>			
	Housing Finance Account	Combined Program Account	<u>Single-Family Mortgage Program</u>	
Housing Finance Revenue Bonds			Mortgage Revenue Bonds	
<b><u>Cash Flows from Operating Activities:</u></b>				
Operating Income (Loss)	\$ (3,816,108)	\$ 542,500	\$ 1,732,880	\$ 5,591,724
<b><u>Adjustments to Reconcile Operating Income to</u></b>				
<b><u>Net Cash Provided by Operating Activities:</u></b>				
Depreciation and Amortization	515,248	-	-	-
Amortization of Deferred Bond Issue Costs	-	-	20,639	1,164,597
Interest Income on Cash and Investments	(239,996)	(542,500)	(1,437,624)	(18,394,751)
Interest Expense on Securities Lending	15,232	-	3,301	76,951
Interest Expense on Bonds	-	-	1,084,493	43,468,048
Interest Expense on Loans	29,377	-	-	-
Loss on Disposition of Assets	6,507	-	-	-
<b><u>(Increase)/Decrease in Assets:</u></b>				
Loan Interest Receivable	(4,183)	-	25,686	(707,475)
Accounts Receivable	31,085	-	12,840	8,337
Interfund Receivable	(84,000)	-	28,791	(173,871)
Prepaid Expenses	(79,602)	-	-	-
Loans Receivable (Net)	(80,676)	-	2,877,376	(135,471,996)
Acquired Property	-	-	(79,554)	594,358
<b><u>Increase/(Decrease) in Liabilities:</u></b>				
Accounts Payable	(59,855)	-	(1,201)	20,264
Vacation Payable	4,899	-	-	-
Interfund Payable	173,850	-	-	(17,884)
Deferred Income	322	-	(1,230)	11,827
Trust Funds Payable	-	-	-	-
Matured Bonds and Interest Payable	-	-	(169,895)	(11,441)
<b>Total Adjustments</b>	<u>228,208</u>	<u>(542,500)</u>	<u>2,363,622</u>	<u>(109,433,036)</u>
<b>Net Cash Provided (Used) in Operating Activities</b>	<u>(3,587,900)</u>	<u>-</u>	<u>4,096,502</u>	<u>(103,841,312)</u>

				Totals	
Assisted or Insured Multi-Unit Program	Multifamily Housing Revenue Bonds	Total	Elderly and Disabled Housing Program	2000	1999
\$ 2,675,020	\$ 51,826	\$ 6,777,842	\$ 4,859,902	\$ 11,637,744	\$ 3,238,899
-	-	515,248	426	515,674	460,439
90,245	62,253	1,337,734	237,292	1,575,026	1,251,314
(913,894)	(1,991,515)	(23,520,280)	(5,645,129)	(29,165,409)	(21,504,499)
6,982	3,108	105,574	283,635	389,209	331,776
3,838,555	3,828,229	52,219,325	16,550,047	68,769,372	60,580,845
-	-	29,377	-	29,377	3,968
-	-	6,507	-	6,507	3,377
73,596	(48,830)	(661,206)	453,026	(208,180)	(256,827)
-	-	52,262	418,333	470,595	(243,335)
-	21	(229,059)	-	(229,059)	14,285
-	-	(79,602)	(100)	(79,702)	40,662
2,929,171	(27,508,126)	(157,254,251)	(2,356,944)	(159,611,195)	(86,757,476)
-	-	514,804	-	514,804	(612,380)
(778)	(1,402)	(42,972)	(355,738)	(398,710)	296,747
-	-	4,899	6,271	11,170	54,806
-	-	155,966	22,757	178,723	31,643
(994)	-	9,925	1,073	10,998	(5,006)
-	-	-	1,032,747	1,032,747	(4,733,262)
(863)	-	(182,199)	14,239	(167,960)	(345,791)
6,022,020	(25,656,262)	(127,017,948)	10,661,935	(116,356,013)	(51,388,714)
8,697,040	(25,604,436)	(120,240,106)	15,521,837	(104,718,269)	(48,149,815)

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STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**COMBINING STATEMENT OF CASH FLOWS**  
 ALL ENTERPRISE FUNDS  
 For the Year Ended June 30, 2000

	<b>Housing Finance Fund</b>			
	Housing Finance Account	Combined Program Account	<u>Single-Family Mortgage Program</u>	
Housing Finance Revenue Bonds			Mortgage Revenue Bonds	
<b>Net Cash Provided (Used) in Operating Activities</b>	(3,587,900)	-	4,096,502	(103,841,312)
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>				
Proceeds from Bond Sales	-	-	-	343,903,237
Principal Payments on Bonds	-	-	(1,145,000)	(274,920,000)
Interest Payments on Bonds	-	-	(1,117,698)	(42,210,683)
Loan Proceeds	512,500	-	-	-
Principal Payments on Loans	(706,000)	-	-	-
Interest Payments on Loans	(30,779)	-	-	-
Operating Transfers-In	10,189,094	1,000,000	-	6,010,000
Operating Transfers-Out	(7,029,700)	(1,000,000)	(3,250,000)	(1,500,000)
Bond Issue Costs	-	-	-	(2,695,303)
Bond Call Costs	-	-	-	(1,440)
Interest Paid on Securities Lending	(15,232)	-	(3,301)	(76,951)
<b>Net Cash Provided (Used) in Noncapital Financing Activities</b>	2,919,883	-	(5,515,999)	28,508,860
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>				
Acquisition of Capital Assets	(17,678)	-	-	-
<b>Net Cash Provided (Used) in Capital and Related Financing Activities</b>	(17,678)	-	-	-
<b><u>Cash Flows from Investing Activities:</u></b>				
Purchase of Investments	(1,602,591)	(15,505,511)	(42,971,171)	(879,955,568)
Proceeds from Sales and Maturities of Investments	1,895,837	15,215,350	43,327,127	938,484,509
Interest on Cash and Investments	188,968	290,778	1,036,191	16,898,928
Investment Income on Securities Lending	15,232	-	3,301	76,951
<b>Net Cash Provided (Used) in Investing Activities</b>	497,446	617	1,395,448	75,504,820
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(188,249)	617	(24,049)	172,368
<b>Cash and Cash Equivalents Balance--Beginning</b>	2,237,752	372	704,416	5,111,754
<b>Cash and Cash Equivalents Balance--Ending</b>	<b>\$ 2,049,503</b>	<b>\$ 989</b>	<b>\$ 680,367</b>	<b>\$ 5,284,122</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Foreclosed Property	\$ -	\$ -	\$ 79,554	\$ 712,261

