

Annual Financial Report

Enterprise Funds of the State of Oregon

Housing and Community Services Department

For the Year Ended June 30, 2025

Andrea Bell

Director

Matthew Harris

Chief Financial Officer

Prepared by:

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Financial Section



Steve Bergmann
Division Director

Independent Auditor's Report

The Honorable Tina Kotek
Governor of Oregon

Andrea Bell, Executive Director
Oregon Housing and Community Services Department

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Elderly and Disabled Housing Fund and Housing Finance Fund, which collectively comprise the Housing and Community Service Fund, an enterprise fund of the State of Oregon, Housing and Community Services Department (department) as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Housing and Community Services Fund as of June 30, 2025, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the Housing and Community Services Fund are intended to present the financial position, the changes in financial position, and where applicable, cash flows of only that portion of the State of Oregon that is attributable to the transactions of the Housing and Community Services Fund at the department. They do not purport to, and do not, present fairly the financial position of the State of Oregon or the department as of June 30, 2025, the changes in its financial position

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Tobias Read
Oregon Secretary of State

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or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing and Community Service Fund's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025, on our consideration of the department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the department's internal control over financial reporting and compliance.

Office of the Secretary of State, Audits Division

State of Oregon

November 20, 2025

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Oregon Housing & Community Services Department
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
<i>Assets and Deferred Outflows of Resources</i>			
Assets			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 621,270	\$ 46,688,904	\$ 47,310,174
Cash and Cash Equivalents - Restricted	1,981,034	80,186,950	82,167,984
Investments - Restricted	-	21,607,975	21,607,975
Securities Lending Cash Collateral	154,289	128,979	283,268
Accounts Receivable	-	134,537	134,537
Accrued Interest Receivable	273,830	6,229,209	6,503,039
Interfund Receivable	-	61	61
Due from Governmental Funds	103,706	51,415	155,121
Prepaid Expenses	-	12,452	12,452
Loans Receivable	2,647,575	26,509,840	29,157,415
Acquired Property	-	244,002	244,002
<i>Total Current Assets</i>	5,781,704	181,794,324	187,576,028
<i>Noncurrent Assets</i>			
Cash and Cash Equivalents - Restricted	68,838,569	146,351,400	215,189,969
Investments - Restricted	1,217,122	171,990,962	173,208,084
Loans Receivable	32,227,409	946,686,067	978,913,476
Swap Fair Value Asset	-	15,742,435	15,742,435
Other Derivative Instruments	-	59,822	59,822
Net Other Postemployment Benefits Asset	15,338	196,429	211,767
Capital Assets (Net)	15,520	306,555	322,075
<i>Total Noncurrent Assets</i>	102,313,958	1,281,333,670	1,383,647,628
Total Assets	108,095,662	1,463,127,994	1,571,223,656
<i>Deferred Outflows of Resources</i>			
Loss on Debt Refundings	-	250,113	250,113
Related to Pensions	331,871	4,381,531	4,713,402
Related to Other Postemployment Benefits	2,660	32,872	35,532
Total Deferred Outflows of Resources	334,531	4,664,516	4,999,047
Total Assets and Deferred Outflows of Resources	\$ 108,430,193	\$ 1,467,792,510	\$ 1,576,222,703

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

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	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 14,932	\$ 1,157,102	\$ 1,172,034
Accrued Interest Payable	352,624	22,024,608	22,377,232
Obligations Under Securities Lending	154,289	128,979	283,268
Interfund Payable	61	-	61
Due to Governmental Funds	15,105	152,631	167,736
Due to Other Governments	-	207,320	207,320
Unearned Revenue	6	275,793	275,799
Compensated Absences Payable	14,173	471,880	486,053
Subscription-Based IT Obligations	7,276	116,191	123,467
Bonds Payable	1,155,000	59,240,000	60,395,000
Pension-related Debt Payable	9,173	32,866	42,039
Total Current Liabilities	1,722,639	83,807,370	85,530,009
Noncurrent Liabilities			
Compensated Absences Payable	33,071	1,101,054	1,134,125
Subscription-Based IT Arrangement Obligations	7,195	223,278	230,473
Bonds Payable	16,769,397	1,132,846,964	1,149,616,361
Arbitrage Rebate Liability	-	2,458,971	2,458,971
Pension-related Debt Payable	14,980	53,676	68,656
Net Pension Liability	746,969	9,566,180	10,313,149
Total Other Postemployment Benefits Liability (PEBB)	14,699	177,164	191,863
Total Noncurrent Liabilities	17,586,311	1,146,427,287	1,164,013,598
Total Liabilities	19,308,950	1,230,234,657	1,249,543,607
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	-	15,742,435	15,742,435
Deferred Loan Origination Fees	201,375	3,963,454	4,164,829
Related to Pensions	62,982	806,583	869,565
Related to Other Postemployment Benefits	6,945	85,450	92,395
Total Deferred Inflows of Resources	271,302	20,597,922	20,869,224
Net Position			
Net Investment in Capital Assets	1,049	(32,914)	(31,865)
Restricted for Residential Assistance	-	1,172,170	1,172,170
Restricted for Other Postemployment Benefits	15,338	196,429	211,767
Restricted by Trust Indentures	88,202,285	170,176,996	258,379,281
Unrestricted	631,269	45,447,250	46,078,519
Total Net Position	88,849,941	216,959,931	305,809,872
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 108,430,193	\$ 1,467,792,510	\$ 1,576,222,703

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

Oregon Housing & Community Services Department
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Operating Revenues			
Interest on Loans	\$ 1,999,315	\$ 41,414,964	\$ 43,414,279
Investment Income	3,430,025	14,807,635	18,237,660
Other Derivative Income	-	(21,536)	(21,536)
Administrative Charges and Fees	115,793	8,533,482	8,649,275
Low Income Housing Tax Credit Fees	-	7,877,275	7,877,275
Gain on Sale of Foreclosed Property	-	163,675	163,675
Gain (Loss) on Debt Extinguishment	-	1,982,310	1,982,310
Miscellaneous Revenue	-	4,759	4,759
Total Operating Revenues	5,545,133	74,762,564	80,307,697
Operating Expenses			
Personal Services	445,948	13,905,494	14,351,442
Services and Supplies	239,649	3,471,312	3,710,961
Mortgage Service Fees	11,519	3,501,065	3,512,584
Foreclosure Costs	-	19,575	19,575
Interest Expense - Bonds	859,412	38,538,794	39,398,206
Interest Expense - Securities Lending	10,248	13,031	23,279
Other Related Program Expenses	-	3,947,829	3,947,829
Depreciation/Amortization	6,982	115,886	122,868
Total Operating Expenses	1,573,758	63,512,986	65,086,744
Operating Income	3,971,375	11,249,578	15,220,953
Nonoperating Revenues (Expenses)			
Interest Expense - Pension-related Debt	(116)	(415)	(531)
Interest Expense - Subscription-Base IT Assets	(584)	(12,096)	(12,680)
Total Nonoperating Revenues (Expenses)	(700)	(12,511)	(13,211)
Income Before Transfers	3,970,675	11,237,067	15,207,742
Transfers to Other State Agencies	(32,486)	(405,547)	(438,033)
Increase in Net Position	3,938,189	10,831,520	14,769,709
Net Position - Beginning	84,989,153	206,897,893	291,887,046
Change in Accounting Principle (GASB 101)	(77,401)	(769,482)	(846,883)
Net Position - Beginning (Restated)	84,911,752	206,128,411	291,040,163
Net Position - Ending	\$ 88,849,941	\$ 216,959,931	\$ 305,809,872

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

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Oregon Housing & Community Services Department
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Cash Flows from Operating Activities			
Received from Customers	\$ 116,719	\$ 17,024,687	\$ 17,141,406
Program Loan Principal Repayments	2,581,697	66,629,056	69,210,753
Program Loan Interest Received	1,585,695	40,552,530	42,138,225
Program Loans Made	-	(81,625,668)	(81,625,668)
Payments to Employees for Services	(1,107,654)	(12,908,056)	(14,015,710)
Payments to Suppliers for Goods and Services	(280,697)	(7,134,500)	(7,415,197)
Other Receipts (Payments)	7,113	(1,592,701)	(1,585,588)
Net Cash Provided (Used) in Operating Activities	2,902,873	20,945,348	23,848,221
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	-	264,434,870	264,434,870
Principal Payments - Bonds	(1,105,000)	(163,285,000)	(164,390,000)
Interest Payments - Bonds	(881,726)	(35,805,433)	(36,687,159)
Bond Issuance Costs	-	(1,699,139)	(1,699,139)
Other Derivative Receipts	-	32,947	32,947
Principal Payments - Pension-related Debt	(17,431)	(62,452)	(79,883)
Interest Payments - Pension-related Debt	(116)	(415)	(531)
Transfers to Other State Agencies	(34,228)	(401,634)	(435,862)
Net Cash Provided (Used) in Noncapital Financing Activities	(2,038,501)	63,213,744	61,175,243
Cash Flows from Capital and Related Financing Activities			
Subscription-Based IT Assets Principal Payments	(6,762)	(106,128)	(112,890)
Subscription-Based IT Assets Interest Payments	(769)	(14,899)	(15,668)
Net Cash Provided (Used) in Capital and Related Financing Activities	(7,531)	(121,027)	(128,558)
Cash Flows from Investing Activities			
Purchase of Investments	-	(396,504,860)	(396,504,860)
Proceeds from Sales and Maturities of Investments	-	331,616,806	331,616,806
Interest on Cash and Investments	3,416,546	11,228,688	14,645,234
Investment Income on Securities Lending	10,248	13,031	23,279
Interest Paid on Securities Lending	(10,248)	(13,031)	(23,279)
Net Cash Provided (Used) in Investing Activities	3,416,546	(53,659,366)	(50,242,820)
Net Increase (Decrease) in Cash and Cash Equivalents	4,273,387	30,378,699	34,652,086
Cash and Cash Equivalents Balance - Beginning	67,167,486	242,848,555	310,016,041
Cash and Cash Equivalents Balance - Ending	\$ 71,440,873	\$ 273,227,254	\$344,668,127
Cash and Cash Equivalents	\$ 621,270	\$ 46,688,904	\$ 47,310,174
Cash and Cash Equivalents - Restricted (Current)	1,981,034	80,186,950	82,167,984
Cash and Cash Equivalents - Restricted (Noncurrent)	68,838,569	146,351,400	215,189,969
Total Cash and Cash Equivalents	\$ 71,440,873	\$ 273,227,254	\$344,668,127

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

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	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$ 3,971,375	\$ 11,249,578	\$ 15,220,953
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	6,982	115,886	122,868
Investment Income Reported as Operating Revenue	(3,430,025)	(14,807,635)	(18,237,660)
Other Derivative Income Reported as Operating Revenue	-	21,536	21,536
Interest Expense Reported as Operating Expense	869,660	38,551,825	39,421,485
Bond Issuance Costs Reported as Operating Expense	-	1,885,086	1,885,086
(Gain) Loss on Debt Extinguishment	-	(1,982,309)	(1,982,309)
(Increase)/Decrease in Assets:			
Loan Interest Receivable	(3,329)	(307,003)	(310,332)
Accounts Receivable	925	242,130	243,055
Interfund Receivable	-	(61)	(61)
Due from Governmental Funds	(61,028)	128,959	67,931
Prepaid Expenses	-	(12,452)	(12,452)
Loans Receivable	2,200,041	(14,843,839)	(12,643,798)
Acquired Property	-	(55,007)	(55,007)
Net Other Postemployment Benefits Asset	14,872	(23,115)	(8,243)
(Increase)/Decrease in Deferred Outflows of Resources:			
Related to Pensions	107,915	(1,024,983)	(917,068)
Related to Other Postemployment Benefits	(1,653)	(25,990)	(27,643)
Increase/(Decrease) in Liabilities:			
Accounts Payable	(12,118)	(31,942)	(44,060)
Interfund Payable	61	-	61
Due to Governmental Funds	(9,307)	(169,376)	(178,683)
Due to Other Governments	-	207,320	207,320
Unearned Revenue	(576)	(67,753)	(68,329)
Compensated Absences Payable	(78,480)	324,237	245,757
Net Pension Liability	(601,302)	1,408,423	807,121
Total Other Postemployment Benefits Liability	3,705	43,292	46,997
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	(28,059)	(36,079)	(64,138)
Related to Pensions	(43,625)	161,554	117,929
Related to Other Postemployment Benefits	(3,161)	(6,934)	(10,095)
Net Cash Provided (Used) in Operating Activities	\$ 2,902,873	\$ 20,945,348	\$ 23,848,221
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	\$ 3,255	\$ 5,245,236	\$ 5,248,491
Foreclosed Property	-	225,007	225,007
Loan Modifications	381,656	141,268	522,924
SBITAs Initiated	21	619	640
Total Noncash Investing, Capital, and Financing Activities	\$ 384,932	\$ 5,612,130	\$ 5,997,062

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

Oregon Housing & Community Services Department
Notes to the Financial Statements
Enterprise Funds
June 30, 2025

NOTE 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Oregon Housing and Community Services Department (OHCSO) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

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

Through sales of bonds, OHCSO finances home ownership and multi-family housing units for elderly, disabled, and lower to moderate income persons. OHCSO has issued revenue bonds for the Single-Family Mortgage Program (Mortgage Revenue Bonds) and Multifamily Housing Revenue Bonds. OHCSO has issued State of Oregon general obligation bonds for the Elderly and Disabled Housing Program. State of Oregon general obligation bonds are authorized by Oregon Constitution Article XI-I(2).

The financial statements and notes include only the bonded debt financial activity of OHCSO's housing bond programs. OHCSO operates governmental fund programs which are not included in this report.

B. Basis of Presentation - Fund Accounting

OHCSO programs and accounts are organized by "funds," each of which is a separate accounting entity. Each major program utilizes a separate set of self-balancing accounts to record the assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses of their activities. OHCSO's housing bond programs are classified in proprietary funds. Proprietary funds contain two types of funds: Enterprise Funds and Internal Service Funds. All housing bond programs of OHCSO are accounted for in the Enterprise Funds.

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

- (1) The Elderly and Disabled Housing Fund accounts for programs that are supported by State of Oregon General Obligation Bonds. Bond proceeds are used to finance elderly housing and residential facilities for elderly households, disabled persons, and their family members. OHCSO is responsible for the administration of this program.
- (2) The Housing Finance Fund accounts for programs that are supported by revenue bond financing, including the Multifamily Housing and Single-Family Mortgage Programs. Revenue bond proceeds are used to finance home ownership and multi-family units for lower and moderate income persons. Also part of the Housing Finance Fund are the Combined Program Account and the Housing Finance Account. The Combined Program Account is maintained to act as a reserve against possible deficiencies that may arise in the payment of debt service or related expenses of the Single-Family Mortgage Program. General and administrative costs of these programs are accounted for in the Housing Finance Account. In addition, fees or other monies received by OHCSO in carrying out the responsibilities outlined under Oregon Revised Statutes 456.548 to 456.725 are also included in the Housing Finance Account.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the flow of economic resources measurement focus and are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned

and expenses are recorded at the time related liabilities are incurred. All assets and liabilities associated with the operations of these funds are included on the Statement of Net Position. Assets and liabilities are segregated between current and non-current. Net Position is segregated into Net Investment in Capital Assets, Restricted, and Unrestricted. The Proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. This statement segregates operating revenue, operating expenses, non-operating revenue and expense, and capital contributions and transfers.

D. Budgets

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

E. Cash Equivalents

For purposes of the Statement of Cash Flows, all OHCSF monies held in the State Treasury Oregon Short-Term Fund and monies held in money market mutual funds are considered to be cash equivalents. The money market mutual funds do not have a floating net asset value (NAV). OHCSF records investments with original maturities of three months or less as investments, not cash equivalents.

F. Investments

OHCSF's investments are stated at fair value. Investment fair value is determined using quoted market prices or quoted market prices for similar investments.

G. Receivables

Receivables included are amounts due that represent revenues earned or accrued in the current period. Types included in this classification relate to interest, mortgage loans receivable, and other miscellaneous receivables. If the last day or days of the fiscal year are on a weekend and an investment matures that weekend, an accounts receivable in the amount of the matured investment is included in the Statement of Net Position.

H. Short-term Interfund Receivable/Payable and Due from/to Governmental Funds

During the course of operations, transactions occur between individual funds for various reasons. Receivable and payable transactions between OHCSF's enterprise funds are classified as "Interfund Receivable" and "Interfund Payable" on the Statement of Net Position. Receivables and payables between OHCSF's enterprise funds and OHCSF's governmental funds are classified as "Due from Governmental Funds" and "Due to Governmental Funds" on the Statement of Net Position.

I. Acquired Property

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

J. Capital Assets

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

Amortization of leases or subscription-based information technology arrangements (SBITA) is charged as an expense over the length of the lease or SBITA agreement using the straight-line method. Depreciation or amortization of other capital assets is charged as an expense over the estimated useful life using the straight-line method. The estimated useful life of OHCSO's other capital assets is from three to ten years.

K. Rebateable Arbitrage

Internal Revenue Code (IRC) Section 148(f) requires issuers of tax-exempt bonds to rebate investment income earned from bond proceeds that exceeds limits established for each bond issue. These limits are based on the bond yield as calculated for federal tax purposes for each bond issue and are subject to certain exceptions. Arbitrage rebate payments are due not later than 60 days after the end of the fifth anniversary of each bond issue (or other date in compliance with IRC Section 148(f)) and every five years thereafter in an amount at least equal to 90% of the calculated arbitrage liability. Final arbitrage rebate payments are due not later than 60 days after the final retirement of all bonds in an issue in an amount equal to 100% of the calculated arbitrage liability. OHCSO records rebateable arbitrage as a reduction of investment revenue.

