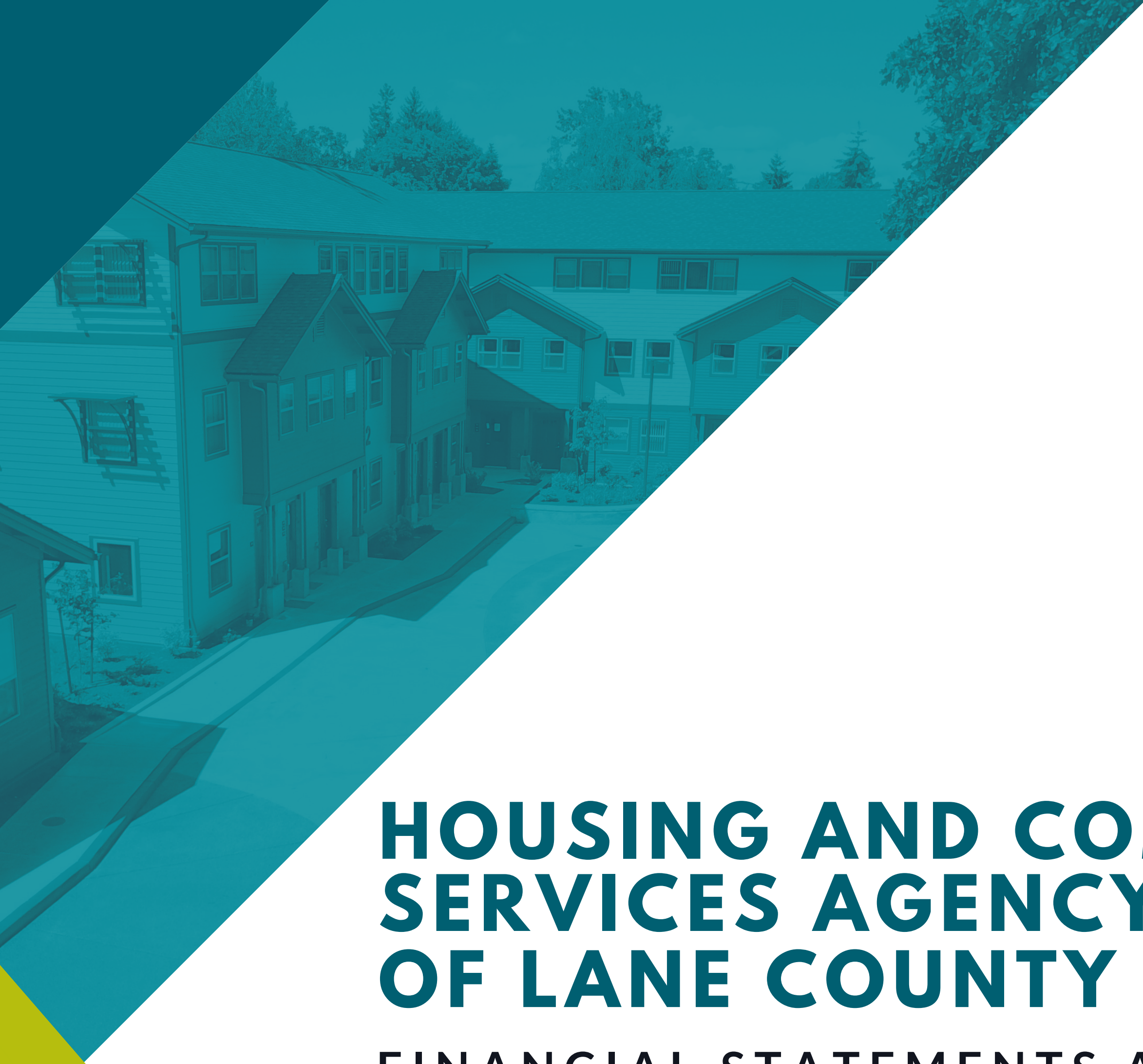

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2017 AND INDEPENDENT AUDITOR'S REPORT AND SINGLE AUDIT REPORTS

541-682-3755

www.homesforgood.org

177 Day Island Road, Eugene, OR 97401

CONTENTS

INTRODUCTORY SECTION

HOUSING AND COMMUNITY SERVICES
AGENCY OF LANE COUNTY

SEPTEMBER 30, 2017

BOARD OF COMMISSIONERS

Pat Farr	125 E. 8th Avenue Eugene, OR 97401
Jay Bozievich	125 E. 8th Avenue Eugene, OR 97401
Gary Williams	125 E. 8th Avenue Eugene, OR 97401
Sid Leiken	125 E. 8th Avenue Eugene, OR 97401
Pete Sorenson	125 E. 8th Avenue Eugene, OR 97401
Charene Reavis	177 Day Island Rd Eugene, OR 97401
Dewanda McKinley	177 Day Island Rd Eugene, OR 97401

ADMINISTRATION

Jacob Fox	Executive Director
Valerie Warner	Deputy Director
Jeffery Bridgens	Finance Director

FINANCIAL SECTION

Report of Independent Auditors

Board of Commissioners of
Housing and Community Services Agency of Lane County
Eugene, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Housing and Community Services Agency of Lane County (the Agency), a component unit of Lane County, Oregon, as of and for the year ended September 30, 2017, and the financial statements of Hawthorn-At-29th LLC, New Winds Apartments Limited Partnership, Roosevelt Crossing Limited Partnership, Oaks-At 14th LLC, Munsel Park Limited Partnership, Turtle Creek Apartments Limited Partnership, and Bascom Village II LLC (the aggregate discretely presented component units), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Except for Oaks-At 14th LLC, those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, are based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of New Winds Apartments Limited Partnerships, Oaks-At 14th LLC, Turtle Creek Apartments Limited Partnership, and Bascom Village II LLC, were not audited in accordance with *Government Auditing Standards*.

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

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

Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of Oaks-At 14th LLC have not been audited, and we were not engaged to audit Oaks-At 14th LLC financial statements as part of our audit of the Agency's basic financial statements. Oaks-At 14th LLC's financial activities are included in the Agency's basic financial statements as a discretely presented component unit and represent 20 percent, 13 percent, and 47 percent of the assets, net position, and revenues, respectively, of the Agency's aggregate discretely presented component units.

Qualified Opinion