Assisted Or Insured Multi-Unit Program	Multifamily Housing Revenue Bonds	Total	Elderly and Disabled Housing Program	Totals	
				2000	1999
8,697,040	(25,604,436)	(120,240,106)	15,521,837	(104,718,269)	(48,149,815)
–	35,071,554	378,974,791	26,151,154	405,125,945	385,854,455
(3,295,000)	(170,000)	(279,530,000)	(13,520,000)	(293,050,000)	(162,835,000)
(3,914,764)	(2,922,716)	(50,165,861)	(15,999,689)	(66,165,550)	(59,006,836)
–	–	512,500	–	512,500	268,500
–	–	(706,000)	–	(706,000)	–
–	–	(30,779)	–	(30,779)	–
10,000	1,019,700	18,228,794	–	18,228,794	12,449,422
(5,241,893)	–	(18,021,593)	(207,194)	(18,228,787)	(12,449,383)
–	(405,544)	(3,100,847)	(257,806)	(3,358,653)	(2,838,771)
–	–	(1,440)	(91,488)	(92,928)	(780)
(6,982)	(3,108)	(105,574)	(283,635)	(389,209)	(331,776)
(12,448,639)	32,589,886	46,053,991	(4,208,658)	41,845,333	161,109,831
–	–	(17,678)	(2,858)	(20,536)	(342,185)
–	–	(17,678)	(2,858)	(20,536)	(342,185)
(24,883,114)	(83,093,994)	(1,048,011,949)	(46,262,733)	(1,094,274,682)	(752,885,785)
27,944,040	76,880,534	1,103,747,397	4,407,396	1,108,154,793	633,489,166
781,581	1,270,970	20,467,416	4,698,507	25,165,923	22,057,826
6,982	3,108	105,574	283,635	389,209	331,776
3,849,489	(4,939,382)	76,308,438	(36,873,195)	39,435,243	(97,007,017)
97,890	2,046,068	2,104,645	(25,562,874)	(23,458,229)	15,610,814
721,988	92,916	8,869,198	68,735,398	77,604,596	61,993,782
<b>819,878</b>	<b>\$ 2,138,984</b>	<b>\$ 10,973,843</b>	<b>\$ 43,172,524</b>	<b>\$ 54,146,367</b>	<b>\$ 77,604,596</b>
–	<b>\$ –</b>	<b>\$ 791,815</b>	<b>\$ –</b>	<b>\$ 791,815</b>	<b>\$ 1,245,971</b>



## **STATISTICAL SECTION**

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**OPERATING REVENUES, EXPENSES, AND TRANSFERS-IN (OUT)**  
 ENTERPRISE FUNDS  
 Last Ten Fiscal Years

	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b><u>Operating Revenues:</u></b>			
Interest on Loans	\$ 59,712,811	\$ 51,599,437	\$ 49,470,569
Investment Income	29,165,409	21,504,499	29,290,017
Transfer/Commitment Fees	3,137,948	1,526,166	1,222,215
Administrative Fees	839,522	587,101	875,389
Mortgage Credit Certificate Fees	150	570	6,569
Low Income Housing Tax Credit Fees	582,379	510,704	466,363
Gain on Sale of Foreclosed Property	61,394	24,315	-
Gain on Sale of Investments	-	-	-
Rental Income	-	-	-
Miscellaneous Revenue	213,103	196,198	288,188
	<hr/>	<hr/>	<hr/>
<b>Total Operating Revenues</b>	<b>\$ 93,712,716</b>	<b>\$ 75,948,990</b>	<b>\$ 81,619,310</b>
	<hr/>	<hr/>	<hr/>
<b><u>Operating Expenses:</u></b>			
Interest on Bonds	\$ 68,769,372	\$ 60,580,845	\$ 55,619,972
Mortgage Service Fees	2,132,604	1,693,703	1,560,202
Foreclosure Costs	43,269	40,161	8,099
Bad Debt Expense	(89,255)	132,070	255,006
Amortization of Deferred Bond Issuance Costs	1,575,026	1,251,314	904,281
Real Estate Owned Expenses	750	1,716	-
Interest on Loans	29,377	3,968	-
Other Related Program Expenses	1,249,465	1,260,801	983,742
Loss on Disposition of Fixed Assets	6,507	3,377	-
Loss on Acquisition of Acquired Property	-	-	-
<b><u>Administrative Costs:</u></b>			
Personal Services	4,764,953	4,370,317	3,340,984
Services and Supplies	3,077,230	2,911,380	2,209,847
Depreciation/Amortization	515,674	460,439	256,705
	<hr/>	<hr/>	<hr/>
<b>Total Operating Expenses</b>	<b>\$ 82,074,972</b>	<b>\$ 72,710,091</b>	<b>\$ 65,138,838</b>
	<hr/>	<hr/>	<hr/>
<b><u>Operating Transfers-In (Out):</u></b>			
Operating Transfers-In	\$ 18,228,794	\$ 12,449,422	\$ 9,519,135
Operating Transfers-Out	(18,228,787)	(12,449,383)	(9,519,135)
	<hr/>	<hr/>	<hr/>
<b>Total Operating Transfers-In (Out)</b>	<b>\$ 7</b>	<b>\$ 39</b>	<b>\$ -</b>
	<hr/>	<hr/>	<hr/>