L. Compensated Absences

A compensated absence liability is recognized for leave that has not been used if the leave is leave for which an employee has performed the services required to earn the leave, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

M. Bond Discounts and Premiums

Bond discount or premium arising from the sale of serial or term bonds is charged or credited to interest expense over the life of the related bond issue using the bonds-outstanding method of amortization. The removal of unamortized bond discount or bond premium for bonds that are called is recorded in Gain (Loss) on Debt Extinguishment on the Statement of Revenues, Expenses, and Changes in Fund Net Position. Bond discounts and premiums are included in Bonds Payable on the Statement of Net Position.

N. Deferred Debt Refundings

Deferred debt refunding gains or losses are amortized over the shorter of the life of the new debt or the remaining life of the old debt using the bonds-outstanding method of amortization. The bonds-outstanding method of amortization most closely approximates the effective-interest method. The removal of unamortized deferred debt refunding gains or losses for bonds that are called is recorded in Gain (Loss) on Debt Extinguishment on the Statement of Revenues, Expenses, and Changes in Fund Net Position. Loss on Debt Refundings is shown as a Deferred Outflow of Resources and Gain on Debt Refundings is shown as a Deferred Inflow of Resources on the Statement of Net Position.

O. Deferred Loan Origination Fees

Loan origination fees related to points are deferred and recognized as an adjustment to interest revenue over the life of the loan. Deferred loan origination fees are amortized using the interest method and are shown as a Deferred Inflow of Resources and on the Statement of Net Position.

P. Restricted Assets

The use of all cash, cash equivalents, and investments of the Enterprise Fund are generally restricted as to purpose and use by the Bond Declarations and Indentures of Trust. The bond program funds are restricted for acquisition of loans, payment of debt service, and payment of operating costs. Individual reserve accounts have been established to meet certain requirements and the balances of these accounts as of June 30, 2025 were sufficient to meet all legal requirements. When both restricted and unrestricted resources are available to use, it is OHCS D's policy to use restricted resources before using unrestricted resources.

Q. Operating Revenues and Expenses

Operating revenues include interest and fees on program loans as well as earnings on cash and investments related to OHCS D's loan programs. Since the principal activity of OHCS D's Enterprise Funds is lending and bond proceeds that have not yet been loaned and required bond reserves are invested, investment income is reported as operating revenue. Administrative expenses, depreciation and amortization of capital assets, and bond program related expenses are considered operating expenses. Nonoperating revenues and expenses include interest expense for pension-related debt, leases, and subscription-based information technology arrangements (SBITA).

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

Deposits

On June 30, 2025, the book balance of cash and cash equivalents was \$344,668,127 and the bank balance was \$344,355,853. Monies held in demand accounts with the State Treasurer and amounts in the Oregon Short-Term Fund totaled \$131,122,563. Additional information about the Oregon Short-Term Fund can be found at www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx.

The June 30, 2025 bank balance includes \$212,840,060 in money market mutual funds held at OHCS D's trustee. OHCS D considers money market mutual funds to be cash equivalents, not investments, and includes them in Cash and Cash Equivalents – Restricted on the Statement of Net Position. Information about OHCS D's money market mutual funds is included in the Investments section of this note.

A total of \$393,230 is held in money market deposit accounts by OHCS D's Bond Trustee as agent. These deposits are insured by FDIC up to \$250,000. Anything above \$250,000 is uninsured and uncollateralized. The uninsured and uncollateralized deposits are subject to custodial credit risk. Custodial credit risk is the risk that, in the event of a bank failure, deposits may not be returned.

OHCS D does not have a deposit policy.

Investments

OHCS D's Bond Indentures of Trust and investment policy authorize OHCS D to invest in the following types of investments: insured or registered securities explicitly or implicitly guaranteed by the U.S. Government; variable rate demand obligations of state agencies and Housing Finance Authorities outside of Oregon; and investment agreements, collateralized or uncollateralized, with institutions that are rated by nationally recognized rating agencies and rated at least equal to the initial rating on the bonds.

Investments with OHCS D's Trustee consisted of \$8,345,952 in U.S. Treasury securities, \$40,444,958 in Government National Mortgage Association (GNMA) mortgage-backed securities, \$144,808,027 in U.S. Agency securities, and \$212,840,060 in money market mutual funds. The investments are held by OHCS D's Bond Trustee in OHCS D's name.

Investments with the State Treasurer consisted of \$781,143 in U.S. Treasury Securities and \$435,979 in U.S. Agency securities. OHCS D's investments with the State Treasurer are held with the State Treasurer's agent in the name of the State of Oregon and segregated in the Treasurer's records in OHCS D's name.

Notes to the Financial Statements (Continued)
June 30, 2025

Fair value is categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of an investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. OHCS D's money market mutual funds are Level 1 and all other investments are Level 2.

Interest Rate Risk Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. OHCS D's investment policy specifies that, in order to mitigate interest rate risk, the investment portfolio shall be structured so that securities mature to meet cash requirements, limiting the need to sell securities on the open market before maturity. As of June 30, 2025, OHCS D had the following investments and maturities:

Investment Type	Credit Rating		Fair Value	Investment Maturities (in Years)			
	Moody's	Standard & Poor's		Less than 1	1-5	6-10	More than 10
U.S. Treasury securities	Exempt from Disclosure		\$ 9,127,095	\$ 7,271,799	\$ -	\$ -	\$ 1,855,296
GNMA securities	Exempt from Disclosure		40,444,958	-	-	-	40,444,958
U.S. Agency securities	Aa1	AA+	61,417,251	12,855,972	9,652,049	5,379,651	33,529,579
U.S. Agency securities	Not Rated	Not Rated	51,767,234	51,767,234	-	-	-
U.S. Agency MBS *	Not Rated	Not Rated	32,059,521	-	-	-	32,059,521
Subtotal			194,816,059	\$ 71,895,005	\$ 9,652,049	\$ 5,379,651	\$107,889,354
Money Market Mutual Funds **	Aaa-mf	AAAm	212,840,060				
Total			<u>\$ 407,656,119</u>				

* Federal National Mortgage Association and Federal Home Loan Mortgage Corporation mortgage backed securities

** Included in Cash and Cash Equivalents - Restricted on the Statement of Net Position

Credit Risk Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. According to OHCS D's investment policy, to mitigate credit risk, funds shall be invested in U.S. Treasury securities, securities backed by the U.S. Government, or variable rate demand obligations of state agencies and Housing Finance Authorities outside of Oregon. Investments in U.S. Treasury securities and GNMA securities are explicitly guaranteed by the U.S. government and are exempt from credit risk disclosure requirements.

Concentration of Credit Risk Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. On June 30, 2025, 31.19% of OHCS D's total investments are Federal Home Loan Bank securities, 20.76% are GNMA securities, 19.55% are Federal National Mortgage Association securities, 8.72% are Tennessee Valley Authority securities, and 7.61% are Federal Home Loan Mortgage Corporation securities, and 7.48% are Federal Farm Credit Bank securities.

Securities Lending

In accordance with State of Oregon investment policies, state agencies may participate in securities lending. OHCS D is involved in securities lending only with cash balances invested in the Oregon Short-Term Fund (OSTF). As of June 30, 2025, amounts allocated to OHCS D's Enterprise Funds are as follows:

	<u>Fair Value</u>
Securities on loan	\$ 7,048,673
Securities lending cash and noncash collateral	\$ 7,190,582
Investments purchased with cash collateral	\$ 283,297

Securities on loan from the OSTF included U.S. Agency securities (94.77%) and domestic fixed income securities (5.23%). Additional information about the Oregon Short-Term Fund and securities lending can be found in the Oregon Short-Term Fund financial statements at www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx.

Notes to the Financial Statements (Continued)
June 30, 2025

NOTE 3. Loans Receivable

Loans receivable on June 30, 2025 consisted of:

	Loans Receivable
Elderly and Disabled Housing Fund	\$34,874,984
Housing Finance Fund:	
Mortgage Revenue Bonds	942,556,865
Multifamily Housing Revenue Bonds	23,187,099
Housing Finance Account	7,451,943
Total Housing Finance Fund	973,195,907
Total	<u>\$ 1,008,070,891</u>

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

Mortgage Revenue Bonds provide financing for single-family homes for at or below median income home buyers. Loans are collateralized by first lien mortgages on the applicable real estate. Of the total mortgage principal balance outstanding on June 30, 2025, 57.50% is federally insured or guaranteed, 0.15% is covered by pool insurance and/or private mortgage insurance, and 42.35% is uninsured. Based on prior experience, OHCSO does not anticipate any material loss in the collection of mortgage loans receivable or in the disposition of acquired properties.

Multifamily Housing Revenue Bonds provide interim and permanent mortgage financing for the construction, acquisition, or rehabilitation of multi-family housing developments within the State that primarily contain housing units for persons or families of lower and moderate income.

Loans in the Housing Finance Account provide financing for the construction, acquisition and/or rehabilitation of affordable housing and down payment assistance loans for lower and moderate income home buyers in Oregon.

NOTE 4. Interfund Balances

Interfund receivables and payables for the year ended June 30, 2025 are summarized below:

	Interfund Receivable	Interfund Payable
Elderly and Disabled Housing Fund	\$ -	\$ 61
Housing Finance Fund	61	-
Total	<u>\$ 61</u>	<u>\$ 61</u>

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

Notes to the Financial Statements (Continued)
June 30, 2025

NOTE 5. Capital Assets

A summary of OHCS's capital assets on June 30, 2025 is presented in the table below. OHCS has subscription-based information technology arrangements (SBITA) but has no other outstanding debt related to capital assets:

	Elderly and Disabled Housing Fund				Housing Finance Fund			
	Beginning Balance	Increases	Decreases	Ending Balance	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets:								
Equipment	\$ 1,494	\$ -	\$ -	\$ 1,494	\$ 3,905	\$ -	\$ -	\$ 3,905
Software	26,370	-	-	26,370	142,191	-	-	142,191
Subtotal	27,864	-	-	27,864	146,096	-	-	146,096
Right To Use Assets:								
Subscription-Based IT Assets	33,158	22	-	33,180	643,084	618	-	643,702
Subtotal	33,158	22	-	33,180	643,084	618	-	643,702
Less Accumulated Depreciation/Amortization:								
Equipment	(1,046)	(149)	-	(1,195)	(2,734)	(391)	-	(3,125)
Software	(26,370)	-	-	(26,370)	(142,191)	-	-	(142,191)
Subscription-Based IT Assets	(11,126)	(6,833)	-	(17,959)	(222,432)	(115,495)	-	(337,927)
Total Accumulated Depr/Amort	(38,542)	(6,982)	-	(45,524)	(367,357)	(115,886)	-	(483,243)
Capital Assets, Net	<u>\$ 22,480</u>	<u>\$ (6,960)</u>	<u>\$ -</u>	<u>\$ 15,520</u>	<u>\$ 421,823</u>	<u>\$ (115,268)</u>	<u>\$ -</u>	<u>\$ 306,555</u>

NOTE 6. Subscription-based Information Technology Arrangements (SBITA) Obligations

OHCS has entered into SBITAs to obtain the right to use various information technology assets instead of purchasing them. Annual payments to the lessors are to be made each lease year for the life of the agreements.

The SBITAs include variable payments which are not included in the calculation of the SBITA obligation. The variable payments are determined by evaluating the deliverables outlined in the SBITA agreement. Variable payments excluded from the obligation include fees based on the number of users. Additionally, the variable portion of a fee structure that bills beyond a certain amount based on volume is also excluded, while the fixed component of the fee is included in the obligation.

The following table summarizes, as of June 30, 2025, the amounts needed to pay future SBITA principal and interest payments for each fiscal year:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 123,467	\$ 9,471	\$ 132,938
2027	112,469	6,154	118,623
2028	118,004	3,150	121,154
Total	<u>\$ 353,940</u>	<u>\$ 18,775</u>	<u>\$ 372,715</u>

Notes to the Financial Statements (Continued)
June 30, 2025

NOTE 7. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year is as follows:

	Beginning Balance	Accounting Change [@]	Increases	Decreases	Ending Balance	Due Within One Year
Bond Principal	\$ 1,091,410,000	\$ -	\$ 256,045,000	\$ 164,185,000	\$ 1,183,270,000	\$ 60,175,000
Bond Principal (Direct Placements)	4,805,000	-	-	205,000	4,600,000	220,000
Bond Premium	16,556,995	-	8,389,870	2,791,631	22,155,234	-
Bond Discount	(15,047)	-	-	(1,174)	(13,873)	-
Bonds Payable	1,112,756,948	-	264,434,870	167,180,457	1,210,011,361	60,395,000
Compensated Absences Payable	527,538	846,883	245,757 *	-	1,620,178	486,053
SBITA Obligations	471,820	-	640	118,520	353,940	123,467
Arbitrage Rebate Liability	424,144	-	2,329,349	294,522	2,458,971	-
Pension-related Debt Payable	190,578	-	-	79,883	110,695	42,039
Net Pension Liability	9,506,028	-	2,509,520	1,702,399	10,313,149	-
Total OPEB Liability	144,866	-	55,680	8,683	191,863	-
Total Long Term Liabilities	<u>\$ 1,124,021,922</u>	<u>\$ 846,883</u>	<u>\$ 269,575,816</u>	<u>\$ 169,384,464</u>	<u>\$ 1,225,060,157</u>	<u>\$ 61,046,559</u>

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* Net Increase

NOTE 8. Pension-Related Debt

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the State and community colleges were pooled together in the State and Community College Pool (SCCP), while local government employers participated in the Local Government Rate Pool (LGRP). These two pools were combined to form the SLGRP effective January 1, 2002. The unfunded actuarial liability attributable to the SCCP at the time the SLGRP was formed is maintained separately from the SLGRP and is reduced by contributions and increased for interest charges at the assumed interest rate. The pre-SLGRP liability is essentially a debt owed to the SLGRP by the SCCP employers. The balance of the pre-SLGRP pooled liability attributable to the State is being amortized over the period ending December 31, 2027.

The following table summarizes the amounts necessary to pay OHCS D's share of future pension-related debt principal and interest requirements as of June 30, 2025 for each fiscal year until the final principal and interest payment are made in fiscal year 2028:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 42,039	\$ 6,925	\$ 48,964
2027	44,990	3,975	48,965
2028	23,666	816	24,482
Total	<u>\$ 110,695</u>	<u>\$ 11,716</u>	<u>\$ 122,411</u>

Notes to the Financial Statements (Continued)
June 30, 2025

NOTE 9. Long-Term Debt

The following table summarizes outstanding bonds by program and series as of June 30, 2025:

General Obligation Bonds

Elderly and Disabled Housing Fund

Original Issue					Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	
1993 C	1994-2026	2.850	5.650%	\$ 13,915,000	\$ 635,000	\$ -	\$ 230,000	\$ 405,000	\$ 235,000
1994 B	1996-2026	4.200	6.300%	24,400,000	5,000	-	-	5,000	-
1995 A	1996-2026	4.000	6.000%	14,100,000	10,000	-	-	10,000	-
1995 B	1997-2027	4.000	5.700%	24,240,000	755,000	-	180,000	575,000	190,000
1997 A	1999-2028	4.050	5.375%	8,475,000	5,000	-	-	5,000	-
1998 B	2001-2030	3.550	4.875%	10,285,000	5,000	-	-	5,000	-
1999 B	2000-2031	3.350	5.250%	4,485,000	5,000	-	-	5,000	-
1999 E	2001-2031	5.000	6.250%	19,105,000	10,000	-	-	10,000	-
2001 C	2002-2032	2.700	5.300%	25,325,000	5,000	-	-	5,000	-
2002 B	2003-2024	1.400	4.700%	37,905,000	10,000	-	10,000	-	-
2002 C	2003-2043	1.600	5.050%	13,595,000	990,000	-	5,000	985,000	20,000
2007 A	2008-2048	3.650	4.750%	26,300,000	16,590,000	-	680,000	15,910,000	710,000
Subtotal					19,025,000	-	1,105,000	17,920,000	1,155,000
Direct Placements									
2003 C	2013-2034	4.350	5.100%	2,930,000	5,000	-	-	5,000	-
Subtotal					5,000	-	-	5,000	-
<i>Total General Obligation Bonds</i>					\$ 19,030,000	\$ -	\$ 1,105,000	\$ 17,925,000	\$ 1,155,000