In our opinion, based on the reports of other auditors, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the Agency, as of December 31, 2016, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency, as of September 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information on pages 57 through 83, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards on pages 90 through 92 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

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

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

Reports of Other Legal and Regulatory Requirements

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018 our consideration of the Agency'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 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 Agency's internal control over financial reporting and compliance.

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

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated June 29, 2018 on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

James C. Lanzarotta

For Moss Adams LLP
Eugene, Oregon
June 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the Housing and Community Services Agency (HACSA) of Lane County's financial performance provides an overview of the Agency's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the Agency's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

The make-up of the HACSA primary government fluctuates from year to year due to HACSA's development activity. During pre-development, projects are reported as part of HACSA. After syndication, projects are reported as discretely presented component units. After the 15-year tax credit is completed, the projects normally return to HACSA as blended component units. This ongoing change in ownership and reporting entity is responsible for significant fluctuation in HACSA's net position, total assets, total liabilities and total capital assets. There were no changes to the reporting entity during the year ended September 30, 2017.

- HACSA reported combined net position (assets less liabilities) of approximately $52,160,000 as of September 30, 2017. This represents a decrease of almost $(1,360,000) or an -3% decrease from the prior year's net position.

- Total assets were approximately $64,311,000 which was an increase of approximately $1,847,000 or 3% from September 30, 2016. The increase in assets is primarily attributable to the acquisition of new administrative building.

- Total liabilities were approximately $12,147,000 which was an increase of approximately $3,207,000 or 36% from September due in large part to HACSA taking on additional debt for financing the purchase of a new administrative building.

- 22%, or approximately $15,805,000, of combined net position was unrestricted and therefore had no constraints on future use. Unrestricted net position increased by approximately $1,035,000, from the prior year.