UNAUDITED

	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
\$	45,586,467	\$ 42,217,704	\$ 39,849,335	\$ 39,508,204	\$ 41,742,248	\$ 41,581,361	\$ 39,409,772
	25,172,612	20,716,644	14,450,783	10,209,311	12,644,391	16,678,574	18,681,040
	1,096,097	678,957	1,271,136	448,466	375,700	546,354	579,885
	722,154	677,743	656,698	545,663	498,436	498,431	456,357
	14,406	73,316	257,897	153,657	63,005	33,805	41,850
	435,412	376,154	316,791	467,651	84,196	477,428	121,724
	22,894	49,115	35,651	89,245	95,893	134,092	367,297
	181,005	149,023	146,304	4,376,995	790,146	5,894,242	29,301
	-	-	-	43,000	6,909	902,756	1,274,049
	148,457	150,327	147,833	101,164	217,607	33,967	76,427
	<u>\$ 73,379,504</u>	<u>\$ 65,088,983</u>	<u>\$ 57,132,428</u>	<u>\$ 55,943,356</u>	<u>\$ 56,518,531</u>	<u>\$ 66,781,010</u>	<u>\$ 61,037,702</u>
\$	52,221,672	\$ 47,278,234	\$ 40,263,376	\$ 39,663,119	\$ 45,311,622	\$ 49,292,039	\$ 49,561,978
	1,434,703	1,541,821	1,414,408	1,352,979	1,399,008	1,344,156	1,244,434
	28,218	10,123	56,286	71,273	82,630	141,958	314,022
	126,822	99,748	187,591	132,673	340,812	90,497	-
	822,151	651,782	565,316	621,290	981,868	848,208	673,457
	-	-	-	-	11,433	809,607	973,741
	-	-	-	-	-	-	-
	1,224,415	364,105	1,264,734	790,836	1,080,460	1,915,215	793,532
	-	10,959	-	-	891	-	-
	-	-	-	-	-	-	741,746
	3,114,905	3,016,443	2,736,183	2,398,642	2,388,498	2,044,421	1,597,248
	2,592,456	1,725,836	1,434,329	1,448,007	1,100,175	1,131,099	902,727
	95,349	80,743	39,874	278,342	137,324	113,433	53,688
	<u>\$ 61,660,691</u>	<u>\$ 54,779,794</u>	<u>\$ 47,962,097</u>	<u>\$ 46,757,161</u>	<u>\$ 52,834,721</u>	<u>\$ 57,730,633</u>	<u>\$ 56,856,573</u>
\$	11,673,721	\$ 7,484,622	\$ 1,823,859	\$ 47,191,263	\$ 14,894,106	\$ 184,258,583	\$ 11,540,780
	(11,665,847)	(7,476,205)	(1,728,203)	(47,202,486)	(14,888,925)	(184,236,118)	(11,318,640)
\$	<u>7,874</u>	<u>\$ 8,417</u>	<u>\$ 95,656</u>	<u>\$ (11,223)</u>	<u>\$ 5,181</u>	<u>\$ 22,465</u>	<u>\$ 222,140</u>

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**MORTGAGE LOANS OUTSTANDING – BY COUNTY**  
 ENTERPRISE FUNDS  
 June 30, 2000

County	Housing Finance Account		Housing Finance Revenue Bonds		Mortgage Revenue Bonds	
	Number of Projects	Principal Amount	Number of Projects	Principal Amount	Number of Projects	Principal Amount
Baker	–	\$ –	2	\$ 59,216	45	\$ 2,471,514
Benton	–	–	4	94,567	69	5,800,127
Clackamas	1	97,848	8	273,865	284	24,841,629
Clatsop	–	–	1	100,943	25	1,824,223
Columbia	–	–	6	431,558	44	3,778,477
Coos	–	–	8	360,552	195	11,696,462
Crook	–	–	9	575,152	44	2,695,421
Curry	–	–	1	62,435	5	357,888
Deschutes	1	32,381	16	992,560	167	9,978,420
Douglas	–	–	15	766,148	85	5,477,970
Gilliam	–	–	1	56,305	3	171,668
Grant	–	–	2	129,731	5	262,770
Harney	–	–	2	116,886	9	480,986
HoodRiver	–	–	–	–	10	701,610
Jackson	–	–	11	295,670	461	33,615,036
Jefferson	–	–	5	205,769	32	2,054,847
Josephine	–	–	11	791,196	258	19,670,542
Klamath	–	–	11	231,544	216	11,617,634
Lake	–	–	1	44,068	12	679,995
Lane	–	–	27	819,878	723	47,094,611
Lincoln	1	11,141	1	91,814	31	2,310,355
Linn	–	–	11	324,357	188	12,047,432
Malheur	1	89,902	7	259,138	60	3,081,738
Marion	3	401,796	39	1,276,408	897	62,280,131
Morrow	–	–	3	128,039	52	3,131,114
Multnomah	–	–	155	2,911,870	2,622	202,628,855
Polk	1	55,000	24	1,706,346	101	6,948,920
Sherman	–	–	–	–	3	180,776
Tillamook	–	–	–	–	9	524,680
Umatilla	–	–	33	1,605,148	422	23,054,456
Union	–	–	14	890,530	160	8,907,266
Wallowa	–	–	2	151,602	20	1,142,703
Wasco	–	–	1	4,584	14	722,855
Washington	–	–	11	615,090	487	44,405,634
Wheeler	–	–	–	–	–	–
Yamhill	2	151,629	36	3,399,522	136	12,682,268
<b>Total</b>	<b>10</b>	<b>\$ 839,697</b>	<b>478</b>	<b>\$ 19,772,491</b>	<b>7,894</b>	<b>\$ 569,321,013</b>