Revenue Bonds

Mortgage Revenue Bonds

Original Issue					Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2013 A	2020-2043	2.200	4.050%	\$ 21,885,000	\$ 4,600,000	\$ -	\$ 780,000	\$ 3,820,000	\$ 510,000
2013 C	2014-2033	0.350	3.564%	61,300,000	625,000	-	625,000	-	45,000
2013 D	2018-2043	1.650	4.200%	33,225,000	3,260,000	-	725,000	2,535,000	745,000
2013 F	2033	3.900	3.900%	8,335,000	4,445,000	-	-	4,445,000	-
2014 A	2019-2044	1.550	4.000%	57,710,000	16,160,000	-	2,380,000	13,780,000	1,675,000
2014 B	2015-2044	0.300	4.000%	29,960,000	750,000	-	750,000	-	-
2014 C	2015-2044	0.200	3.750%	30,900,000	8,670,000	-	500,000	8,170,000	525,000
2015 A	2019-2036	1.500	3.500%	79,195,000	3,900,000	-	3,900,000	-	-
2015 C	2045	***		33,600,000	33,600,000	-	33,600,000	-	-
2016 A	2017-2047	0.550	4.000%	56,275,000	3,955,000	-	2,845,000	1,110,000	1,110,000
2016 B	2033	***		13,140,000	13,140,000	-	-	13,140,000	-
2016 C	2037	***		15,000,000	15,000,000	-	-	15,000,000	-
2017 A	2018-2047	0.940	4.000%	81,510,000	10,845,000	-	3,050,000	7,795,000	810,000
2017 C	2039	***		44,000,000	41,605,000	-	3,340,000	38,265,000	4,010,000
2017 D	2022-2048	1.400	3.500%	87,390,000	35,405,000	-	3,840,000	31,565,000	2,580,000
2017 E	2018-2040	0.950	3.500%	22,775,000	3,065,000	-	890,000	2,175,000	460,000
2017 F	2042-2048	3.650	3.750%	11,440,000	6,450,000	-	-	6,450,000	-
2017 G	2018-2040	1.400	4.000%	43,730,000	13,745,000	-	1,800,000	11,945,000	830,000
2017 H	2023-2028	2.100	2.800%	16,105,000	12,255,000	-	2,620,000	9,635,000	2,675,000
2018 A	2019-2049	1.750	4.500%	62,590,000	23,795,000	-	3,340,000	20,455,000	2,395,000
2018 B	2035-2043	2.900	2.900%	30,000,000	16,080,000	-	-	16,080,000	-

Continued on the next page

Notes to the Financial Statements (Continued)
June 30, 2025

Revenue Bonds

Mortgage Revenue Bonds

Continued from the previous page

Original Issue					Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2018 C	2020-2049	1.600	4.500%	87,420,000	36,890,000	-	3,385,000	33,505,000	2,805,000
2018 D	2020-2050	1.900	4.750%	82,885,000	34,160,000	-	6,680,000	27,480,000	3,430,000
2018 E	2043	***		41,000,000	41,000,000	-	41,000,000	-	-
2019 A	2020-2050	1.050	4.000%	99,000,000	73,285,000	-	5,675,000	67,610,000	4,915,000
2020 A	2021-2051	0.300	3.500%	47,905,000	28,550,000	-	3,785,000	24,765,000	3,675,000
2020 B	2037	***		24,500,000	24,500,000	-	-	24,500,000	-
2020 C	2021-2052	0.200	3.000%	60,000,000	51,305,000	-	2,715,000	48,590,000	2,765,000
2021 A	2022-2052	0.070	3.000%	99,000,000	92,905,000	-	3,005,000	89,900,000	5,210,000
2022 A	2025-2051	2.250	4.000%	77,900,000	75,170,000	-	2,735,000	72,435,000	3,770,000
2022 B	2023-2026	2.650	3.400%	7,000,000	5,000,000	-	2,000,000	3,000,000	2,000,000
2022 C	2024-2053	4.592	5.661%	24,810,000	24,330,000	-	2,370,000	21,960,000	1,815,000
2022 D	2047	***		21,000,000	21,000,000	-	-	21,000,000	-
2023 A	2024-2053	2.800	5.500%	40,005,000	39,590,000	-	2,025,000	37,565,000	1,255,000
2023 B	2025-2036	4.724	5.482%	11,210,000	11,210,000	-	-	11,210,000	500,000
2023 C	2025-2053	5.295	6.250%	127,665,000	127,665,000	-	2,220,000	125,445,000	3,545,000
2023 D	2024	3.550	3.550%	20,000,000	20,000,000	-	20,000,000	-	-
2024 A	2025-2053	3.350	6.500%	38,690,000	38,690,000	-	50,000	38,640,000	1,115,000
2024 B	2025-2054	4.996	6.105%	42,205,000	42,205,000	-	-	42,205,000	275,000
2024 C	2025-2054	3.200	6.500%	89,325,000	-	89,325,000	-	89,325,000	2,330,000
2024 D	2043	***		41,000,000	-	41,000,000	-	41,000,000	-
2024 E	2045	***		33,600,000	-	33,600,000	-	33,600,000	-
2025 A	2026-2055	3.250	6.250%	72,120,000	-	72,120,000	-	72,120,000	780,000
2025 B	2027-2037	4.419	5.700%	20,000,000	-	20,000,000	-	20,000,000	-
<i>Total Mortgage Revenue Bonds</i>					\$ 1,058,805,000	\$ 256,045,000	\$ 162,630,000	\$ 1,152,220,000	\$ 58,555,000

*** Interest rates are adjusted weekly based on the weekly rate determined by the Remarketing Agent, not to exceed 12.00%. The interest rate at the end of the fiscal year was 1.91% for 2016 B and 2020 B; 1.96% for 2016 C; 1.90% for 2017 C; 4.40% for 2022 D; 1.92% for 2024 D; and 1.95% for 2024 E.

Multifamily Housing Revenue Bonds

Original Issue					Bonds Outstanding				Due Within One Year
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	
2005 A	2007-2047	3.050	5.000%	9,855,000	\$ 295,000	\$ -	\$ 10,000	\$ 285,000	\$ 10,000
2010 A	2011-2042	0.900	5.150%	77,705,000	2,950,000	-	155,000	2,795,000	155,000
2010 B	2013-2052	0.950	4.875%	16,425,000	8,070,000	-	140,000	7,930,000	150,000
2012 A	2013-2032	0.300	3.250%	1,425,000	710,000	-	75,000	635,000	80,000
2012 B	2013-2043	0.550	4.125%	35,335,000	1,555,000	-	70,000	1,485,000	70,000
Subtotal					13,580,000	-	450,000	13,130,000	465,000
Direct Placements									
2004 A	2014-2045	4.300	5.100%	5,120,000	3,610,000	-	90,000	3,520,000	100,000
2006 A	2036	4.620	4.620%	5,680,000	1,190,000	-	115,000	1,075,000	120,000
Subtotal					4,800,000	-	205,000	4,595,000	220,000
<i>Total Multifamily Housing Revenue Bonds</i>					\$ 18,380,000	\$ -	\$ 655,000	\$ 17,725,000	\$ 685,000
<i>Total Revenue Bonds</i>					\$ 1,077,185,000	\$ 256,045,000	\$ 163,285,000	\$ 1,169,945,000	\$ 59,240,000
<i>Total General Obligation and Revenue Bonds</i>					\$ 1,096,215,000	\$ 256,045,000	\$ 164,390,000	\$ 1,187,870,000	\$ 60,395,000

Notes to the Financial Statements (Continued)
June 30, 2025

Bonds Payable

Bonds payable are presented on the Statement of Net Position at their carrying value. The carrying value is the outstanding bond principal plus unamortized bond premium less unamortized bond discount. Bonds payable balances on June 30, 2025 are summarized below:

	Principal	Principal (Direct Placements)	Premium	Discount	Bonds Payable
General Obligation Bonds:					
Elderly and Disabled Housing Fund	\$ 17,920,000	\$ 5,000	\$ -	\$ (603)	\$ 17,924,397
Revenue Bonds (Housing Finance Fund):					
Mortgage Revenue Bonds	1,152,220,000	-	22,155,234	-	1,174,375,234
Multifamily Housing Revenue Bonds	13,130,000	4,595,000	-	(13,270)	17,711,730
Total Revenue Bonds	1,165,350,000	4,595,000	22,155,234	(13,270)	1,192,086,964
Total General Obligation and Revenue Bonds	\$ 1,183,270,000	\$ 4,600,000	\$ 22,155,234	\$ (13,873)	\$ 1,210,011,361

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, 2025 for each of the next five fiscal years and in five year increments thereafter:

Fiscal	Bonds				
Year Ending			Direct Placements		
June 30	Principal	Interest	Principal	Interest	Total
General Obligation Bonds					
2026	\$ 1,155,000	\$ 825,779	\$ -	\$ 255	\$ 1,981,034
2027	1,160,000	768,901	-	255	1,929,156
2028	995,000	716,985	-	255	1,712,240
2029	845,000	673,885	-	255	1,519,140
2030	885,000	634,564	-	255	1,519,819
2031-2035	5,210,000	2,502,563	5,000	1,148	7,718,711
2036-2040	5,995,000	1,138,431	-	-	7,133,431
2041-2045	1,075,000	278,219	-	-	1,353,219
2046-2048	600,000	50,825	-	-	650,825
Subtotal	\$ 17,920,000	\$ 7,590,152	\$ 5,000	\$ 2,423	\$ 25,517,575
Revenue Bonds					
2026	\$ 59,020,000	\$ 43,994,580	\$ 220,000	\$ 225,359	\$ 103,459,939
2027	36,560,000	43,395,235	290,000	214,121	80,459,356
2028	36,625,000	42,386,395	305,000	200,085	79,516,480
2029	37,555,000	41,320,286	315,000	185,460	79,375,746
2030	39,095,000	40,181,040	160,000	172,193	79,608,233
2031-2035	206,730,000	181,126,549	965,000	731,079	389,552,628
2036-2040	216,430,000	145,474,113	1,025,000	475,398	363,404,511
2041-2045	202,405,000	108,913,326	1,180,000	205,403	312,703,729
2046-2050	198,105,000	67,328,916	135,000	3,443	265,572,359
2051-2055	129,630,000	18,269,809	-	-	147,899,809
2056	3,195,000	99,844	-	-	3,294,844
Subtotal	\$ 1,165,350,000	\$ 732,490,093	\$ 4,595,000	\$ 2,412,541	\$ 1,904,847,634
Total	\$ 1,183,270,000	\$ 740,080,245	\$ 4,600,000	\$ 2,414,964	\$ 1,930,365,209

Notes to the Financial Statements (Continued)

June 30, 2025

The interest stated in the previous table includes coupon interest OHCSO expects to pay over the life of the bonds outstanding. Coupon interest for revenue bonds is paid semiannually on January 1 and July 1. Coupon interest for general obligation bonds is paid February 1 and August 1.

The Mortgage Revenue Bond indenture identifies the following events that would lead to a default; payment of principal is not made when due, payment of interest is not made when due, or OHCSO defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 90 days after written notice for remedy has been provided to OHCSO by the Trustee. The Trustee may give such notice at their discretion or at the written request of the owners of not less than 25% in aggregate of the principal amount of the outstanding bonds.

If a default does occur for Mortgage Revenue Bonds the Trustee may, or upon the written direction of the owners of not less than 51% of the bonds outstanding the Trustee shall, declare via written notice to OHCSO that any principal and interest related to that bond is due and payable immediately.

The Multifamily Housing Revenue Bond indenture identifies the following events that would lead to a default; payment of principal is not made when due, payment of interest is not made when due, or OHCSO defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 60 days after written notice for remedy has been provided to OHCSO by the Trustee, or written notice provided to OHCSO and the Trustee by the owners of not less than 25% in aggregate of the principal amount of the outstanding bonds.

If a default does occur for Multifamily Housing Revenue Bond the Trustee may, or upon the written direction of the owners of not less than 25% of the bonds outstanding the Trustee shall, proceed, in its own name, to protect and enforce the rights of the bond owners. Protecting and enforcing the rights of the bond owners could include declaring all outstanding bonds due and payable.

As of June 30, 2025, various statutory or constitutional provisions limited the amount of bonds outstanding to \$2,500,000,000 in revenue bonds and \$5,196,889,295 in general obligation bonds.

Demand Bonds

Included in OHCSO's long-term debt is \$186,505,000 in variable rate demand bonds. OHCSO's variable rate demand bonds are remarketed weekly by remarketing agents. Bondholders may elect to tender their bonds by providing written notice to the remarketing agent as specified in the Official Statement for the bond series. On the date that bonds are tendered, the remarketing agent will use its best effort to sell the bonds or may purchase the bonds for its own account.

OHCSO has entered into standby bond purchase agreements with State Street Bank and Trust Company and U.S. Bank National Association and standby letter of credit and reimbursement agreements with Sumitomo Mitsui Banking Corporation (the "liquidity facilities") to provide liquidity in the event that the remarketing agent is unable to sell the tendered bonds and does not choose to buy the bonds for its own account. The liquidity facilities require the liquidity provider to provide funds for the purchase of the tendered bonds. On the purchase date the bonds become known as liquidity provider bonds or bank bonds and bear interest at the bank rate in accordance with the relevant liquidity facility. The maximum rate for the liquidity facilities is 12%. The bonds remain bank bonds until they are sold by the remarketing agent or the remarketing agent purchases them for its own account. If the bonds are not remarketed or purchased by the remarketing agent for its own account, mandatory redemption installments are to be paid commencing on the first business day of the eighteenth full month following the date the bonds became liquidity provider bonds in an amount equal to three-tenths of the initial amount of the liquidity provider bonds outstanding, with seven semiannual installments due thereafter in an amount equal to one-tenth of the initial amount of liquidity provider bonds outstanding. There were no bank bonds on June 30, 2025.

Notes to the Financial Statements (Continued)
June 30, 2025

Certain terms of the liquidity facilities and remarketing agreements are listed in the following table:

Series	Outstanding Amount	Liquidity Provider	Expiration Date	Commitment Fee	Remarketing Agent	Remarketing Fee
MRB* 2016 B	\$ 13,140,000	State Street Bank and Trust Company	01/26/2027	0.3000%	Bank of America Securites, Inc.	0.07%
MRB 2016 C	15,000,000	State Street Bank and Trust Company	01/26/2027	0.3000%	Bank of America Securites, Inc.	0.07%
MRB 2017 C	38,265,000	State Street Bank and Trust Company	01/26/2027	0.3300%	J.P. Morgan Securities LLC	0.07%
MRB 2020 B	24,500,000	Sumitomo Mitsui Banking Corporation	01/27/2027	0.3100%	Bank of America Securites, Inc.	0.07%
MRB 2022 D	21,000,000	U.S. Bank National Association	10/27/2027	0.2200%	**	0.07%
MRB 2024 D	41,000,000	Sumitomo Mitsui Banking Corporation	11/19/2029	0.3100%	Jeffries LLC	0.07%
MRB 2024 E	33,600,000	Sumitomo Mitsui Banking Corporation	11/19/2029	0.3100%	Jeffries LLC	0.07%

* Mortgage Revenue Bonds

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

NOTE 10. Debt Refundings

On November 20, 2024, OHCS D issued \$41.0 million in 2024 Series D Mortgage Revenue Bonds, which were used to refund all outstanding Mortgage Revenue Bonds 2018 Series E bonds, and \$33.6 million in 2024 Series E Mortgage Revenue Bonds, which were used to refund all outstanding Mortgage Revenue Bonds 2015 Series C bonds. All four series are variable rate demand bonds, so there was no economic gain or loss.

NOTE 11. Interest Rate Swaps

OHCS D has entered into pay-fixed, receive-variable interest rate swaps to hedge against changes in variable rate interest and to lower borrowing costs compared to fixed-rate bonds. OHCS D had seven swaps at the end of the fiscal year.

The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. This methodology is believed to be consistent with accepted practice in the market for interest rate swaps. The fair value is categorized as Level 2 within the fair value hierarchy described in Note 2.

The fair value of the swaps on June 30, 2025 totaled \$15,802,257 and the notional amount totaled \$188,710,000. The fair value of hedging derivatives totaled \$15,742,435. Hedging derivative instrument swaps with positive fair values are shown on the Statement of Net Position as Swap Fair Value Asset and Accumulated Increase in Fair Value of Hedging Derivatives. During the fiscal year the fair value of hedging derivatives decreased by \$3,861,494.

A portion of the MRB 2017 series C swap was reclassified from hedging derivative instruments to other derivative instruments in a prior fiscal year when the associated bonds were called. The fair value of the other derivative instrument on June 30, 2025 was \$59,822. During the fiscal year the fair value of the other derivative instrument decreased by \$45,088.

During the fiscal year, the MRB 2015 swap was moved to MRB 2024 E when the MRB 2015 C bonds were refunded by the MRB 2024 E bond sale proceeds and the MRB 2018 E swap was moved to MRB 2024 D when the MRB 2018 E bonds were refunded by MRB 2024 D bond sale proceeds.

Notes to the Financial Statements (Continued)
June 30, 2025

The following table lists the terms, fair values, counterparty, and credit ratings of the outstanding swaps as of June 30, 2025:

Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Termination Date	Counterparty	Counterparty Rating**
Hedging Derivative Instruments								
MRB* 2016 B	\$ 13,140,000	1/1/2019	1.710%	66.5% of SOFR [@] +.1561292%	\$ 517,162	1/1/2033	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2016 C	15,000,000	1/1/2019	2.000%	66.5% of SOFR +.2261292%	1,008,447	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2017 C	38,265,000	7/1/2019	2.407%	70.0% of SOFR +.130136%	1,038,135	7/1/2039	Bank of America, N.A.	Aa2 / A+ / AA
MRB 2020 B	24,500,000	7/13/2020	0.899%	@@	2,950,626	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2022 D	21,000,000	10/27/2022	4.417%	100% of SOFR + 0.15%	680,233	7/1/2047	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2024 D	41,000,000	5/4/2020	1.120%	@@@	7,565,939	7/1/2043	Bank of America, N.A.	Aa2 / A+ / AA
MRB 2024 E	33,600,000	9/6/2018	2.751%	70.0% of SOFR +.130136%	1,981,893	7/1/2045	Royal Bank of Canada	Aa1 / AA- / AA-
	186,505,000				15,742,435			
Other Derivative Instruments								
MRB 2017 C	2,205,000	7/1/2019	2.407%	70.0% of SOFR +.130136%	59,822	7/1/2039	Bank of America, N.A.	Aa2 / A+ / AA
	2,205,000				59,822			
	<u>\$ 188,710,000</u>				<u>\$ 15,802,257</u>			

* Mortgage Revenue Bonds

** Moody's / S&P / Fitch

@ Secured Overnight Financing Rate

@@ USD SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index from the Effective Date weekly to, but excluding, July 1, 2026 and 70% of SOFR + .080136% thereafter.