- Total operating revenue for the year ended September 30, 2017 was approximately $29,580,000, a decrease of $2,847,000 or -8% from the prior year. The decrease is attributable to lesser amounts housing assistance revenue for the Housing Choice Voucher program.

- The agency reported an operating deficit for the year of approximately $(1,360,000). In the prior year, the increase to net position was approximately $2,100,000.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements which are listed in the Table of Contents. The basic financial statements reflect the financial position, results of operations and cash flows of HACSA, as a whole, as of and for the year ended September 30, 2017.

The basic financial statements for the fiscal year ended September 30, 2017, are presented in two columns: primary government and discretely presented component units. The primary government of HACSA includes all HACSA programs, including the Housing Choice Voucher Program (also known as Section 8), the Housing Division programs, the Community Services Programs and the blended component units: HACSA Partner LLC, HousingPlus, Walnut Park Limited Partnership, The Orchards Limited Partnership, Laurel Gardens Limited Partnership, Jacob's Lane Limited Partnership, Sheldon Village I Limited Partnership and Sheldon Village II Limited Partnership. The discretely presented component unit column includes eight low-income housing tax credit limited partnerships/limited liability corporations. For a more detailed discussion of the reporting entity, see Notes to the Financial Statements Note 1- Summary of Significant Accounting Policies.

One of the important uses of the MD & A is to compare the current year financial position and changes in net position to the previous year. The Statement of Net Position, the Statement of Revenue, Expenses and Changes in Net Position and the Statement of Cash Flows report information about HACSA as a whole in a way that supports this comparison. The tables, charts, and comments pertain to the primary government and exclude the discretely presented component units.

The supplemental information reflects the combining financial statements of all of the Agency's separate programs. The Financial Data Schedule (FDS) is required by the United States Department of Housing and Urban Development (HUD). HUD has established Uniform Financial Reporting Standards that require HACSA to submit financial information electronically using the FDS format. The numbers in the left-hand column of the supplemental schedules reflect HUD's chart of accounts.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Positon presents HACSA's financial position as of September 30, 2017. It is a snapshot of the Agency's accounts on that specific date. Assets are defined as what the Agency owns and liabilities are what it owes. Therefore, net position is simply what is owned less what is owed.

While the Statement of Net Position presents the financial position as of a specific date, the Statement of Revenues, Expenses and Changes in Net Position measures the Agency's results and change in net position for a period of time; in this case the year ended September 30, 2017.

The Statement of Cash Flows is an analysis of the increase or decrease in the Agency's cash balances during the year. Generally accepted accounting principles (GAAP) requires state and local governments to use the enterprise fund type to account for business-type activities. All of HACSA's transactions are recorded in one enterprise fund. Enterprise funds use the accrual basis of accounting; revenue is recorded when earned and expenses are recorded when incurred, regardless of when the cash is received or disbursed.

FINANCIAL ANALYSIS

NET POSITION

As previously described, net position may serve over time as a useful indicator of a government's financial position. In the case of HACSA, assets exceeded liabilities by approximately $47,100,000 at the close of the fiscal year and the agency's net position decreased by approximately $1,300,000 over the prior year.

	September 30, 2017	September 30, 2016
Current Assets	$ 11,251,943	$ 11,643,556
Capital Assets	46,486,942	43,736,372
Other Assets	6,572,439	7,083,560
Total Assets	64,311,324	62,463,488
Current Liabilities	2,382,006	1,925,746
Non-Current Liabilities	9,765,171	7,013,761
Total Liabilities	12,147,177	8,939,507
Net Position:		
Net Investment in Capital Assets	34,087,040	35,526,396
Restricted Net Position	2,271,973	3,227,997
Unrestricted Net Position	15,805,134	14,769,588
Net Postion	$ 52,164,147	$ 53,523,981

The increase in total assets is largely attributable to HACSA's acquisition of a new administrative building in September 2017. Similarly, the increase in total liabilities is from financing the purchase of a new administrative building. The increase in unrestricted net position is the result of several factors that include improved financial performance for HACSA's housing programs for both public housing and for the blended component units.