*Non-Mortgage Loans totaling \$649,464 for Housing Finance Account, \$7,902,337 for Multifamily Housing Revenue Bonds and \$47,771 for Elderly and Disabled Housing Program are not included.*

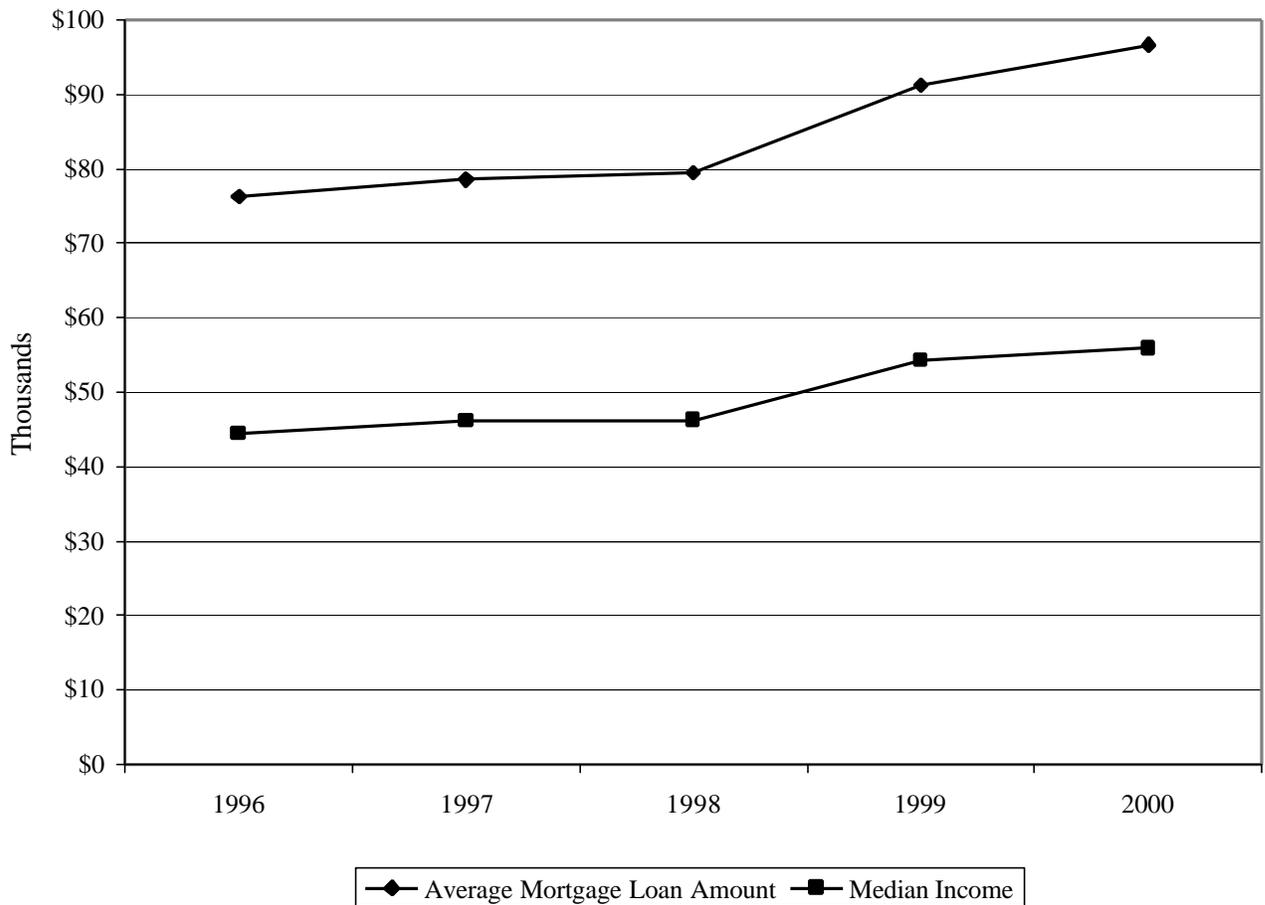
Assisted or Insured Multi-Unit Program		Multifamily Housing Revenue Bonds		Elderly and Disabled Housing Program		Total	
Number of Projects	Principal Amount	Number of Projects	Principal Amount	Number of Projects	Principal Amount	Number of Projects	Principal Amount
1	\$ 204,813	–	\$ –	1	\$ 290,595	49	\$ 3,026,138
2	1,554,384	–	–	6	2,194,187	81	9,643,265
7	3,110,190	1	3,865,361	27	13,582,400	328	45,771,293
1	1,127,003	–	–	5	1,603,849	32	4,656,018
1	1,005,656	1	2,370,830	7	1,735,083	59	9,321,604
2	869,992	–	–	7	3,480,546	212	16,407,552
3	528,792	–	–	1	1,576,926	57	5,376,291
–	–	–	–	2	103,682	8	524,005
7	1,520,138	–	–	7	4,996,028	198	17,519,527
7	1,909,091	–	–	9	8,652,249	116	16,805,458
–	–	–	–	1	1,161,629	5	1,389,602
4	1,042,238	–	–	2	104,365	13	1,539,104
1	128,925	–	–	1	2,539,260	13	3,266,057
2	1,249,797	–	–	2	1,753,333	14	3,704,740
15	4,397,707	–	–	11	11,014,246	498	49,322,659
3	776,456	–	–	2	1,038,819	42	4,075,891
3	412,774	–	–	6	6,691,586	278	27,566,098
2	1,280,934	–	–	2	116,487	231	13,246,599
–	–	1	2,453,073	–	–	14	3,177,136
12	7,091,217	–	–	26	19,935,157	788	74,940,863
2	1,373,946	–	–	6	6,593,882	41	10,381,138
3	464,304	–	–	9	5,283,322	211	18,119,415
4	539,713	–	–	2	74,078	74	4,044,569
11	3,057,331	1	1,487,000	52	27,842,955	1,003	96,345,621
–	–	–	–	–	–	55	3,259,153
8	9,612,257	6	23,290,266	56	44,663,118	2,847	283,106,366
2	876,670	–	–	14	8,221,530	142	17,808,466
–	–	–	–	–	–	3	180,776
1	74,243	–	–	3	3,864,939	13	4,463,862
6	1,652,028	–	–	8	3,120,117	469	29,431,749
3	1,263,809	–	–	4	2,061,899	181	13,123,504
–	–	–	–	2	1,638,521	24	2,932,826
1	683,288	–	–	1	52,316	17	1,463,043
7	8,238,442	1	3,501,083	21	14,730,627	527	71,490,876
–	–	–	–	1	519,892	1	519,892
1	1,057,033	–	–	10	10,384,006	185	27,674,458
<u>122</u>	<u>\$ 57,103,171</u>	<u>11</u>	<u>\$ 36,967,613</u>	<u>314</u>	<u>\$ 211,621,629</u>	<u>8,829</u>	<u>\$ 895,625,614</u>