@@@ USD SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index from the Effective Date weekly to, but excluding, January 1, 2028 and 70% of SOFR + .080136% thereafter.

The swaps include options giving OHCS D the right to call (cancel) the swaps in whole or in part, depending on the exercise date, semiannually on or after July 1, 2023 (2016 B and 2016 C), January 1, 2025 (2024 E), July 1, 2026 (2017 C and 2020 B), January 1, 2028 (2024 D), and January 1, 2031 (2022 D). These options provide flexibility to manage the prepayments of loans and the related bonds.

Basis Risk Basis risk is the risk that arises when variable interest rates on a derivative instrument and the associated bond are based on different indexes. All variable interest rates on OHCS D's tax exempt bonds are determined weekly by a Remarketing Agent. OHCS D is exposed to basis risk when the variable rates received, which are based on the SOFR rate or the SIFMA rate, do not offset the variable rates paid on the bonds. As of June 30, 2025, the SOFR rate was 4.42878% and the SIFMA rate was 1.92%. OHCS D's variable interest rates as of June 30, 2025 can be found in Note 9.

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

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

Notes to the Financial Statements (Continued)
June 30, 2025

Hedging Derivative Instrument Payments and Hedged Debt Using rates as of June 30, 2025, the following table summarizes the debt service requirements of variable-rate debt with interest rate swaps and the net swap payments (receipts) for each of the next five fiscal years and in five year increments thereafter:

Fiscal Year Ending June 30	Variable-Rate Bonds		Net Swap Payments	
	Principal	Interest	(Receipts)	Total
2026	\$ 4,010,000	\$ 5,057,703	\$ (1,752,542)	\$ 7,315,161
2027	4,120,000	4,010,582	(1,635,870)	6,494,712
2028	4,240,000	3,931,727	(2,019,175)	6,152,552
2029	4,680,000	3,850,594	(2,255,060)	6,275,534
2030	7,260,000	3,751,739	(2,173,955)	8,837,784
2031-2035	46,215,000	16,393,237	(8,937,520)	53,670,717
2036-2040	65,570,000	10,218,513	(4,522,933)	71,265,580
2041-2045	43,480,000	3,986,648	(1,107,476)	46,359,172
2046-2048	6,930,000	337,749	(20,794)	7,246,955
Total	<u>\$ 186,505,000</u>	<u>\$ 51,538,492</u>	<u>\$ (24,425,325)</u>	<u>\$ 213,618,167</u>

Contingencies OHCS D's swaps include provisions that require collateral to be posted if the rating on the senior bonds issued under the 1988 indenture (Mortgage Revenue Bonds) is not above either Baa1 as determined by Moody's or BBB+ as determined by Standard and Poor's. If the bonds are at or below these levels, collateral in the amount of the current swap fair value (rounded to the nearest \$10,000) is required to be posted. The minimum transfer amount is \$100,000 or \$0 if neither rating agency rates the bonds. The total fair value on June 30, 2025 of swaps that include these provisions is \$15,802,257. As of June 30, 2025 the bonds subject to these provisions are rated Aa2 by Moody's and are not rated by Standard & Poor's.

NOTE 12. Conduit Debt Obligations

OHCS D issues conduit debt to facilitate the building of multifamily affordable housing. Bonds issued under the Housing Development Revenue Bond program are limited obligations of OHCS D payable only out of the trust estate specifically pledged to each bond issue. As of June 30, 2025, the total aggregate amount of Housing Development Revenue Bonds outstanding is \$1,450,798,158. No recourse may be taken against any properties, funds, or assets of OHCS D for the payment of any amounts owing with respect to these bonds. Bond owners will have no right to compel the payment of any amount owing with respect to these bonds out of any tax revenues, funds, or other assets of OHCS D or the State of Oregon, other than the security pledged to each bond issue.

Notes to the Financial Statements (Continued)
June 30, 2025

NOTE 13. Segment Information

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

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds
Condensed Statement of Net Position		
Assets:		
Current Assets	\$ 130,946,695	\$ 3,368,524
Noncurrent Assets	1,196,441,232	55,186,854
Total Assets	1,327,387,927	58,555,378
Deferred Outflows of Resources	217,839	32,274
Liabilities:		
Interfund Payables	4,538	-
Current Liabilities	81,158,167	1,111,059
Noncurrent Liabilities	1,118,279,205	17,026,730
Total Liabilities	1,199,441,910	18,137,789
Deferred Inflows of Resources	19,531,018	174,871
Net Position		
Restricted by Trust Indentures	108,632,838	40,274,992
Total Net Position	\$ 108,632,838	\$ 40,274,992

Condensed Statement of Revenues, Expenses, and Changes in Net Position

Interest on Loans	\$ 39,739,646	\$ 1,443,858
Investment Income	10,281,343	1,565,094
Other Operating Revenues	2,125,478	-
Operating Expenses	(45,392,171)	(910,221)
Operating Income	6,754,296	2,098,731
Transfers In	105,000	-
Transfers Out	(2,000,000)	-
Increase (Decrease) in Net Position	4,859,296	2,098,731
Beginning Net Position	103,773,542	38,176,261
Ending Net Position	\$ 108,632,838	\$ 40,274,992

Condensed Statement of Cash Flows

Net Cash Provided (Used) by:		
Operating Activities	\$ 21,816,150	\$ 3,086,139
Noncapital Financing Activities	63,290,586	(1,507,341)
Investing Activities	(57,678,400)	1,571,305
Net Increase (Decrease)	27,428,336	3,150,103
Beginning Cash and Cash Equivalents	165,529,368	29,080,638
Ending Cash and Cash Equivalents	\$ 192,957,704	\$ 32,230,741

Notes to the Financial Statements (Continued)
June 30, 2025

NOTE 14. Restricted Assets

Restricted asset account balances are as follows:

<u>Purpose:</u>	Elderly and Disabled Housing Fund	Housing Finance Fund
Loan Financing	\$ -	\$ 151,284,156
Current Debt Service	1,981,034	101,480,614
Future Debt Service	64,921,171	85,965,165
Debt Reserves	5,134,520	35,243,392
Insurance Reserves	-	24,220,841
Combined Program Account	-	20,986,443
Residential Assistance	-	956,676
Total	<u>\$ 72,036,725</u>	<u>\$ 420,137,287</u>
<u>Statement of Net Position Amounts:</u>		
Restricted Cash and Cash Equivalents – Current	\$ 1,981,034	\$ 80,186,950
Restricted Cash and Cash Equivalents – Noncurrent	68,838,569	146,351,400
Restricted Investments – Current	-	21,607,975
Restricted Investments - Noncurrent	1,217,122	171,990,962
Total	<u>\$ 72,036,725</u>	<u>\$ 420,137,287</u>

NOTE 15. Employee Retirement Plans

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

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The rates in effect for the fiscal year through May 2025 payroll were 21.78% for Tier One and Tier Two General Service Members and 18.28% for OPSRP Pension Program General Service Members. The rates for June 2025 payroll were 24.82% for Tier One and Tier Two General Service Members and 21.94% for OPSRP Pension Program General Service Members.

The Oregon Public Employees Retirement System annual financial report and Actuarial Valuation is located at www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

A net pension liability for all employers participating in PERS, including the State of Oregon, totaling \$22.2 billion was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. At the measurement date, the proportion of the total net pension liability for State agencies was 28.11295778% (the State agency proportion at the prior measurement date was 29.83880747%). OHCSO's enterprise funds were allocated 0.16504378% of the State agency proportionate share. OHCSO's allocated amount of the proportionate share of the net pension liability at the measurement date for its enterprise funds was \$10,313,149. For the year ended June 30, 2025, OHCSO recognized pension expense of \$1,668,650.

Notes to the Financial Statements (Continued)
June 30, 2025

At June 30, 2025, OHCSO reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between fund contributions and proportionate share of contributions	\$ 749,715	\$ 843,623
Difference between expected and actual experience	610,959	24,614
Net difference between projected and actual earnings on investments	655,173	-
Changes in Assumptions	1,036,887	1,328
Subtotal	3,052,734	869,565
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	2,183,169	
Contributions subsequent to measurement date	1,660,668	
Net Deferred Outflows (Inflows) of Resources	3,843,837	

NOTE 16. Other Postemployment Benefit Plans

OHCSO's employees may be eligible to participate in health insurance plans and other benefit plans after retirement, collectively known as Other Postemployment Benefits (OPEB). OPEB plans are offered through the Public Employees Retirement System (PERS) as established by Oregon Revised Statutes (ORS) 238.410 and the Public Employees Benefit Board (PEBB) as established by ORS 243.302. The Oregon Public Employees Retirement System annual financial report is located at www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

At June 30, 2025, OHCSO reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between fund contributions and proportionate share of contributions	\$ 7,711	\$ 138
Difference between expected and actual experience	16,626	42,048
Net difference between projected and actual earnings on investments	6,611	-
Change in Assumptions	4,584	50,209
Subtotal	35,532	92,395
Net Deferred Outflows (Inflows) of Resources	(56,863)	

Retirement Health Insurance Account plan

The Retirement Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Public Employees Retirement Board. The plan provides a payment of up to \$60 toward the monthly cost of health insurance for eligible PERS members. OHCSO is required by statute to contribute actuarially computed amounts as determined by PERS. The rate in effect for Tier One and Tier Two General Service Members and for OPSRP Pension Program General Service Members for the fiscal year ended June 30, 2025 was zero.

A net OPEB asset for all participating employers, including the State of Oregon, totaling \$403.9 million was measured as of June 30, 2024. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. At the measurement date, the State agency proportion of net OPEB asset was 30.64904544% (the State agency proportion at the prior measurement date was 34.38353258%). OHCSO's enterprise funds were allocated 0.11133879% of the State agency proportionate share. OHCSO's allocated amount of the proportionate share of the net

Notes to the Financial Statements (Continued)
June 30, 2025

OPEB asset at the measurement date for its enterprise funds was \$137,831. It is shown on the Statement of Net Position as Net Other Postemployment Benefits Asset. For the year ended June 30, 2025, OHCSO recognized OPEB negative expense of \$6,842 for RHIA.

Retiree Health Insurance Premium Account plan

The Retiree Health Insurance Premium Account (RHIPA) is a single-employer OPEB plan administered by the Oregon Public Employees Retirement Board (Board). The plan provides for payment of the average difference between the health insurance premiums paid by retired state employees, under contracts entered into by the Board, and health insurance premiums paid by active state employees. OHCSO is required by statute to contribute actuarially computed amounts as determined by PERS. The rate in effect for Tier One and Tier Two General Service Members and for OPSRP Pension Program General Service Members for the fiscal year ended June 30, 2025 was zero.

At June 30, 2025, the State of Oregon reported a net OPEB asset of \$51.4 million. The net OPEB asset was measured as of June 30, 2024 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. As part of the State of Oregon, OHCSO's enterprise funds were allocated 0.14375386 % of the State's internal allocation, which was based on fiscal year 2024 actual contributions. OHCSO's share of the net OPEB asset for the RHIPA plan on June 30, 2025 for its enterprise funds was \$73,936. It is shown on the Statement of Net Position as Net Other Postemployment Benefits Asset. For the year ended June 30, 2025, OHCSO recognized OPEB negative expense of \$12,918 for RHIPA.

Public Employees' Benefit Board Plan

The Public Employees' Benefit Board (PEBB) plan is a single-employer plan administered by the Oregon Public Employees' Benefit Board. The PEBB plan allows qualifying retired employees to continue their "active" health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. The premium amount is based on a blended rate that is determined by pooling the qualifying retirees with active employees, thus, creating an "implicit" rate subsidy. PEBB does not issue a separate, publicly available financial report.

At June 30, 2025, the State of Oregon reported a total OPEB liability of \$128.1 million. As part of the State of Oregon, OHCSO's enterprise funds were allocated 0.14976331% of the State's total. The State's internal allocation of the total OPEB liability is based on fiscal year 2025 health insurance premium costs. The total OPEB liability is based upon an actuarial valuation performed as of July 1, 2024. OHCSO's share of the total OPEB liability for its enterprise funds on June 30, 2025 was \$191,863. It is shown on the Statement of Net Position as Total Other Postemployment Benefits Liability (PEBB). For the year ended June 30, 2025, OHCSO recognized OPEB expense of \$29,460 for the PEBB plan.

NOTE 17. Other Commitments

As of June 30, 2025, OHCSO had made commitments totaling \$86,584 for personal services contracts and \$71,963,896 for financing loans in the Single-Family Mortgage Program.

Notes to the Financial Statements (Continued)
June 30, 2025

NOTE 18. Risk Financing

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

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

NOTE 19. Subsequent Events

On July 1, 2025, OHCSO called the following Mortgage Revenue Bonds prior to maturity:

	<u>Amount Called</u>		<u>Amount Called</u>
2013 Series A	\$ 305,000	2019 Series A	\$ 2,650,000
2013 Series D	45,000	2020 Series A	1,605,000
2016 Series A	1,110,000	2020 Series C	1,115,000
2017 Series A	810,000	2021 Series A	2,660,000
2017 Series D	840,000	2022 Series A	1,570,000
2017 Series E	460,000	2022 Series C	1,060,000
2017 Series G	830,000	2023 Series A	1,255,000
2018 Series A	1,170,000	2023 Series C	1,710,000
2018 Series C	1,695,000	2024 Series A	255,000
2018 Series D	1,840,000	2024 Series C	1,105,000

On November 19, 2025, OHCSO issued the following Mortgage Revenue Bonds:

	<u>Amount Issued</u>
2025 Series C	\$ 39,185,000
2025 Series D	20,335,000

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Supplementary Information

Oregon Housing & Community Services Department
Combining Statement of Net Position - Housing Finance Fund
June 30, 2025

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
<i>Assets and Deferred Outflows of Resources</i>			
Assets			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted	78,677,436	1,509,514	-
Investments - Restricted	21,607,975	-	-
Securities Lending Cash Collateral	17,781	10,048	-
Accounts Receivable	29,143	-	-
Accrued Interest Receivable	5,736,272	165,669	282,723
Interfund Receivable	-	-	-
Due from Governmental Funds	-	-	-
Prepaid Expenses	-	-	-
Loans Receivable	24,634,086	1,683,293	-
Acquired Property	244,002	-	-
<i>Total Current Assets</i>	130,946,695	3,368,524	282,723
<i>Noncurrent Assets</i>			
Cash and Cash Equivalents - Restricted	114,280,268	30,721,227	393,230
Investments - Restricted	148,435,928	2,961,821	20,593,213
Loans Receivable	917,922,779	21,503,806	-
Swap Fair Value Asset	15,742,435	-	-
Other Derivative Instruments	59,822	-	-
Net Other Postemployment Benefits Asset	-	-	-
Capital Assets (Net)	-	-	-
<i>Total Noncurrent Assets</i>	1,196,441,232	55,186,854	20,986,443
Total Assets	1,327,387,927	58,555,378	21,269,166
<i>Deferred Outflows of Resources</i>			
Loss on Debt Refundings	217,839	32,274	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Outflows of Resources	217,839	32,274	-
Total Assets and Deferred Outflows of Resources	\$1,327,605,766	\$ 58,587,652	\$ 21,269,166

Housing Finance Account	Total
\$ 46,688,904	\$ 46,688,904
-	80,186,950
-	21,607,975
101,150	128,979
105,394	134,537
44,545	6,229,209
4,599	4,599 **
51,415	51,415
12,452	12,452
192,461	26,509,840
-	244,002
<u>47,200,920</u>	<u>181,798,862</u>
956,675	146,351,400
-	171,990,962
7,259,482	946,686,067
-	15,742,435
-	59,822
196,429	196,429
306,555	306,555
<u>8,719,141</u>	<u>1,281,333,670</u>
<u>55,920,061</u>	<u>1,463,132,532</u>
-	250,113
4,381,531	4,381,531
32,872	32,872
<u>4,414,403</u>	<u>4,664,516</u>
<u>\$ 60,334,464</u>	<u>\$1,467,797,048</u>

Continued on the next page

** Interfund Receivables and Payables within the Housing Finance Fund totaling \$4,538 are not included in the Statement of Net Position on pages 6 and 7.