FINANCIAL ANALYSIS (Continued)

CHANGES IN NET POSITION

	Year Ended September 30,	
	2017	2016
Dwelling Rent	$ 5,325,515	$ 4,970,361
Housing Assistance Grants	17,027,431	19,715,368
HUD Operating Subsidies	3,657,569	3,368,152
Other Government Grants	1,992,707	2,580,483
Other Income	1,576,440	1,807,029
Total Operating Revenues	29,579,662	32,441,393
Housing Assistance Payments	16,082,258	16,734,149
Administration	6,546,592	5,649,070
Tenant Services	188,505	67,226
Utilities	959,422	875,876
Ordinary Maintenance	5,151,360	5,134,429
Protective Services	21,111	22,461
Insurance Premiums	242,198	197,580
Other General	1,473,083	482,322
Non-routine Maintenance	5,534	3,061
Depreciation	1,823,680	1,845,933
Total Operating Expenses	32,493,743	31,012,107
Operating Income (Loss)	(2,914,081)	1,429,286
Non-Operating income (expenses)		
Interest Income	144,532	213,618
Special Items	770,618	(112,280)
Equity in Loss of Limited Partnerships	-	(48)
HUD Capital Grants	745,542	878,757
Interest Expense	(106,445)	(226,542)
Increase in Net Position	$ (1,359,834)	$ 2,182,791

CAPITAL ASSETS AND DEBT ADMINISTRATION

HACSA's investment in capital assets is comprised of land, buildings, equipment and construction in progress, with buildings representing the largest component. The figures in the following table represent the historical cost of the capital assets. Note 7-Fixed Assets contained in the Notes to Financial Statements of this report provides more detailed information about capital asset activities of HACSA. During fiscal year 2017, there was an addition of approximately $2,700,000 to capital assets for all categories combined, net of accumulated depreciation. The significant amounts by category include:

Land - Land increased by approximately $1,900,000. This represents the net of a $1,990,000 increase due to the purchase of land associated with the property intended to be the home of the new administrative building for the Agency and a decrease of $69,000 for the Richardson Bridge land, transferred to Richardson Bridge LLC, a component unit of HACSA.

Buildings and improvements - Buildings and improvements increased by approximately $834,000. This represents the net of an increase of $1,700,000 for the new administrative building and a decrease of $991,000 which represents the transfer of Richardson Bridge to Richardson Bridge LLC.

Furniture and equipment - Furniture and equipment increased by approximately $85,000 primarily the result of purchase of two fleet vehicles and an industrial dishwasher at Heeran Center.

Construction in progress – Construction in progress increased by approximately $1,000,000. Approximately $234,000 represents predevelopment costs on projects in various stages of development and are located at 6th & Oak, where HACSA is planning a complex which will be called *Market District Commons*, and Sheldon Village, where the agency is planning a major rehabilitation project of the existing 78 unit complex, and on a project with the working title of *Housing First*, which will provide housing and wrap-around case management services to chronically homeless individuals. $780,000 represents projects on the public housing properties including new roofing at Parkview Terrace and Riverview Terrace apartments.

Accumulated depreciation - Accumulated depreciation increased by $1,200,000, which is the net of annual depreciation on all capital assets less $53,000 of accumulated depreciation transferred to Richardson Bridge LLC.

CAPITAL ASSETS

	September 30, 2017	September 30, 2016
Land	$ 10,973,703	$ 9,029,869
Buildings and improvements	78,554,913	77,720,825
Furniture and equipment	2,958,558	2,873,226
Construction in progress	1,901,417	744,195
Totals	94,388,591	90,368,115
Less: accumulated depreciation	(47,901,649)	(46,631,743)
Net Capital Assets	$ 46,486,942	$ 43,736,372

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

HACSA's long-term debt includes bonds and notes payable which were incurred to purchase or rehabilitate low income housing. The debt is payable from the net cash flow of operations and is secured by the real property. In addition, in late fiscal year 2017, HACSA purchased land and building intended to be the new home for HACSA staff. The interim financing is a loan of $3.750M. The building is currently occupied by commercial tenants and the debt service is payable from those tenants' rents. Note 8-Long-Term Liabilities contained in the Notes to Financial Statements of this report provides more detailed information about capital asset activities of HACSA.