STATE OF OREGON  
OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT  
NEW MORTGAGE LOANS  
ENTERPRISE FUNDS  
Last Five Fiscal Years

		<u>2000</u>		<u>1999</u>		<u>1998</u>		<u>1997</u>		<u>1996</u>
<b><u>Housing Finance Account</u></b>										
Original Loan Amount	\$	100,000	\$	333,013	\$	99,950	\$	100,000	\$	55,000
Average Loan Amount		100,000		166,506		99,950		100,000		55,000
Number of New Loans		1		2		1		1		1
<b><u>Housing Finance Revenue Bonds</u></b>										
Original Loan Amount	\$	—	\$	5,303,636	\$	5,152,647	\$	5,040,297	\$	2,709,750
Average Loan Amount		—		85,543		79,271		82,628		82,114
Number of New Loans		—		62		65		61		33
<b><u>Mortgage Revenue Bonds</u></b>										
Original Loan Amount	\$	179,765,331	\$	129,085,698	\$	70,370,617	\$	84,253,924	\$	60,721,967
Average Loan Amount		96,648		91,420		79,425		78,303		75,997
Number of New Loans		1,860		1,412		886		1,076		799
<b><u>Assisted or Insured Multi-Unit Program</u></b>										
Original Loan Amount	\$	—	\$	—	\$	85,000	\$	—	\$	1,250,503
Average Loan Amount		—		—		85,000		—		625,252
Number of New Loans		—		—		1		—		2
<b><u>Multifamily Housing Revenue Bonds</u></b>										
Original Loan Amount	\$	19,935,507	\$	11,130,000	\$	6,277,240	\$	—	\$	—
Average Loan Amount		3,322,585		3,710,000		3,138,620		—		—
Number of New Loans		6		3		2		—		—
<b><u>Elderly and Disabled Housing Program</u></b>										
Original Loan Amount	\$	13,979,021	\$	24,318,182	\$	10,249,689	\$	26,569,176	\$	23,990,131
Average Loan Amount		199,700		579,004		788,438		885,639		1,332,785
Number of New Loans		70		42		13		30		18

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
ENTERPRISE FUNDS  
Last Five Fiscal Years