Oregon Housing & Community Services Department
Combining Statement of Net Position - Housing Finance Fund
June 30, 2025

Continued from the previous page

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 956,248	\$ 187	\$ -
Accrued Interest Payable	21,608,784	415,824	-
Obligations Under Securities Lending	17,781	10,048	-
Interfund Payable	4,538	-	-
Due to Governmental Funds	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	20,354	-	-
Compensated Absences Payable	-	-	-
Subscription-Based IT Arrangement Obligations	-	-	-
Bonds Payable	58,555,000	685,000	-
Pension-related Debt Payable	-	-	-
Total Current Liabilities	81,162,705	1,111,059	-
Noncurrent Liabilities			
Compensated Absences Payable	-	-	-
Subscription-Based IT Asset Obligations	-	-	-
Bonds Payable	1,115,820,234	17,026,730	-
Arbitrage Rebate Liability	2,458,971	-	-
Pension-related Debt Payable	-	-	-
Net Pension Liability	-	-	-
Total Other Postemployment Benefits Liability	-	-	-
Total Noncurrent Liabilities	1,118,279,205	17,026,730	-
Total Liabilities	1,199,441,910	18,137,789	-
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	15,742,435	-	-
Deferred Loan Origination Fees	3,788,583	174,871	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Inflows of Resources	19,531,018	174,871	-
Net Position			
Net Investment in Capital Assets	-	-	-
Restricted for Residential Assistance	-	-	-
Restricted for Other Postemployment Benefits	-	-	-
Restricted by Trust Indentures	108,632,838	40,274,992	21,269,166
Unrestricted	-	-	-
Total Net Position	108,632,838	40,274,992	21,269,166
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$1,327,605,766	\$ 58,587,652	\$ 21,269,166

Housing Finance Account	Total
\$ 200,667	\$ 1,157,102
-	22,024,608
101,150	128,979
-	4,538 **
152,631	152,631
207,320	207,320
255,439	275,793
471,880	471,880
116,191	116,191
-	59,240,000
32,866	32,866
<u>1,538,144</u>	<u>83,811,908</u>
1,101,054	1,101,054
223,278	223,278
-	1,132,846,964
-	2,458,971
53,676	53,676
9,566,180	9,566,180
177,164	177,164
<u>11,121,352</u>	<u>1,146,427,287</u>
<u>12,659,496</u>	<u>1,230,239,195</u>
-	15,742,435
-	3,963,454
806,583	806,583
85,450	85,450
<u>892,033</u>	<u>20,597,922</u>
(32,914)	(32,914)
1,172,170	1,172,170
196,429	196,429
-	170,176,996
45,447,250	45,447,250
<u>46,782,935</u>	<u>216,959,931</u>
<u>\$ 60,334,464</u>	<u>\$1,467,797,048</u>

** Interfund Receivables and Payables within the Housing Finance Fund totaling \$4,538 are not included in the Statement of Net Position on pages 6 and 7.

Oregon Housing & Community Services Department
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position -
Housing Finance Fund
For the Year Ended June 30, 2025

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Operating Revenues			
Interest on Loans	\$ 39,739,646	\$ 1,443,858	\$ -
Investment Income	10,281,343	1,565,094	565,410
Other Derivative Income	(21,536)	-	-
Administrative Charges and Fees	-	-	-
Low Income Housing Tax Credit Fees	-	-	-
Gain on Sale of Foreclosed Property	163,675	-	-
Gain (Loss) on Debt Extinguishment	1,982,310	-	-
Miscellaneous Revenue	1,029	-	-
Total Operating Revenues	52,146,467	3,008,952	565,410
Operating Expenses			
Personal Services	-	-	-
Services and Supplies	230,777	58,608	-
Mortgage Service Fees	3,496,728	4,337	-
Foreclosure Costs	19,575	-	-
Interest Expense - Bonds	37,692,310	846,484	-
Interest Expense - Securities Lending	4,952	792	-
Other Related Program Expenses	3,947,829	-	-
Depreciation/Amortization	-	-	-
Total Operating Expenses	45,392,171	910,221	-
Operating Income (Loss)	6,754,296	2,098,731	565,410
Nonoperating Revenues (Expenses)			
Interest Expense - Pension-related Debt	-	-	-
Interest Expense - Subscription-Based IT Assets	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	-
Income (Loss) Before Transfers	6,754,296	2,098,731	565,410
Transfers from Other Funds	105,000	-	-
Transfers to Other Funds	(2,000,000)	-	-
Transfers to Other State Agencies	-	-	-
Increase (Decrease) in Net Position	4,859,296	2,098,731	565,410
Net Position - Beginning	103,773,542	38,176,261	20,703,756
Change in Accounting Principle (GASB 101)	-	-	-
Net Position - Beginning (Restated)	103,773,542	38,176,261	20,703,756
Net Position - Ending	\$ 108,632,838	\$ 40,274,992	\$ 21,269,166

Housing Finance Account	Total	
\$ 231,460	\$ 41,414,964	
2,395,788	14,807,635	
-	(21,536)	
8,533,482	8,533,482	
7,877,275	7,877,275	
-	163,675	
-	1,982,310	
3,730	4,759	
<u>19,041,735</u>	<u>74,762,564</u>	
13,905,494	13,905,494	
3,181,927	3,471,312	
-	3,501,065	
-	19,575	
-	38,538,794	
7,287	13,031	
-	3,947,829	
115,886	115,886	
<u>17,210,594</u>	<u>63,512,986</u>	
<u>1,831,141</u>	<u>11,249,578</u>	
(415)	(415)	
(12,096)	(12,096)	
<u>(12,511)</u>	<u>(12,511)</u>	
1,818,630	11,237,067	
2,000,000	2,105,000	**
(105,000)	(2,105,000)	**
(405,547)	(405,547)	
<u>3,308,083</u>	<u>10,831,520</u>	
44,244,334	206,897,893	
(769,482)	(769,482)	
<u>43,474,852</u>	<u>206,128,411</u>	
<u>\$ 46,782,935</u>	<u>\$ 216,959,931</u>	

** Transfers within the Housing Finance Fund totaling \$2,105,000 are not included in the Statement of Revenues, Expenses, and Changes in Fund Net Position on page 8.

Oregon Housing & Community Services Department
Combining Statement of Cash Flows - Housing Finance Fund
For the Year Ended June 30, 2025

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Cash Flows from Operating Activities			
Received from Customers	\$ 381,218	\$ -	\$ -
Program Loan Principal Repayments	64,068,756	1,723,776	-
Program Loan Interest Received	38,911,394	1,425,309	-
Program Loans Made	(76,243,626)	-	-
Payments to Employees for Services	-	-	-
Payments to Suppliers for Goods and Services	(3,690,907)	(62,946)	-
Other Receipts (Payments)	(1,610,685)	-	-
Net Cash Provided (Used) in Operating Activities	21,816,150	3,086,139	-
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	264,434,870	-	-
Principal Payments - Bonds	(162,630,000)	(655,000)	-
Interest Payments - Bonds	(34,953,092)	(852,341)	-
Bond Issuance Costs	(1,699,139)	-	-
Other Derivative Receipts	32,947	-	-
Principal Payments - Pension-related Debt	-	-	-
Interest Payments - Pension-related Debt	-	-	-
Transfers from Other Funds	105,000	-	-
Transfers to Other Funds	(2,000,000)	-	-
Transfers to Other State Agencies	-	-	-
Net Cash Provided (Used) in Noncapital Financing Activities	63,290,586	(1,507,341)	-
Cash Flows from Capital and Related Financing Activities			
Subscription-Based IT Assets Principal Payments	-	-	-
Subscription-Based IT Assets Interest Payments	-	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities			
Purchase of Investments	(355,184,475)	(26,286,032)	(15,034,353)
Proceeds from Sales and Maturities of Investments	289,950,422	27,376,700	14,289,684
Interest on Cash and Investments	7,555,653	480,637	803,897
Investment Income on Securities Lending	4,952	792	-
Interest Paid on Securities Lending	(4,952)	(792)	-
Net Cash Provided (Used) in Investing Activities	(57,678,400)	1,571,305	59,228
Net Increase (Decrease) in Cash and Cash Equivalents	27,428,336	3,150,103	59,228
Cash and Cash Equivalents Balance - Beginning	165,529,368	29,080,638	334,002
Cash and Cash Equivalents Balance - Ending	\$ 192,957,704	\$ 32,230,741	\$ 393,230
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted (Current)	78,677,436	1,509,514	-
Cash and Cash Equivalents - Restricted (Noncurrent)	114,280,268	30,721,227	393,230
Total Cash and Cash Equivalents	\$ 192,957,704	\$ 32,230,741	\$ 393,230

Housing Finance Account	Total	
\$ 16,643,469	\$ 17,024,687	
836,524	66,629,056	
215,827	40,552,530	
(5,382,042)	(81,625,668)	
(12,908,056)	(12,908,056)	
(3,380,647)	(7,134,500)	
17,984	(1,592,701)	
<u>(3,956,941)</u>	<u>20,945,348</u>	
-	264,434,870	
-	(163,285,000)	
-	(35,805,433)	
-	(1,699,139)	
-	32,947	
(62,452)	(62,452)	
(415)	(415)	
2,000,000	2,105,000	**
(105,000)	(2,105,000)	**
(401,634)	(401,634)	
<u>1,430,499</u>	<u>63,213,744</u>	
(106,128)	(106,128)	
(14,899)	(14,899)	
<u>(121,027)</u>	<u>(121,027)</u>	
-	(396,504,860)	
-	331,616,806	
2,388,501	11,228,688	
7,287	13,031	
(7,287)	(13,031)	
<u>2,388,501</u>	<u>(53,659,366)</u>	
(258,968)	30,378,699	
47,904,547	242,848,555	
<u>\$ 47,645,579</u>	<u>\$ 273,227,254</u>	
\$ 46,688,904	\$ 46,688,904	
-	80,186,950	
956,675	146,351,400	
<u>\$ 47,645,579</u>	<u>\$ 273,227,254</u>	

Continued on the next page

** Transfers within the Housing Finance Fund totaling \$2,105,000 are not included in the Statement of Cash Flows on page 10.

Oregon Housing & Community Services Department
Combining Statement of Cash Flows - Housing Finance Fund
For the Year Ended June 30, 2025

Continued from the previous page

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 6,754,296	\$ 2,098,731	\$ 565,410
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	-	-	-
Investment Income Reported as Operating Revenue	(10,281,343)	(1,565,094)	(565,410)
Other Derivative Income Reported as Operating Revenue	21,536	-	-
Interest Expense Reported as Operating Expense	37,697,262	847,276	-
Bond Issuance Costs Reported as Operating Expense	1,885,086	-	-
(Gain) Loss on Debt Extinguishment	(1,982,309)	-	-
(Increase)/Decrease in Assets:			
Loan Interest Receivable	(292,736)	1,506	-
Accounts Receivable	-	-	-
Interfund Receivable	-	-	-
Due from Governmental Funds	-	-	-
Prepaid Expenses	-	-	-
Loans Receivable	(12,029,806)	1,723,776	-
Acquired Property	(55,007)	-	-
Net Other Postemployment Benefits Asset	-	-	-
(Increase)/Decrease in Deferred Outflows of Resources:			
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Increase/(Decrease) in Liabilities:			
Accounts Payable	107,663	(1)	-
Interfund Payable	4,538	-	-
Due to Governmental Funds	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	2,994	-	-
Compensated Absences Payable	-	-	-
Net Pension Liability	-	-	-
Total Other Postemployment Benefits Liability	-	-	-
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	(16,024)	(20,055)	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Net Cash Provided (Used) in Operating Activities	\$ 21,816,150	\$ 3,086,139	\$ -
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	\$ 4,534,317	\$ 1,047,914	\$ (336,995)
Foreclosed Property	225,007	-	-
Loan Modifications	141,268	-	-
SBITAs Initiated	-	-	-
Total Noncash Investing, Capital, and Financing Activities	\$ 4,900,592	\$ 1,047,914	\$ (336,995)

Housing Finance Account	Total	
\$ 1,831,141	\$ 11,249,578	
115,886	115,886	
(2,395,788)	(14,807,635)	
-	21,536	
7,287	38,551,825	
-	1,885,086	
-	(1,982,309)	
(15,773)	(307,003)	
242,130	242,130	
(4,599)	(4,599)	**
128,959	128,959	
(12,452)	(12,452)	
(4,537,809)	(14,843,839)	
-	(55,007)	
(23,115)	(23,115)	
(1,024,983)	(1,024,983)	
(25,990)	(25,990)	
(139,604)	(31,942)	
-	4,538	**
(169,376)	(169,376)	
207,320	207,320	
(70,747)	(67,753)	
324,237	324,237	
1,408,423	1,408,423	
43,292	43,292	
-	(36,079)	
161,554	161,554	
(6,934)	(6,934)	
<u>\$ (3,956,941)</u>	<u>\$ 20,945,348</u>	
\$ -	\$ 5,245,236	
-	225,007	
-	141,268	
619	619	
<u>\$ 619</u>	<u>\$ 5,612,130</u>	

** Interfund Receivables and Payables within the Housing Finance Fund totaling an increase of \$4,538 are not included in the Statement of Cash Flows on page 11.

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Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Oregon Housing & Community Services Department
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position
Enterprise Funds
Last Ten Fiscal Years

	2025	2024	2023	2022
Assets				
Cash and Cash Equivalents	\$ 47,310,174	\$ 48,486,681	\$ 43,368,149	\$ 27,541,346
Cash and Cash Equivalents - Restricted	297,357,953	261,529,360	249,395,714	123,017,393
Investments - Restricted	194,816,059	124,679,514	68,572,636	182,989,422
Securities Lending Cash Collateral	283,268	197,368	47,499	580,028
Accounts Receivable	134,537	377,592	299,530	321,701
Accrued Interest Receivable	6,503,039	6,566,275	5,294,590	3,343,179
Interfund Receivable	61	-	47,806	127,293
Due from Governmental Funds	155,121	225,938	302,655	573,246
Due from Other State Agencies	-	-	-	-
Prepaid Expenses	12,452	-	21,147	-
Acquired Property	244,002	188,995	780,339	-
Loans Receivable (Net)	1,008,070,891	995,427,093	906,559,557	839,633,718
Swap Fair Value Asset	15,742,435	19,603,929	16,842,159	12,368,910
Other Derivative Instruments	59,822	104,910	-	-
Net Other Postemployment Benefits Asset	211,767	203,524	207,446	159,246
Capital Assets (Net)	322,075	444,303	4,760	13,634
Total Assets	1,571,223,656	1,458,035,482	1,291,743,987	1,190,669,116
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	-	-	-	-
Loss on Debt Refunding	250,113	309,452	387,788	464,599
Related to Pensions	4,713,402	3,796,334	3,689,476	2,937,464
Related to Other Postemployment Benefits	35,532	7,889	28,509	27,513
Total Deferred Outflows of Resources	4,999,047	4,113,675	4,105,773	3,429,576
Total Assets and Deferred Outflows of Resources	\$ 1,576,222,703	\$ 1,462,149,157	\$ 1,295,849,760	\$ 1,194,098,692

Unaudited

2021	2020	2019	2018	2017	2016
\$ 19,753,000	\$ 13,886,704	\$ 12,630,562	\$ 9,388,621	\$ 9,915,911	\$ 8,730,328
120,381,648	154,695,669	65,370,939	68,372,203	59,447,712	80,466,457
254,568,169	223,223,166	277,597,803	244,508,334	232,640,617	278,624,844
301,531	1,248,701	2,101,856	1,191,697	357,168	2,041,190
361,983	266,455	139,932	29,182,712	409,631	131,122
3,880,856	4,518,523	4,133,592	3,924,987	3,729,012	4,209,653
22,099	12,862	81,079	80,220	16,939	6,780
131,442	391,789	114,050	24,797	82,468	23,931
-	88,521	-	-	-	-
115	-	4,563	1,140	514	28,996
122,985	817,484	1,016,875	1,841,751	2,995,957	3,766,377
855,740,724	982,544,056	954,607,414	834,207,159	804,071,640	847,251,131
2,687,321	-	-	1,514,014	899,578	-
-	-	-	-	-	-
20,903	72,037	31,100	11,451	-	-
7,024	10,214	43,223	51,674	59,925	62,637
1,257,979,800	1,381,776,181	1,317,872,988	1,194,300,760	1,114,627,072	1,225,343,446
6,386,956	10,726,213	5,221,906	137,728	1,864,021	6,906,793
674,944	1,107,604	1,435,973	1,942,159	1,761,830	2,092,930
2,430,234	1,951,568	1,386,060	1,183,656	2,170,765	407,457
32,363	18,462	40,861	26,968	-	-
9,524,497	13,803,847	8,084,800	3,290,511	5,796,616	9,407,180
\$ 1,267,504,297	\$ 1,395,580,028	\$ 1,325,957,788	\$ 1,197,591,271	\$ 1,120,423,688	\$ 1,234,750,626

Continued on the next page

Oregon Housing & Community Services Department
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position
Enterprise Funds
Last Ten Fiscal Years

Continued from the previous page

	2025	2024	2023	2022
Liabilities				
Accounts Payable	\$ 1,172,034	\$ 1,030,773	\$ 1,430,947	\$ 1,374,030
Accrued Interest Payable	22,377,232	19,633,409	15,143,968	12,064,921
Obligations Under Securities Lending	283,268	197,368	47,499	580,028
Interfund Payable	61	-	47,806	127,293
Due to Governmental Funds	167,736	343,866	599,404	174,415
Due to Other Governments	207,320	-	-	41,180
Unearned Revenue	275,799	344,128	432,247	527,315
Compensated Absences Payable	1,620,178	527,538	584,963	135,646
Lease Obligations	-	-	2,022	8,926
Subscription-Based IT Obligations	353,940	471,820	-	-
Bonds Payable	1,210,011,361	1,112,756,948	976,925,409	904,114,640
Swap Fair Value Liability	-	-	-	-
Arbitrage Rebate Liability	2,458,971	424,144	117,931	-
Pension-related Debt Payable	110,695	190,578	247,200	315,405
Net Pension Liability	10,313,149	9,506,028	8,343,213	4,102,944
Net Other Postemployment Benefits Liability	-	-	-	-
Total Other Postemployment Benefits Liability	191,863	144,866	108,736	120,295
Net Other Postemployment Benefits Obligation	-	-	-	-
Total Liabilities	1,249,543,607	1,145,571,466	1,004,031,345	923,687,038
Deferred Inflows of Resources				
Accumulated Increase in Fair Value of Hedging Derivatives	15,742,435	19,603,929	16,842,159	12,368,910
Gain on Debt Refunding	-	3,623	41,467	79,652
Deferred Loan Origination Fees	4,164,829	4,228,967	3,894,643	3,657,125
Related to Pensions	869,565	751,636	2,499,649	3,203,301
Related to Other Postemployment Benefits	92,395	102,490	135,945	136,153
Total Deferred Inflows of Resources	20,869,224	24,690,645	23,413,863	19,445,141
Net Position				
Net Investment in Capital Assets	(31,865)	(27,517)	2,738	4,708
Restricted for Residential Assistance	1,172,170	1,158,463	1,141,817	1,130,120
Restricted for Other Postemployment Benefits	211,767	203,524	207,446	159,246
Restricted by Trust Indentures	258,379,281	247,151,859	231,592,674	224,461,170
Unrestricted	46,078,519	43,400,717	35,459,877	25,211,269
Total Net Position	305,809,872	291,887,046	268,404,552	250,966,513
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,576,222,703	\$ 1,462,149,157	\$ 1,295,849,760	\$ 1,194,098,692