LONG-TERM DEBT

	September 30, 2017	September 30, 2016
Bonds, net of accretion of bond discount	$ 270,000	$ 345,000
Notes payable	9,383,530	6,597,504
Total	$ 9,653,530	$ 6,942,504

BUDGETS, SIGNIFICANT CHANGES AND ECONOMIC FACTORS

HACSA's Board of Commissioners includes two appointed commissioners who are public housing residents and five commissioners from the Lane County Board of Commissioners. HACSA is a component unit of Lane County and its financial statements are, therefore, included in Lane County's financial statements. HACSA's budget for the year ended September 30, 2017 was approved by the HACSA Board of Commissioners in September 2016. HACSA's budget is primarily supported by federal funds (71%), with the majority coming from the Department of Housing and Urban Development. Consequently, HACSA is affected by Federal budget appropriations.

BUDGET ALLOCATIONS FOR FISCAL YEAR 2018 PROGRAM REVENUES

Section 8 Division	$ 18,366,185
Housing Programs	10,911,452
Community Services Division	8,212,224
Total	$ 37,489,861

BUDGET ALLOCATIONS FOR FISCAL YEAR 2018 PROGRAM EXPENDITURES

Section 8 Division	$ 18,829,055
Housing Programs	10,787,070
Community Services Division	4,845,873
Total	$ 34,461,998

BUDGETS, SIGNIFICANT CHANGES AND ECONOMIC FACTORS (Continued)

While HACSA is not subject to Oregon Budget Law, the Agency does prepare annual budgets for all cost centers. Monthly budget to actual reports are prepared and reviewed by management. When a program manager sees or expects to exceed budget, the item is discussed but no formal budget amendment is prepared. The following paragraphs include information about budget surpluses and shortfalls for the Agency's major programs.

HUD PROGRAMS AND FUNDING

HACSA's three largest programs are Section 8 Housing Choice Vouchers (HCV), Housing Programs and Community Services. The HCV and the Public Housing portion of Housing programs are reliant on HUD funding. HACSA is affected more by Federal budget appropriations than by local economic conditions for funding and budgetary purposes. HUD did not implement any new methodologies with regard to funding for fiscal year 2018 however we expect there to be significant downward changes to the proration factors that are used to determine HACSA's federal funding. We expect proration factors of 77% and 85% for HACSA's Section 8 Housing Choice Vouchers Program and Housing Programs respectively. The budget calls for a reduction of 16% for 2017 in federal funding for these significant programs.

Rent Assistance **-** The Housing Choice Voucher program is funded by HUD on a calendar year and the funding is made up of housing assistance payments and administrative fees. Both are partially based on voucher usage, which makes this metric important to HACSA's management.

Funding for the voucher program itself is dependent on voucher usage in the prior calendar year. The Housing Choice Vouchers Program is based on voucher usage by qualified participants. Vouchers are available in the regular voucher program and in the program for veterans. Attrition from the program can be unpredictable and the lease-up rate for new voucher-holders also can be unpredictable and made difficult by tight rental market conditions or by high rents. HACSA began calendar 2017with a voucher usage rate of 95% and continued a downward usage rate to 93% by year end. HACSA's goal is to manage attrition and new voucher issuance so that the combined average at year-end ranges from between 95% to 100%. Staffing numbers in the Section 8 program remained stable during the year and in 2017 HACSA again made a significant investment in staff training in an effort to improve compliance with program regulations and administration of the program. Housing Assistance Payments (HAP) revenue was budgeted at $15,690,200, but actual HAP revenue was $13,620,774; a shortfall of $2,069,426. HAP expenses, budgeted at $15,690,200 were actually $14,049,568; an expense shortfall of $1,640,632. The below-budget results for both the revenue and expense side were due to lower than expected voucher utilization.