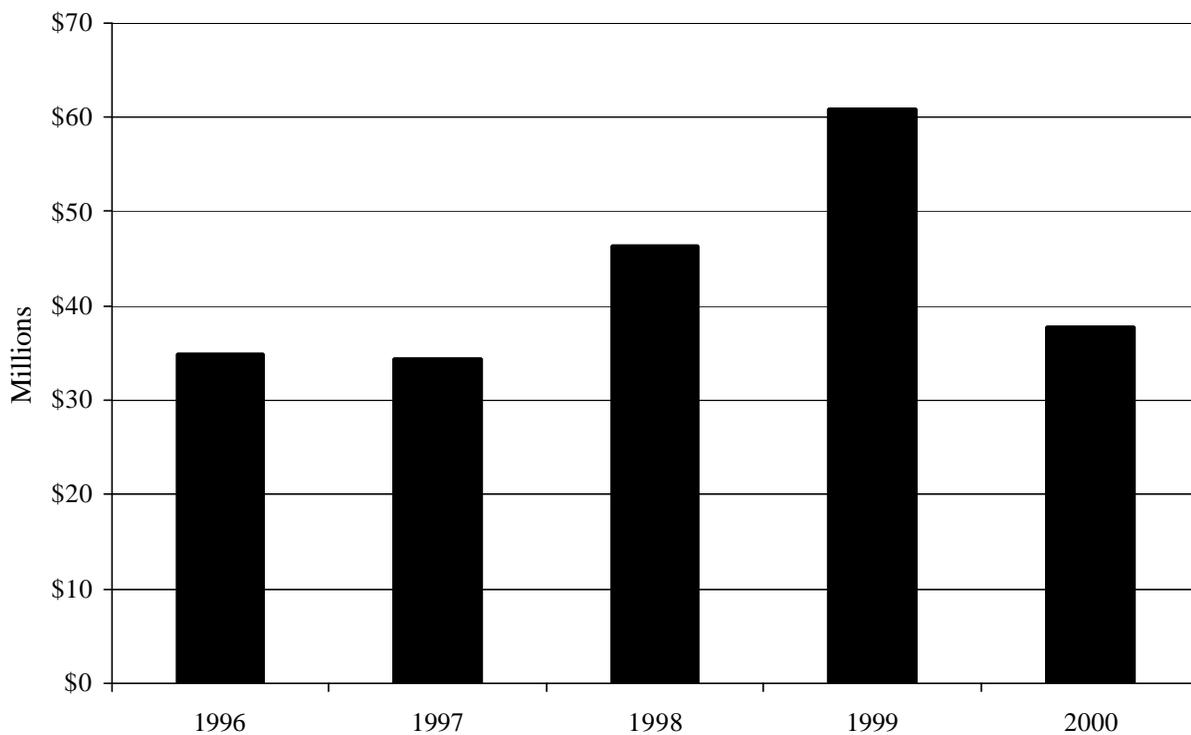
Single Family Mortgage Program  
Average New Mortgage Loan Amount  
versus Median Income



	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<b>Average Loan Amount</b>	\$76,240	\$78,535	\$79,415	\$91,173	\$96,648
<b>Median Income for a 4-Person Family in the State of Oregon</b>	\$44,432	\$46,229	\$46,245	\$54,226	\$55,892

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
 ENTERPRISE FUNDS  
 Last Five Fiscal Years

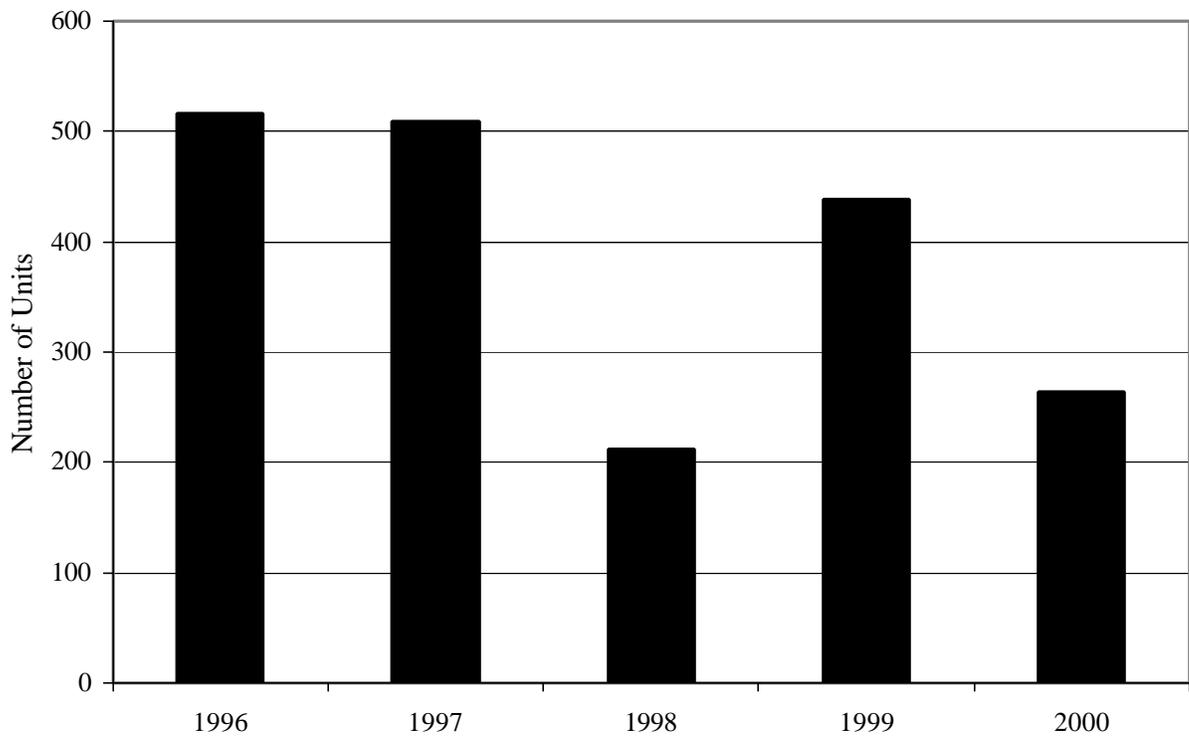
Single Family Mortgage Program  
 Mortgage Loan Payoffs



	1996	1997	1998	1999	2000
Prepaid Principal	\$34,934,262	\$34,410,395	\$46,365,256	\$60,786,689	\$37,743,579

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
ENTERPRISE FUNDS  
Last Five Fiscal Years

Elderly & Disabled Housing  
Units Financed



	1996	1997	1998	1999	2000
Number of Units	516	509	212	439	264



**SUPPLEMENTARY INFORMATION**

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**COMBINING BALANCE SHEET**  
 GOVERNMENTAL FUND TYPES, FIDUCIARY FUND TYPES, AND ACCOUNT GROUPS  
 June 30, 2000