Unaudited

2021	2020	2019	2018	2017	2016
\$ 1,139,884	\$ 1,347,392	\$ 1,292,103	\$ 609,703	\$ 808,431	\$ 626,684
14,575,857	16,540,642	16,741,051	13,660,865	13,031,173	15,411,597
301,531	1,248,701	2,101,856	1,191,697	357,168	2,041,190
22,099	12,862	81,079	80,220	16,939	6,780
24,370	54,126	64,554	53,689	6,959	50,880
5,776	-	-	-	-	-
643,867	754,469	878,196	998,823	1,130,510	1,265,880
286,347	284,985	289,020	344,492	271,186	252,162
-	-	-	-	-	-
-	-	-	-	-	-
979,686,245	1,107,569,224	1,053,780,476	943,483,358	869,050,314	979,243,468
6,386,956	10,726,213	5,221,906	137,728	1,864,021	6,906,793
-	-	-	-	-	-
371,238	421,318	463,993	501,032	531,182	556,146
7,030,726	5,804,785	3,180,583	3,275,674	4,116,951	1,580,442
11,590	32,005	33,673	41,439	-	-
161,281	153,434	182,434	124,593	-	-
-	-	-	-	87,445	85,234
1,010,647,767	1,144,950,156	1,084,310,924	964,503,313	891,272,279	1,008,027,256
2,687,321	-	-	1,514,014	899,578	-
40,482	-	-	-	-	-
3,801,580	4,445,934	4,597,314	4,261,350	4,354,736	4,733,476
159,733	276,737	178,767	27,367	39,119	384,804
35,963	40,745	14,773	8,471	-	-
6,725,079	4,763,416	4,790,854	5,811,202	5,293,433	5,118,280
7,024	10,214	43,223	51,674	59,925	62,637
1,256,957	1,257,239	2,058,567	2,089,298	2,074,043	2,098,015
20,903	72,037	31,100	11,451	-	-
229,688,722	228,197,707	220,241,383	212,669,994	207,706,209	213,665,954
19,157,845	16,329,259	14,481,737	12,454,339	14,017,799	5,778,484
250,131,451	245,866,456	236,856,010	227,276,756	223,857,976	221,605,090
<u>\$ 1,267,504,297</u>	<u>\$ 1,395,580,028</u>	<u>\$ 1,325,957,788</u>	<u>\$ 1,197,591,271</u>	<u>\$ 1,120,423,688</u>	<u>\$ 1,234,750,626</u>

Oregon Housing & Community Services Department
Revenue, Expenses, and Changes in Net Position
Enterprise Funds
Last Ten Fiscal Years

	2025	2024	2023	2022
Operating Revenues				
Interest on Loans	\$ 43,414,279	\$ 40,201,760	\$ 32,687,523	\$ 32,323,454
Investment Income (Loss)	18,237,660	17,676,476	8,246,716	(4,637,184)
Other Derivative Income	(21,536)	62,726	-	-
Administrative Charges and Fees	8,649,275	5,445,806	8,040,684	9,644,406
Low Income Housing Tax Credit Fees	7,877,275	4,506,936	8,028,128	9,508,721
Gain (Loss) on Sale of Foreclosed Property	163,675	204,615	-	(12,461)
Gain on Debt Extinguishment	1,982,310	3,024,206	1,327,661	4,417,587
Miscellaneous Revenue	4,759	4,381	1,722	4,911
Total Operating Revenues	80,307,697	71,126,906	58,332,434	51,249,434
Operating Expenses				
Personal Services	14,351,442	10,162,299	14,067,608	8,845,625
Services and Supplies	3,710,961	3,864,987	3,904,573	4,313,509
Mortgage Service Fees	3,512,584	3,344,434	3,011,236	2,844,886
Foreclosure Costs	19,575	80,342	24,621	45,154
Interest Expense - Bonds	39,398,206	33,452,940	26,448,189	26,373,449
Interest Expense - Securities Lending	23,279	24,171	18,115	5,344
Other Related Program Expenses	3,947,829	3,592,409	3,026,250	4,683,512
Depreciation/Amortization	122,868	236,119	8,874	10,776
Bad Debt Expense	-	-	-	-
Total Operating Expenses	65,086,744	54,757,701	50,509,466	47,122,255
Operating Income (Loss)	15,220,953	16,369,205	7,822,968	4,127,179
Nonoperating Revenue/(Expenses)				
Interest Expense - Pension-related Debt	(531)	(13,473)	(17,304)	(18,378)
Interest Expense - Leased Assets	-	(7)	(64)	(149)
Interest Expense - Subscription-Based IT Assets	(12,680)	(15,668)	-	-
Gain/(Loss) on Disposition of Capital Assets	-	-	-	-
Federal Grant Subsidy	-	-	-	-
Total Nonoperating Revenue/(Expenses)	(13,211)	(29,148)	(17,368)	(18,527)
Transfers				
Transfers from Other Funds	-	7,500,000	10,000,000	-
Transfers to Other Funds	-	-	-	(2,899,555)
Transfers from Other State Agencies	-	-	-	-
Transfers to Other State Agencies	(438,033)	(357,563)	(367,561)	(374,035)
Total Transfers	(438,033)	7,142,437	9,632,439	(3,273,590)
Increase (Decrease) in Net Position	\$ 14,769,709	\$ 23,482,494	\$ 17,438,039	\$ 835,062
Net Position - Beginning	291,887,046	268,404,552	250,966,513	250,131,451
Change in Accounting Principle	(846,883)	-	-	-
Net Position - Beginning (Restated)	291,040,163	268,404,552	250,966,513	250,131,451
Net Position - Ending	\$ 305,809,872	\$ 291,887,046	\$ 268,404,552	\$ 250,966,513

Unaudited

2021	2020	2019	2018	2017	2016
\$ 35,074,849	\$ 40,963,239	\$ 40,504,975	\$ 36,644,795	\$ 39,626,363	\$ 46,381,931
339,398	11,696,263	11,846,649	3,650,448	332,374	6,767,972
-	-	-	-	-	-
7,650,839	5,162,478	4,358,237	3,295,836	2,537,227	2,111,542
5,256,621	3,080,015	3,364,208	2,924,199	1,604,511	1,126,415
-	78,721	45,379	146,174	373,502	314,222
2,694,649	1,939,403	984,697	1,129,267	1,039,870	1,034,419
26,459	9,004	6,938	93,062	358,328	115,962
51,042,815	62,929,123	61,111,083	47,883,781	45,872,175	57,852,463
7,863,929	8,697,614	5,712,702	5,206,618	5,126,065	5,828,772
2,901,533	3,727,327	2,886,332	3,084,561	2,508,940	2,437,292
2,958,124	3,200,538	2,931,395	2,394,668	2,264,580	2,393,209
143,493	13,605	215,168	438,500	616,407	422,662
29,815,332	33,161,052	31,556,074	27,235,723	28,487,108	33,287,518
2,266	39,099	95,991	21,699	1,974	22,326
2,870,685	4,850,144	7,832,586	5,778,673	4,346,935	4,169,306
3,190	5,821	8,451	8,452	7,910	7,912
-	-	-	-	33,583	-
46,558,552	53,695,200	51,238,699	44,168,894	43,393,502	48,568,997
4,484,263	9,233,923	9,872,384	3,714,887	2,478,673	9,283,466
(29,168)	(32,788)	(31,857)	(32,996)	(38,010)	(37,729)
-	-	-	-	-	-
-	-	-	-	-	-
-	(27,188)	-	-	-	-
74,857	-	-	-	-	-
45,689	(59,976)	(31,857)	(32,996)	(38,010)	(37,729)
-	-	-	-	-	-
-	-	-	-	-	-
-	88,521	-	-	-	-
(264,957)	(252,022)	(261,273)	(184,404)	(187,777)	(191,814)
(264,957)	(163,501)	(261,273)	(184,404)	(187,777)	(191,814)
\$ 4,264,995	\$ 9,010,446	\$ 9,579,254	\$ 3,497,487	\$ 2,252,886	\$ 9,053,923
245,866,456	236,856,010	227,276,756	223,857,976	221,605,090	212,551,167
-	-	-	(78,707)	-	-
245,866,456	236,856,010	227,276,756	223,779,269	221,605,090	212,551,167
\$ 250,131,451	\$ 245,866,456	\$ 236,856,010	\$ 227,276,756	\$ 223,857,976	\$ 221,605,090

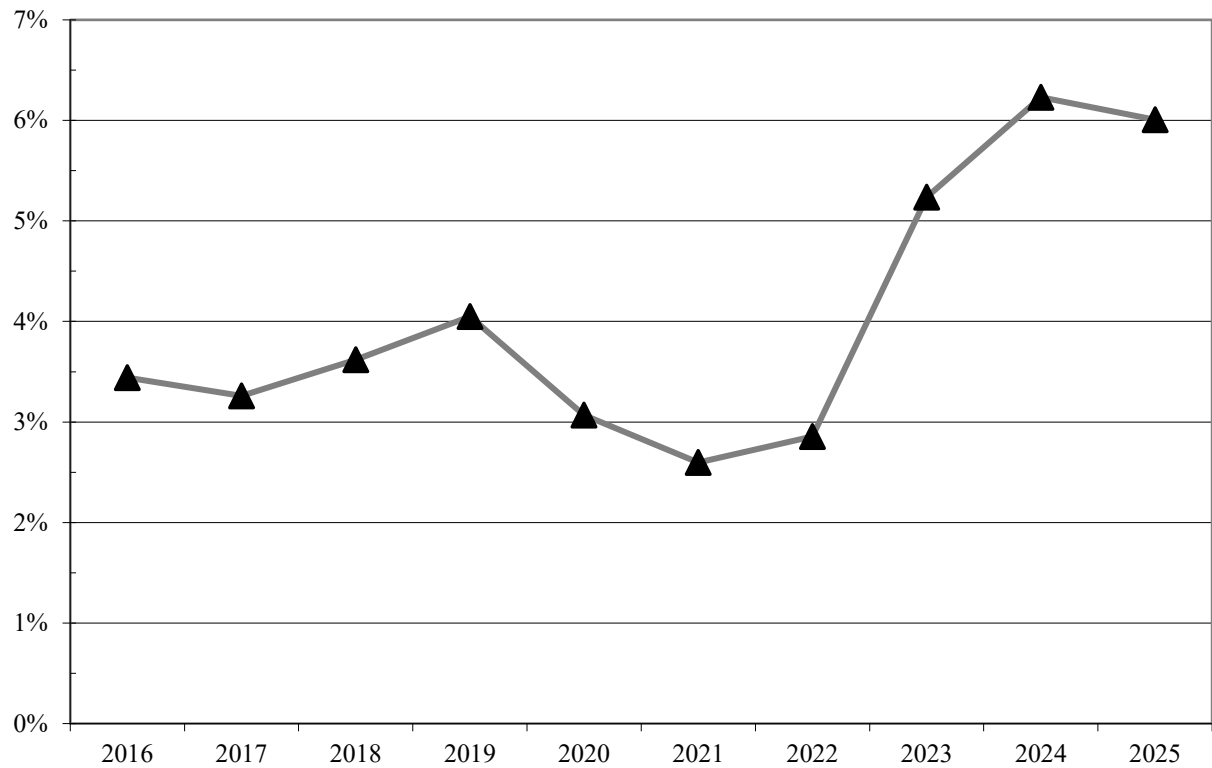
Oregon Housing & Community Services Department
Cash Flows
Enterprise Funds
Last Ten Fiscal Years

	2025	2024	2023
Cash Flows from Operating Activities			
Received from Customers	\$ 17,141,406	\$ 10,571,490	\$ 16,666,871
Program Loan Principal Repayments	69,210,753	60,497,739	69,330,450
Program Loan Interest Received	42,138,225	37,846,596	31,480,471
Program Loans Made	(81,625,668)	(147,619,925)	(136,638,159)
Payments to Employees for Services	(14,015,710)	(11,457,308)	(10,508,230)
Payments to Suppliers for Goods and Services	(7,415,197)	(7,043,155)	(6,709,107)
Other Receipts (Payments)	(1,585,588)	(1,535,726)	(1,937,619)
Net Cash Provided (Used) in Operating Activities	23,848,221	(58,740,289)	(38,315,323)
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	264,434,870	230,718,707	114,018,169
Principal Payments - Bonds	(164,390,000)	(91,130,000)	(39,075,000)
Interest Payments - Bonds	(36,687,159)	(30,108,576)	(25,352,727)
Bond Issuance Costs	(1,699,139)	(2,064,247)	(989,191)
Bond Call Costs	-	-	-
Other Derivative Receipts	32,947	30,061	-
Principal Payments - Pension-related Debt	(79,883)	(56,622)	(68,205)
Interest Payments - Pension-related Debt	(531)	(13,473)	(17,304)
Federal Grant Subsidy	-	-	-
Transfers from Other Funds	-	7,500,000	10,000,000
Transfers to Other Funds	-	-	-
Transfers from Other State Agencies	-	-	-
Transfers to Other State Agencies	(435,862)	(376,649)	(386,836)
Net Cash Provided (Used) in Noncapital Financing Activities	61,175,243	114,499,201	58,128,906
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	-	-	-
Leased Assets Principal Payments	-	(1,442)	(7,611)
Leased Assets Interest Payments	-	(7)	(74)
Subscription-Based IT Assets Principal Payments	(112,890)	(91,856)	-
Subscription-Based IT Assets Interest Payments	(15,668)	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	(128,558)	(93,305)	(7,685)
Cash Flows from Investing Activities			
Purchase of Investments	(396,504,860)	(363,247,896)	(130,692,371)
Proceeds from Sales and Maturities of Investments	331,616,806	311,296,579	246,326,867
Interest on Cash and Investments	14,645,234	13,537,888	6,764,730
Investment Income on Securities Lending	23,279	24,171	18,115
Interest Paid on Securities Lending	(23,279)	(24,171)	(18,115)
Net Cash Provided (Used) in Investing Activities	(50,242,820)	(38,413,429)	122,399,226
Net Increase (Decrease) in Cash and Cash Equivalents	34,652,086	17,252,178	142,205,124
Cash and Cash Equivalents Balance - Beginning	310,016,041	292,763,863	150,558,739
Cash and Cash Equivalents Balance - Ending	\$ 344,668,127	\$ 310,016,041	\$ 292,763,863

2022	2021	2020	2019	2018	2017	2016
\$ 19,837,627	\$ 13,175,428	\$ 8,763,454	\$ 8,876,105	\$ 7,079,496	\$ 4,163,809	\$ 3,569,340
167,842,514	222,941,663	139,616,140	113,960,119	126,654,062	138,955,178	142,159,092
31,016,791	34,258,797	39,340,959	38,764,669	35,717,096	38,803,932	44,151,928
(150,727,831)	(95,332,814)	(167,580,729)	(233,252,858)	(156,182,704)	(97,014,283)	(71,715,430)
(9,350,644)	(7,366,769)	(6,488,553)	(5,930,708)	(5,025,280)	(4,707,259)	(4,609,749)
(7,487,876)	(5,684,303)	(6,787,757)	(5,841,075)	(5,422,079)	(4,650,950)	(4,923,555)
(3,008,841)	(2,057,220)	(3,391,482)	(5,473,021)	(3,658,826)	(791,680)	47,139
48,121,740	159,934,782	3,472,032	(88,896,769)	(838,235)	74,758,747	108,678,765
188,634,844	61,927,675	177,018,587	216,176,306	280,205,736	134,026,831	211,033,001
(258,705,000)	(185,740,000)	(120,100,000)	(103,615,000)	(203,460,000)	(242,255,000)	(227,045,000)
(29,742,816)	(32,682,384)	(34,221,158)	(29,029,187)	(27,367,083)	(31,402,394)	(36,186,445)
(1,572,368)	(803,477)	(1,424,262)	(1,677,569)	(1,763,294)	(774,512)	(1,514,836)
(277)	(596)	-	-	-	-	-
-	-	-	-	-	-	-
(55,833)	(50,080)	(42,675)	(37,039)	(30,150)	(24,964)	(19,077)
(18,378)	(29,168)	(32,788)	(31,857)	(32,996)	(38,010)	(37,729)
-	74,857	-	-	-	-	-
-	-	-	-	-	-	-
(2,899,555)	-	-	-	-	-	-
-	88,521	-	-	-	-	-
(337,482)	(270,459)	(249,712)	(243,488)	(203,500)	(188,958)	(191,894)
(104,696,865)	(157,485,111)	20,947,992	81,542,166	47,348,713	(140,657,007)	(53,961,980)
-	-	-	-	5,445	(10,844)	-
(7,753)	-	-	-	-	-	-
(139)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(7,892)	-	-	-	5,445	(10,844)	-
(305,323,565)	(380,551,164)	(413,127,785)	(510,891,434)	(498,137,269)	(368,836,911)	(441,963,836)
369,503,258	346,112,454	473,542,274	512,301,216	456,787,746	411,676,140	396,996,896
2,827,415	3,541,314	5,746,359	6,185,498	3,230,801	3,236,713	2,783,432
5,344	2,266	39,099	95,991	21,699	1,974	22,326
(5,344)	(2,266)	(39,099)	(95,991)	(21,699)	(1,974)	(22,326)
67,007,108	(30,897,396)	66,160,848	7,595,280	(38,118,722)	46,075,942	(42,183,508)
10,424,091	(28,447,725)	90,580,872	240,677	8,397,201	(19,833,162)	12,533,277
140,134,648	168,582,373	78,001,501	77,760,824	69,363,623	89,196,785	76,663,508
\$ 150,558,739	\$ 140,134,648	\$ 168,582,373	\$ 78,001,501	\$ 77,760,824	\$ 69,363,623	\$ 89,196,785

Oregon Housing & Community Services Department
Weighted Average Interest Rate - New Mortgage Loans Purchased - Mortgage Revenue Bonds
Enterprise Funds
Last Ten Fiscal Years

Unaudited



Fiscal Year	Weighted Average Interest Rete
2025	6.01%
2024	6.23%
2023	5.24%
2022	2.86%
2021	2.60%
2020	3.07%
2019	4.05%
2018	3.62%
2017	3.26%
2016	3.44%

Weighted average interest rate is calculated by multiplying each loan amount by the interest rate on the loan, adding all results together, then dividing by the total amount of new loans.