	Governmental Funds				Total
	Special Revenue Funds				
	Housing Programs	Food Programs	Energy Programs	Other Programs	
<b>Assets</b>					
Cash	\$ 11,904,170	\$ 66,235	\$ 1,367,453	\$ 766,490	\$ 14,104,348
Securities Lending Cash Collateral	1,057,990	-	-	73,589	1,131,579
Investments	-	-	-	-	-
Accrued Interest Receivable	9,677	-	-	-	9,677
Accounts Receivable	264,836	17,226	916,753	54,929	1,253,744
Federal Receivable	390,834	47,020	851,899	329,957	1,619,710
Interfund Receivable	-	7,631	-	-	7,631
Prepaid Expenditures	201	-	-	-	201
Loans Receivable	784,998	-	-	-	784,998
Furniture and Equipment	-	-	-	-	-
Data Processing Software	-	-	-	-	-
Amount to Provide for Vacation Payable	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 14,412,706</b>	<b>\$ 138,112</b>	<b>\$ 3,136,105</b>	<b>\$ 1,224,965</b>	<b>\$ 18,911,888</b>
<b>Liabilities, Equity, and Other Credits</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 1,105,094	\$ 58,827	\$ 909,936	\$ 351,502	\$ 2,425,359
Vacation Payable	15,013	897	5,404	6,084	27,398
Interfund Payable	323,083	-	21,017	32,264	376,364
Due to Federal Government	-	-	-	-	-
Deferred Income	2,966,308	-	-	-	2,966,308
Obligations Under Securities Lending	1,057,990	-	-	73,589	1,131,579
Advance from Other Funds	50,000	-	-	25,000	75,000
<b>Total Liabilities</b>	<b>5,517,488</b>	<b>59,724</b>	<b>936,357</b>	<b>488,439</b>	<b>7,002,008</b>
<b>Equity and Other Credits:</b>					
Investment in Fixed Assets	-	-	-	-	-
Investment in Data Processing Software	-	-	-	-	-
<b>Fund Balances:</b>					
Reserved for Trust Fund Principal	-	-	-	-	-
Reserved for Prepaid Expenditures	201	-	-	-	201
Reserved for Loans Receivable	784,998	-	-	-	784,998
Unreserved, Undesignated	8,110,019	78,388	2,199,748	736,526	11,124,681
<b>Total Equities and Other Credits</b>	<b>8,895,218</b>	<b>78,388</b>	<b>2,199,748</b>	<b>736,526</b>	<b>11,909,880</b>
<b>Total Liabilities, Equities, and Other Credits</b>	<b>\$ 14,412,706</b>	<b>\$ 138,112</b>	<b>\$ 3,136,105</b>	<b>\$ 1,224,965</b>	<b>\$ 18,911,888</b>

Fiduciary Funds			Account Groups		Totals	
					(Memorandum Only)	
Non-Expendable Trust Fund	General Fixed Assets	General Long-Term Debt	2000	1999		
\$ 2,483,867	\$ -	\$ -	\$ 16,588,215	\$ 13,506,410		
223,769	-	-	1,355,348	1,106,887		
12,455,125	-	-	12,455,125	12,722,625		
294,042	-	-	303,719	293,508		
-	-	-	1,253,744	806,840		
-	-	-	1,619,710	2,066,263		
266,966	-	-	274,597	437,922		
-	-	-	201	-		
-	-	-	784,998	299,999		
-	575	-	575	34,227		
-	5,627	-	5,627	11,621		
-	-	82,191	82,191	57,784		
<b>\$ 15,723,769</b>	<b>\$ 6,202</b>	<b>\$ 82,191</b>	<b>\$ 34,724,050</b>	<b>\$ 31,344,086</b>		
\$ -	\$ -	\$ -	\$ 2,425,359	\$ 3,941,308		
-	-	82,191	109,589	77,046		
-	-	-	376,364	489,353		
-	-	-	-	1,443,157		
-	-	-	2,966,308	279,241		
223,769	-	-	1,355,348	1,106,887		
-	-	-	75,000	75,000		
<b>223,769</b>	<b>-</b>	<b>82,191</b>	<b>7,307,968</b>	<b>7,411,992</b>		
-	575	-	575	34,227		
-	5,627	-	5,627	11,621		
15,500,000	-	-	15,500,000	15,500,000		
-	-	-	201	-		
-	-	-	784,998	299,999		
-	-	-	11,124,681	8,086,247		
<b>15,500,000</b>	<b>6,202</b>	<b>-</b>	<b>27,416,082</b>	<b>23,932,094</b>		
<b>\$ 15,723,769</b>	<b>\$ 6,202</b>	<b>\$ 82,191</b>	<b>\$ 34,724,050</b>	<b>\$ 31,344,086</b>		

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND TYPES**  
For the Year Ended June 30, 2000