Oregon Housing & Community Services Department
Principal Program Loan Interest Payers
Enterprise Funds
Current Year and Nine Years Ago

Unaudited

	Fiscal Year 2025			Fiscal Year 2016		
	Rank	Program Loan Interest Received	Percent of Total Program Loan Interest Received	Rank	Program Loan Interest Received	Percent of Total Program Loan Interest Received
Emerald Pointe	1	\$ 985,719	2.34%	1	\$ 1,127,578	2.55%
Beaver State Apartments	2	513,151	1.22%	6	562,646	1.27%
Autumn Park	3	242,474	0.57%			
Gateway Park Apartments	4	183,651	0.44%	9	300,524	0.68%
Fifth Avenue Court	5	141,562	0.34%			
The Oaks Apartments	6	63,670	0.15%			
Rosemont Town Homes	7	55,539	0.13%			
Forest Park Apartments	8	43,894	0.10%			
Quail Run Apartments	9	41,496	0.10%			
Oakwood Manor Apartments	10	41,175	0.10%			
Westridge Meadows Apartments				2	809,751	1.83%
Woodridge Apartments				3	763,080	1.73%
Willamette Garden Apartments				4	735,354	1.67%
Troutdale Terrace Apartments				5	681,207	1.54%
Lake Crest Apartments				7	453,562	1.03%
Arbor Glen				8	307,102	0.70%
Buckman Heights Apartments				10	300,240	0.68%
Total		<u>\$ 2,312,331</u>	<u>5.49%</u>		<u>\$ 6,041,044</u>	<u>13.68%</u>

Oregon Housing & Community Services Department
Ratio of Outstanding Debt
Enterprise Fund
Last Ten Fiscal Years

Unaudited

Fiscal Year	Business-Type Activities - Enterprise Funds			Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
	General Obligation Bonds ⁽¹⁾	Revenue Bonds ⁽²⁾	Total		
2025	\$ 17,925,000	\$ 1,169,945,000	\$ 1,187,870,000	0.39%	\$ 278
2024	19,030,000	1,077,185,000	1,096,215,000	0.38%	258
2023	20,075,000	938,710,000	958,785,000	0.35%	226
2022	21,650,000	864,185,000	885,835,000	0.33%	208
2021	22,985,000	937,655,000	960,640,000	0.40%	226
2020	28,865,000	1,057,515,000	1,086,380,000	0.49%	258
2019	30,400,000	1,004,675,000	1,035,075,000	0.49%	247
2018	36,915,000	890,470,000	927,385,000	0.47%	224
2017	44,710,000	812,105,000	856,815,000	0.46%	209
2016	50,810,000	917,700,000	968,510,000	0.55%	241

⁽¹⁾ Elderly and Disabled Housing Bonds

⁽²⁾ Mortgage Revenue Bonds, Housing Revenue Bonds (FY 2016 - FY 2021), and Multifamily Housing Revenue Bonds

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

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

Oregon Housing & Community Services Department
Legal Debt Margin Information
Enterprise Fund
Last Ten Fiscal Years

Unaudited

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
<u>General Obligation Bonds</u>				
2025	\$ 5,196,889,295	\$ 17,925,000	\$ 5,178,964,295	0.34%
2024	5,116,158,652	19,030,000	5,097,128,652	0.37%
2023	4,823,464,807	20,075,000	4,803,389,807	0.42%
2022	4,118,468,847	21,650,000	4,096,818,847	0.53%
2021	3,783,733,523	22,985,000	3,760,748,523	0.61%
2020	3,578,984,548	28,865,000	3,550,119,548	0.81%
2019	3,384,375,594	30,400,000	3,353,975,594	0.90%
2018	3,104,548,584	36,915,000	3,067,633,584	1.19%
2017	2,795,635,633	44,710,000	2,750,925,633	1.60%
2016	2,530,877,318	50,810,000	2,480,067,318	2.01%
<u>Revenue Bonds</u>				
2025	\$ 2,500,000,000	\$ 1,169,945,000	\$ 1,330,055,000	46.80%
2024	2,500,000,000	1,077,185,000	1,422,815,000	43.09%
2023	2,500,000,000	938,710,000	1,561,290,000	37.55%
2022	2,500,000,000	864,185,000	1,635,815,000	34.57%
2021	2,500,000,000	937,655,000	1,562,345,000	37.51%
2020	2,500,000,000	1,057,515,000	1,442,485,000	42.30%
2019	2,500,000,000	1,004,675,000	1,495,325,000	40.19%
2018	2,500,000,000	890,470,000	1,609,530,000	35.62%
2017	2,500,000,000	812,105,000	1,687,895,000	32.48%
2016	2,500,000,000	917,700,000	1,582,300,000	36.71%

Legal Debt Margin - June 30, 2025

General Obligation Bonds

True cash value of all taxable property in the state as of January 1, 2024	\$ 1,039,377,859,012
Debt Limit (0.5% of true cash value)	5,196,889,295
Less: Debt applicable to the limit (Elderly and Disabled Housing Bonds)	(17,925,000)
Legal Debt Margin	<u>\$ 5,178,964,295</u>

Revenue Bonds

The legal debt margin for OHCS's revenue bonds is set by statute (Oregon Revised Statute 456.661).

Oregon Housing & Community Services Department
Demographic and Economic Data - State of Oregon
Last Ten Years

Unaudited

Calendar Year	Population ⁽¹⁾	Personal Income ⁽¹⁾ (in millions)	Per Capita Personal Income ⁽¹⁾	Annual Unemployment Rate ⁽²⁾
2024	4,272,371	\$ 302,582.3	\$ 70,823	4.2%
2023	4,253,653	286,979.9	67,467	3.8%
2022	4,247,372	270,427.9	63,669	4.0%
2021	4,254,280	266,544.6	62,653	5.2%
2020	4,243,779	240,450.4	56,659	7.6%
2019	4,215,959	220,029.4	52,190	3.7%
2018	4,183,398	210,044.9	50,209	4.0%
2017	4,147,171	197,262.3	47,566	4.1%
2016	4,093,165	186,105.0	45,467	4.8%
2015	4,018,453	177,478.1	44,166	5.5%

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

⁽²⁾ Source: Oregon Employment Department - www.qualityinfo.org

Oregon Housing & Community Services Department
Employment Data - State of Oregon
Current Year and Nine Years Ago

Unaudited

	Calendar Year 2024		Calendar Year 2015		
	Number of Employees	Percent of Total	Number of Employees	Percent of Total	Change
<u>Private:</u>					
Trade, Transportation, and Utilities	356,967	17.90%	332,317	18.59%	7.42%
Education and Health Services	333,081	16.70%	251,479	14.06%	32.45%
Professional and Business Services	260,066	13.04%	228,053	12.75%	14.04%
Leisure and Hospitality	206,709	10.37%	191,455	10.71%	7.97%
Manufacturing	186,038	9.33%	185,510	10.38%	0.28%
Construction	116,068	5.82%	82,519	4.62%	40.66%
Financial Activities	81,965	4.11%	81,103	4.54%	1.06%
Natural Resources and Mining	54,818	2.75%	50,929	2.85%	7.64%
Information	36,114	1.81%	33,097	1.85%	9.12%
Other Services	68,971	3.46%	72,820	4.07%	-5.29%
Unclassified	794	0.04%	248	0.01%	220.16%
<u>Government:</u>					
Federal Government	29,566	1.48%	27,753	1.55%	6.53%
State Government	47,822	2.40%	72,581	4.06%	-34.11%
Local Government	215,159	10.79%	178,120	9.96%	20.79%
Total Employment	1,994,138	100.00%	1,787,984	100.00%	11.53%

Oregon Housing & Community Services Department
Loans Outstanding - By Interest Rate
Enterprise Funds
Current Year and Nine Years Ago

Unaudited

Interest Rate	June 30, 2025				June 30, 2016			
	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
<u>Single Family Loans</u> ⁽¹⁾								
0.00 - 2.99%	1,191	20.94%	\$ 227,799,565	23.99%	26	0.49%	\$ 744,378	0.12%
3.00 - 3.99%	1,529	26.88%	244,446,979	25.74%	1,521	28.33%	225,515,595	37.00%
4.00 - 4.99%	998	17.55%	144,951,436	15.27%	1,496	27.86%	160,303,131	26.30%
5.00 - 5.99%	942	16.56%	164,528,374	17.33%	1,700	31.66%	177,116,938	29.06%
6.00 - 6.99%	626	11.01%	152,459,928	16.06%	452	8.42%	39,803,435	6.53%
7.00 - 7.99%	296	5.20%	13,893,408	1.46%	157	2.92%	5,803,135	0.96%
8.00 - 8.99%	102	1.79%	1,376,953	0.14%	17	0.32%	188,822	0.03%
9.00 - 9.99%	4	0.07%	52,048	0.01%	-	-	-	-
Total	5,688	100.00%	\$ 949,508,691	100.00%	5,369	100.00%	\$ 609,475,434	100.00%
<u>Multi-Family Loans</u> ⁽²⁾								
0.00 - 2.99%	24	16.55%	\$ 2,363,594	4.03%	57	16.57%	\$ 6,348,149	2.66%
3.00 - 3.99%	5	3.45%	970,149	1.66%	8	2.33%	4,489,777	1.88%
4.00 - 4.99%	19	13.10%	3,707,784	6.33%	5	1.45%	2,963,161	1.24%
5.00 - 5.99%	17	11.72%	35,861,392	61.24%	33	9.59%	105,656,282	44.26%
6.00 - 6.99%	39	26.90%	15,097,282	25.78%	77	22.39%	86,981,174	36.43%
7.00 - 7.99%	35	24.14%	480,681	0.82%	71	20.64%	22,900,124	9.59%
8.00 - 8.99%	6	4.14%	81,318	0.14%	89	25.87%	6,258,593	2.62%
9.00 - 9.99%	-	-	-	-	4	1.16%	3,145,000	1.32%
Total	145	100.00%	\$ 58,562,200	100.00%	344	100.00%	\$ 238,742,260	100.00%
Grand Total	5,833		\$ 1,008,070,891		5,713		\$ 848,217,694	

⁽¹⁾ Mortgage Revenue Bonds, Housing Revenue Bonds (June 30, 2016), and down payment assistance loans in Housing Finance Account (June 30, 2025)

⁽²⁾ Elderly and Disabled Housing Fund, Multifamily Housing Revenue Bond, and multi-family loans in Housing Finance Account

Oregon Housing & Community Services Department
Loans Outstanding - By Monthly Payment Amount
Enterprise Funds
Current Year and Nine Years Ago

Unaudited

Monthly Payment ⁽¹⁾	June 30, 2025				June 30, 2016			
	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
<u>Single Family Loans</u> ⁽²⁾								
\$ 0 - \$ 200	527	9.27%	\$ 7,201,756	0.76%	40	0.75%	\$ 933,130	0.15%
\$ 201 - \$ 400	189	3.32%	7,375,331	0.78%	470	8.75%	20,072,578	3.29%
\$ 401 - \$ 600	726	12.76%	46,171,592	4.86%	1,507	28.07%	117,439,030	19.27%
\$ 601 - \$ 800	960	16.88%	98,826,929	10.41%	1,731	32.24%	202,401,097	33.21%
\$ 801 - \$1,000	926	16.28%	146,514,369	15.43%	1,025	19.09%	154,645,930	25.37%
\$1,001 - \$1,200	747	13.13%	156,256,006	16.46%	418	7.79%	76,743,461	12.59%
\$1,201 - \$1,400	502	8.83%	124,818,989	13.15%	143	2.66%	29,118,844	4.78%
\$1,401 - \$1,600	296	5.20%	81,882,070	8.62%	30	0.56%	6,862,230	1.13%
\$1,601 - \$1,800	234	4.11%	70,695,301	7.44%	5	0.09%	1,259,134	0.21%
\$1,801 - \$2,000	205	3.61%	65,890,869	6.94%	-	-	-	-
\$2,001 - \$2,200	138	2.43%	47,275,134	4.98%	-	-	-	-
\$2,201 - \$2,400	110	1.93%	41,631,379	4.38%	-	-	-	-
\$2,401 - \$2,600	58	1.02%	23,352,353	2.46%	-	-	-	-
\$2,601 - \$2,800	38	0.67%	16,331,578	1.72%	-	-	-	-
\$2,801 - \$3,000	16	0.28%	7,390,063	0.78%	-	-	-	-
\$3,001 - \$3,200	11	0.19%	5,358,850	0.56%	-	-	-	-
\$3,201 - \$3,400	4	0.07%	1,991,912	0.21%	-	-	-	-
\$3,401 - \$3,600	-	-	-	0.00%	-	-	-	-
\$3,601 - \$3,800	1	0.02%	544,210	0.06%	-	-	-	-
Total	5,688	100.00%	949,508,691	100.00%	5,369	100.00%	609,475,434	100.00%
<u>Multi-Family Loans</u> ⁽³⁾								
\$ 0 - \$ 1,000	84	57.93%	1,601,573	2.73%	207	60.17%	5,921,261	2.48%
\$ 1,001 - \$ 5,000	33	22.76%	6,572,410	11.22%	50	14.53%	13,544,595	5.67%
\$ 5,001 - \$10,000	14	9.65%	5,198,025	8.88%	26	7.56%	21,286,098	8.92%
\$10,001 - \$15,000	4	2.76%	2,416,118	4.13%	23	6.69%	26,287,334	11.01%
\$15,001 - \$20,000	3	2.07%	2,168,845	3.70%	11	3.20%	20,309,127	8.51%
\$20,001 - \$25,000	-	-	-	0.00%	10	2.91%	24,321,087	10.19%
\$25,001 - \$30,000	2	1.38%	5,303,079	9.06%	4	1.16%	13,156,532	5.51%
\$30,001 or more	4	2.76%	35,017,438	59.79%	13	3.78%	113,916,226	47.71%
Due at Maturity	1	0.69%	284,712	0.49%	-	0.00%	-	0.00%
Total	145	100.00%	58,562,200	100.00%	344	100.00%	238,742,260	100.00%
Grand Total	5,833		\$ 1,008,070,891		5,713		\$ 848,217,694	

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

⁽²⁾ Mortgage Revenue Bonds, Housing Revenue Bonds (June 30, 2016), and down payment assistance loans in Housing Finance Account (June 30, 2025)

⁽³⁾ Elderly and Disabled Housing Fund, Multifamily Housing Revenue Bond, and multi-family loans in Housing Finance Account