	Governmental Funds		
	Special Revenue Funds		
	Housing Programs	Food Programs	Energy Programs
<b><u>Revenues:</u></b>			
Federal Revenue	\$ 39,781,260	\$ 697,242	\$ 16,468,621
Interest Income	615,260	-	-
Investment Income	-	-	-
Income from Others	141,125	-	-
Assessment Fees	-	-	2,211,163
Charges for Services	-	-	395
Miscellaneous Revenue	6,568,447	432,371	490,645
<b>Total Revenues</b>	<u>47,106,092</u>	<u>1,129,613</u>	<u>19,170,824</u>
<b><u>Expenditures:</u></b>			
Personal Services	877,397	45,431	380,904
Services and Supplies	272,662	2,011	109,038
Special Payments	45,710,828	1,086,735	16,530,800
<b>Total Expenditures</b>	<u>46,860,887</u>	<u>1,134,177</u>	<u>17,020,742</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>245,205</u>	<u>(4,564)</u>	<u>2,150,082</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Operating Transfers-In	5,927,733	-	12,652
Operating Transfers-Out	(5,272,306)	-	(12,659)
<b>Total Other Financing Sources (Uses)</b>	<u>655,427</u>	<u>-</u>	<u>(7)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>900,632</u>	<u>(4,564)</u>	<u>2,150,075</u>
<b>Fund Balances – Beginning</b>	7,509,386	82,952	49,673
Changes in Reserved for Prepaid Expenditures	201	-	-
Changes in Reserved for Loans Receivable	484,999	-	-
<b>Fund Balances – Ending</b>	<u>\$ 8,895,218</u>	<u>\$ 78,388</u>	<u>\$ 2,199,748</u>

	Totals (Memorandum Only)	
Other Programs	2000	1999
\$ 4,392,700	\$ 61,339,823	\$ 59,598,085
51,125	666,385	500,628
–	–	51,134
–	141,125	7,917,958
284,422	2,495,585	269,996
–	395	75
378,915	7,870,378	331,370
<u>5,107,162</u>	<u>72,513,691</u>	<u>68,669,246</u>
339,643	1,643,375	1,416,008
198,335	582,046	658,346
4,576,893	67,905,256	67,484,839
<u>5,114,871</u>	<u>70,130,677</u>	<u>69,559,193</u>
<u>(7,709)</u>	<u>2,383,014</u>	<u>(889,947)</u>
–	5,940,385	6,413,379
–	(5,284,965)	(5,637,324)
–	655,420	776,055
<u>(7,709)</u>	<u>3,038,434</u>	<u>(113,892)</u>
744,235	8,386,246	8,300,277
–	201	(138)
–	484,999	199,999
<u>\$ 736,526</u>	<u>\$ 11,909,880</u>	<u>\$ 8,386,246</u>

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**COMBINED STATEMENT OF LEGISLATIVE AUTHORIZATIONS (NON-GAAP BUDGETARY BASIS)**  
**COMPARED TO ACTUAL EXPENDITURES SUBJECT TO BUDGET**  
GOVERNMENTAL FUND TYPES  
For the Biennium Ending June 30, 2000

	<u>1999-2001 Budget</u>	<u>1st Year Actuals</u>	<u>2nd Year Balance</u>
Governmental Fund Types	\$ 94,956,033	\$ 47,649,797	\$ 47,306,236

STATE OF OREGON  
**OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
NONEXPENDABLE TRUST FUND  
For the Year Ended June 30, 2000

	<u>2000</u>	<u>1999</u>
<b><u>Revenues:</u></b>		
Interest Income	\$ 141,143	\$ 133,345
Investment Income	<u>514,284</u>	<u>642,749</u>
<b>Total Revenues</b>	655,427	776,094
<b><u>Operating Transfers-In (Out):</u></b>		
Operating Transfers-In	\$ 266,966	\$ -
Operating Transfers-Out	<u>(922,393)</u>	<u>(776,094)</u>
<b>Total Operating Transfers-In (Out)</b>	(655,427)	(776,094)
<b>Net Income</b>	<u>-</u>	<u>-</u>
<b>Fund Balance – Beginning</b>	15,500,000	15,500,000
<b>Retained Earnings – Beginning – As Restated</b>	<u>15,500,000</u>	<u>15,500,000</u>
<b>Fund Balance – Ending</b>	<u><u>\$ 15,500,000</u></u>	<u><u>\$ 15,500,000</u></u>

STATE OF OREGON  
OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT  
STATEMENT OF CASH FLOWS  
NONEXPENDABLE TRUST FUND  
For the Year Ended June 30, 2000

	<u>2000</u>	<u>1999</u>
<b><u>Cash Flows from Operating Activities:</u></b>		
Operating Income	\$ 655,427	\$ 776,094
<b><u>Adjustments to Reconcile Operating Income to Net Cash</u></b>		
<b><u>Provided by Operating Activities:</u></b>		
Interest Received on Investments	(655,427)	(642,749)
<b><u>Increase/(Decrease) in Liabilities:</u></b>		
Interfund Payable	—	(359,759)
<b>Total Adjustments</b>	<u>(655,427)</u>	<u>(1,002,508)</u>
<b>Net Cash Provided (Used) in Operating Activities</b>	<u>—</u>	<u>(226,414)</u>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>		
Operating Transfers-Out	<u>(1,075,276)</u>	<u>(623,211)</u>
<b>Net Cash Provided (Used) in Noncapital Financing Activities</b>	<u>(1,075,276)</u>	<u>(623,211)</u>
<b><u>Cash Flows from Investing Activities:</u></b>		
Interest on Cash and Investments	<u>922,393</u>	<u>781,250</u>
<b>Net Cash Provided in Investing Activities</b>	<u>922,393</u>	<u>781,250</u>
<b>Net Increase (Decrease) in Cash</b>	(152,883)	(68,375)
<b>Cash Balance – Beginning</b>	<u>2,636,750</u>	<u>2,705,125</u>
<b>Cash Balance – Ending</b>	<u>\$ 2,483,867</u>	<u>\$ 2,636,750</u>

## **FACTS ABOUT THE SECRETARY OF STATE AUDITS DIVISION**

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The Oregon Constitution provides that the Secretary of State shall be, by virtue of his office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

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<i>Director</i>	John N. Lattimer
<i>Deputy Director</i>	Catherine E. Pollino, CGFM
<i>Deputy Director</i>	Sharron E. Walker, CPA, CFE

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