Oregon Housing & Community Services Department

Loans Outstanding - By County

Enterprise Funds

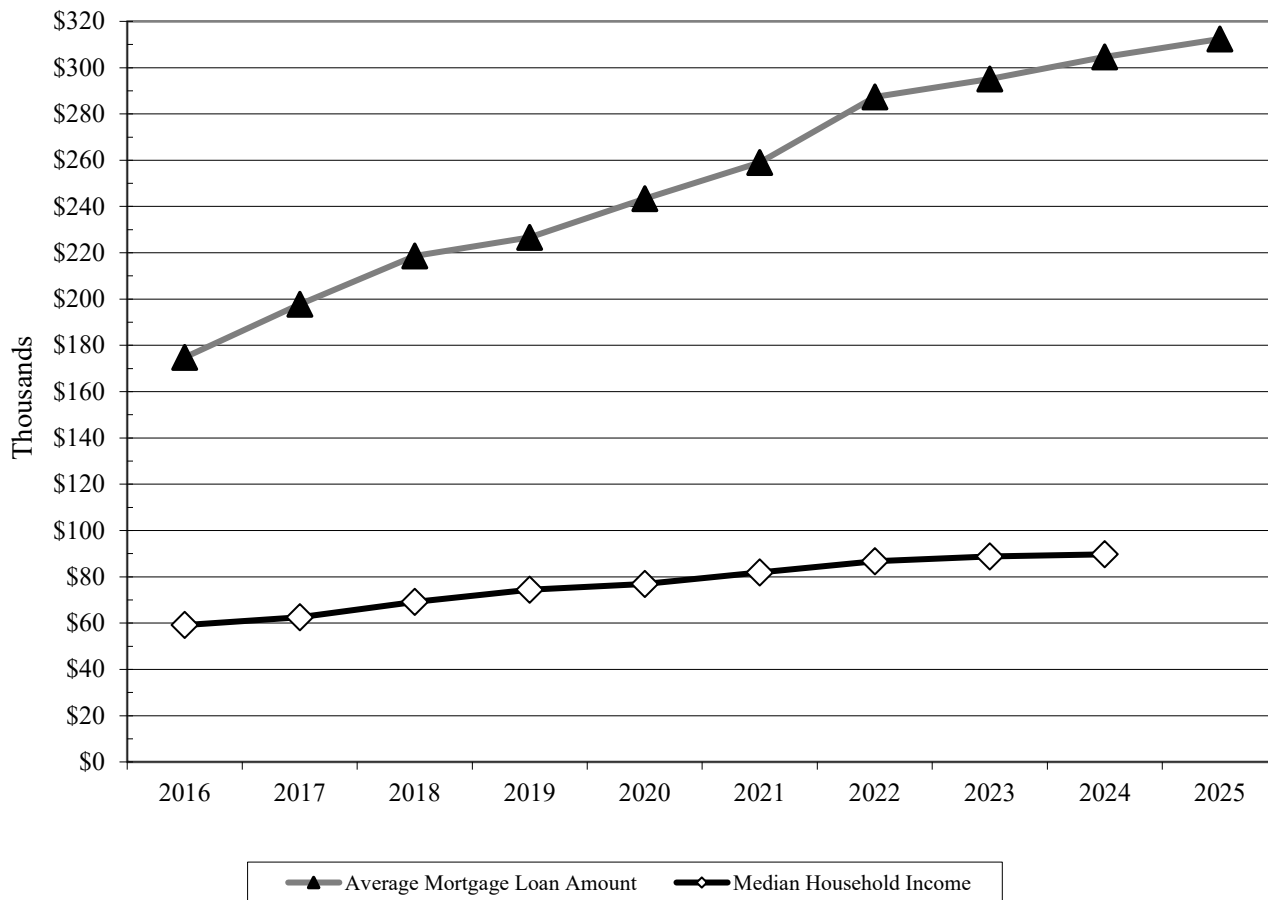
June 30, 2025

County	Elderly and Disabled Housing Program		Mortgage Revenue Bonds		Multifamily Housing Revenue Bonds	
	Number of Loans	Principal Amount	Number of Loans	Principal Amount	Number of Loans	Principal Amount
Baker	1	\$ 37,114	26	\$ 3,146,131	-	\$ -
Benton	4	941,004	42	5,372,642	-	-
Clackamas	8	80,520	285	61,188,368	1	3,795,445
Clatsop	1	13,049	15	2,732,823	-	-
Columbia	3	84,021	124	32,802,664	1	673,140
Coos	-	-	144	28,045,745	-	-
Crook	-	-	98	24,401,833	-	-
Curry	-	-	6	971,955	-	-
Deschutes	2	38,321	409	85,732,713	-	-
Douglas	1	18,807	128	19,678,205	1	619,080
Gilliam	-	-	-	-	-	-
Grant	-	-	5	1,010,886	-	-
Harney	2	377,730	15	1,580,625	-	-
Hood River	-	-	11	1,504,788	-	-
Jackson	-	-	303	54,553,532	1	693,938
Jefferson	-	-	105	23,497,342	-	-
Josephine	3	204,152	338	61,467,251	-	-
Klamath	-	-	133	14,351,470	-	-
Lake	1	43,412	17	2,073,809	-	-
Lane	8	327,337	218	25,965,989	1	696,777
Lincoln	4	1,245,084	30	3,437,308	-	-
Linn	7	682,360	126	20,843,941	-	-
Malheur	1	514,870	31	2,738,359	-	-
Marion	30	17,799,069	335	42,531,396	1	112,206
Morrow	-	-	15	1,221,391	-	-
Multnomah	34	11,017,316	1,415	270,631,906	7	8,449,132
Polk	2	25,416	68	11,459,055	-	-
Sherman	1	111,531	1	148,341	-	-
Tillamook	-	-	22	4,485,701	-	-
Umatilla	-	-	118	13,308,604	-	-
Union	2	35,573	42	5,313,327	-	-
Wallowa	1	417,246	6	909,397	1	8,147,381
Wasco	-	-	8	1,371,311	-	-
Washington	4	84,655	410	87,754,484	-	-
Wheeler	-	-	1	177,750	-	-
Yamhill	4	776,397	128	26,145,823	-	-
Total	124	\$ 34,874,984	5,178	\$ 942,556,865	14	\$ 23,187,099

Housing Finance Account		Total	
Number of Loans	Principal Amount	Number of Loans	Principal Amount
1	\$ 7,669	28	\$ 3,190,914
6	78,885	52	6,392,531
23	383,504	317	65,447,837
2	25,685	18	2,771,557
13	198,864	141	33,758,689
11	124,027	155	28,169,772
11	155,508	109	24,557,341
-	-	6	971,955
13	188,805	424	85,959,839
17	195,436	147	20,511,528
2	18,817	2	18,817
2	20,237	7	1,031,123
1	4,598	18	1,962,953
1	13,444	12	1,518,232
29	363,281	333	55,610,751
12	276,634	117	23,773,976
10	139,940	351	61,811,343
14	135,685	147	14,487,155
1	8,739	19	2,125,960
30	431,681	257	27,421,784
12	152,850	46	4,835,242
23	306,835	156	21,833,136
3	22,590	35	3,275,819
65	911,704	431	61,354,375
5	51,934	20	1,273,325
99	1,434,519	1,555	291,532,873
16	223,020	86	11,707,491
2	17,467	4	277,339
6	85,972	28	4,571,673
32	321,222	150	13,629,826
1	7,120	45	5,356,020
1	8,662	9	9,482,686
5	331,539	13	1,702,850
30	519,621	444	88,358,760
-	-	1	177,750
18	285,449	150	27,207,669
517	\$ 7,451,943	5,833	\$ 1,008,070,891

Oregon Housing & Community Services Department
Average New Mortgage Loan Amount Versus Median Household Income -
Single Family Mortgage Program
Enterprise Funds
Last Ten Years

Unaudited

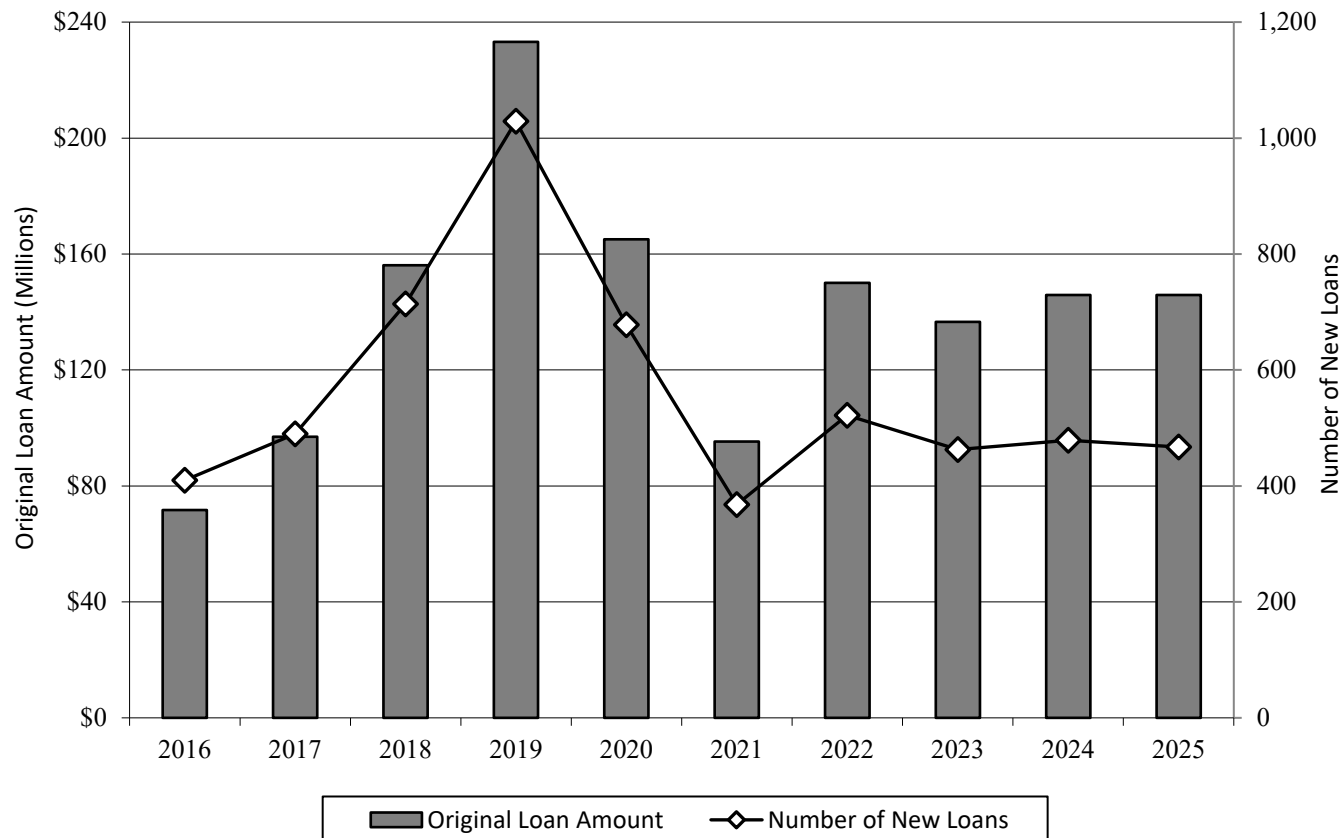


<u>Fiscal Year</u>	<u>Average Loan Amount</u>	<u>Calendar Year</u>	<u>Median Household Income in the State of Oregon</u> ⁽¹⁾
2025	\$ 313,298		
2024	304,596	2024	\$ 89,700
2023	295,115	2023	88,740
2022	287,410	2022	86,780
2021	259,057	2021	81,850
2020	243,410	2020	76,850
2019	226,631	2019	74,410
2018	218,672	2018	69,170
2017	197,785	2017	62,500
2016	174,792	2016	59,140

⁽¹⁾ Source: US Census Bureau (Table H-8) - www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html

Oregon Housing & Community Services Department
New Mortgage Loans Financed - Single-Family Mortgage Program
Enterprise Funds
Last Ten Fiscal Years

Unaudited

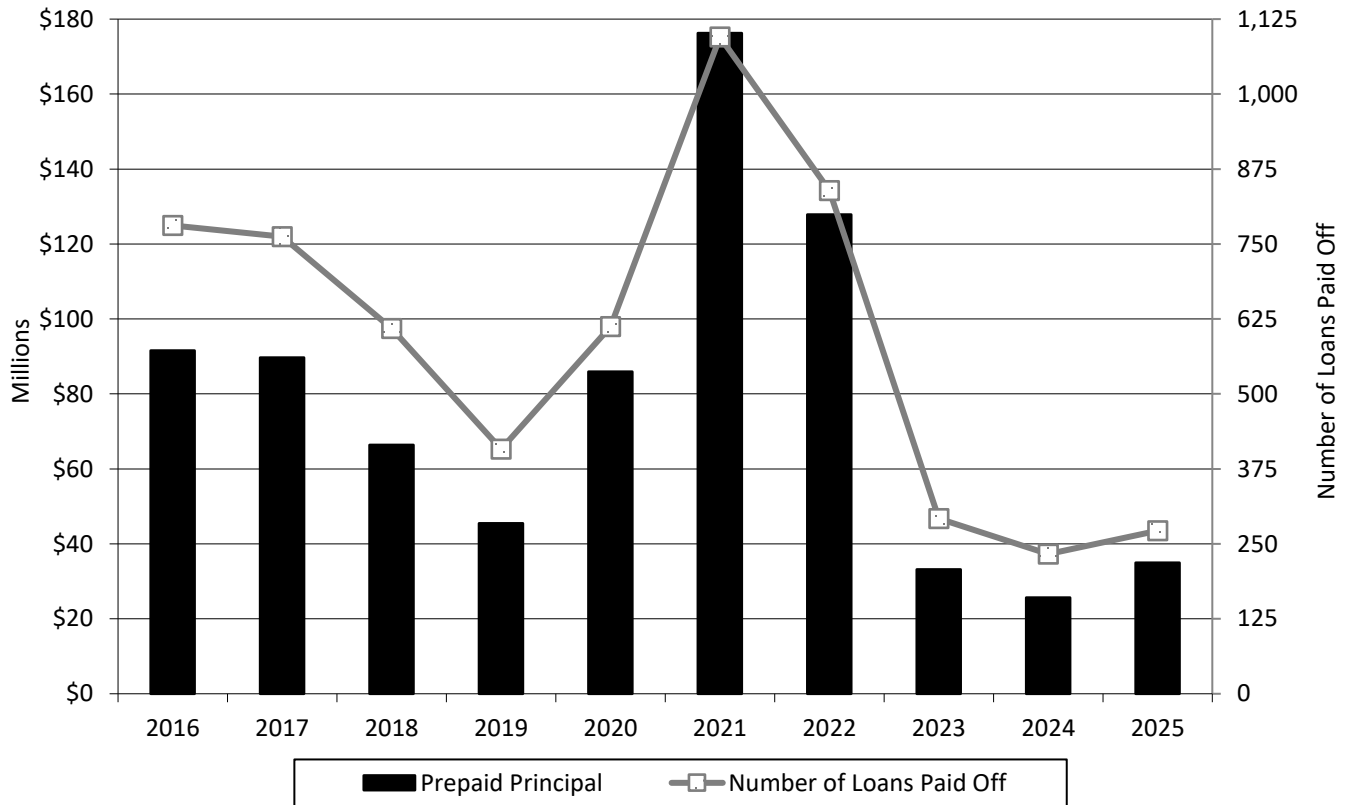


Fiscal Year	Number of New Loans	Original Loan Amount
2025	467	\$ 145,882,864
2024	479	145,901,323
2023	463	136,638,159
2022	522	150,027,831
2021	368	95,332,814
2020	678	165,032,101
2019	1,029	233,203,348
2018	714	156,131,888
2017	490	96,914,554
2016	410	71,664,632

During fiscal year 2025, OHCS began financial new mortgages loans through the purchase of mortgage-backed securities and stopped financing new mortgage loans through the purchase of mortgage loans. In fiscal year 2025, there were 219 loans (\$69,639,238) financed by purchasing mortgage-backed securities and 248 loans (\$76,243,626) financed by purchasing mortgage loans.

Oregon Housing & Community Services Department
Mortgage Loans Paid Off - Single-Family Mortgage Program
Enterprise Funds
Last Ten Fiscal Years

Unaudited



<u>Fiscal Year</u>	<u>Number of Loans Paid Off</u>	<u>Prepaid Principal</u>
2025	272	\$ 34,941,550
2024	233	25,674,721
2023	292	33,150,016
2022	839	127,881,513
2021	1,095	176,269,997
2020	612	85,890,206
2019	408	45,414,416
2018	609	66,400,638
2017	762	89,704,744
2016	781	91,544,807

Oregon Housing & Community Services Department

Number of Employees

Last Ten Fiscal Years

Unaudited

	Full-Time-Equivalent Employees as of June 30									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Director's Office	34.0	13.0	12.0	10.0	4.0	3.0	3.0	3.0	13.0	11.0
Deputy Director's Office	3.0	10.0	11.0	12.0	63.0	52.0				
Public Affairs Office	23.0	17.0	20.0	17.0	10.0	11.0	9.0	9.0	7.0	7.0
Chief Financial Office	33.0						19.0	19.0	22.0	21.0
Operations Division	49.0	84.0	72.0	66.0						
Housing Stabilization Division	63.0	58.0	52.0	32.0	30.0	25.8	32.8	32.8	29.5	23.5
Homeownership Division	29.0	35.0	36.0	34.0	21.0	24.0				
Affordable Rental Housing Division	160.0	130.0	96.0	81.0	71.0	60.0				
Disaster Recovery & Resiliency	34.0	28.0	22.0	6.0						
Housing Finance Division							79.0	71.0	65.5	51.5
Chief Operations Office							21.0	18.0		
Total	428.0	375.0	321.0	258.0	199.0	175.8	163.8	152.8	137.0	114.0

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Other Reports

Steve Bergmann
Division Director



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

The Honorable Tina Kotek
Governor of Oregon

Andrea Bell, Executive Director
Oregon Housing and Community Services Department

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Elderly and Disabled Housing Fund and the Housing Finance Fund, which collectively comprise the Housing and Community Services Fund, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Housing and Community Service Fund's basic financial statements, and have issued our report thereon dated November 20, 2025.

Report on Internal Control over Financial Reporting

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

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

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

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Tobias Read
Oregon Secretary of State

Michael Kaplan
Deputy Secretary

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Office of the Secretary of State, Audits Division

State of Oregon

November 20, 2025