Administrative funding for the Housing Choice Voucher program is based on a dollar value per voucher utilized, times the proration percentage. Since voucher utilization was below target, the administrative funding was also below budget. Budgeted at $2,531,000, Administrative fee revenue was actually $2,307,604; a shortfall of $223,396 and also attributable to lower than expected voucher utilization. Administrative expenses, budgeted at $2,184,622, were actually $2,316,958; this cost over-run of $132,336 represents 6% of the budgeted amount and is largely attributable to personnel costs.

HUD PROGRAMS AND FUNDING (Continued)

Housing Programs **-** The Housing Program encompasses 707 units of Public Housing as well as an additional 247 units of affordable housing managed by HACSA. The Housing Program budget also reflects another 239 units of affordable housing managed by third party property management companies. The capital fund under Public Housing is also budgeted under the Housing Program group. The principal revenues for the Housing Program are tenant rents and HUD operating grants.

Public Housing operating funding is slightly improved over 2016. The operating funds are calculated with a complex methodology that takes into consideration many factors about the public housing stock including age of the property, occupancy rates, utility consumption, etc. After the need is calculated HUD applies a proration factor based on the availability of funds. The proration factor increased from 82.35% for calendar year 2015 to an estimate of 86.76% which was used for budgeting for fiscal year 2017. In actuality, the proration factor for 2017 ranged from 92.4% to 92.89%. This resulted in revenue from operating grants exceeding budgeted amounts. This resulted in operating grants exceeding budgeted amounts.

One of the important metrics that HACSA manages to maximize housing revenues is occupancy. While it is not possible to control tenants leaving housing, it is possible and desirable to decrease vacancy loss with the following activities: property managers make regular inspections of units so that damage upon vacancy is limited, maintenance staff puts units back in lease-up condition promptly after vacancy and intake staff have waiting list members screened and ready to move into vacated units. Total vacant days for public housing units was reduced from 4,385 in FY16 to 3,035 in FY17. This represents a 31% improvement. For the 239 units managed by third party property managers, the HACSA Asset Manager is responsible for monitoring performance. This is done by conducting weekly check-ins with the property managers on occupancy and monthly reviews of financial data including rent collections and budget to actual review of expenses.

For the 707 units of Public Housing, rent revenue was budgeted to be $2,096,641; actual rent revenue was $2,150,031; the surplus of $53,390 is related to occupancy. Public Housing operating subsidy was budgeted at $1,709,494 and the amount received was $1,765,916. This surplus of $56,422 is related to the higher proration factor.

One of the important metrics that HACSA manages to maximize housing revenues is occupancy. While it is not possible to control tenants leaving housing, it is possible and desirable to decrease vacancy loss with the following activities: property managers make regular inspections of units so that damage upon vacancy is limited, maintenance staff puts units back in lease-up condition within 9 days (average) after vacancy and intake staff have waiting list members screened and ready to move into a unit within 5 days (average) from the date the unit is ready.

For the 239 units managed by third party property managers, the HACSA Asset Manager is responsible for monitoring performance.

Capital Fund Program **-** The Capital Fund Program activities are an integral part of the Housing Program. The Capital Fund staff work with housing staff to maintain the various properties through capital improvements, funded either with the HUD capital grant program or from replacement reserves, in the

HUD PROGRAMS AND FUNDING (Continued)

case of multifamily housing. The following chart illustrates that the total Public Housing capital grant and capital grant dollar amount per unit has been on a downward trend between 2011 and 2016, with a change in trajectory for 2017.

CAPTIAL GRANTS

Year	Capital Grant	Per Unit
2011	1,043,757	1,476
2012	961,540	1,360
2013	927,276	1,312
2014	965,384	1,365
2015	951,318	1,346
2016	894,675	1,265
2017	965,595	1,366

Energy Performance Contracting (EPC) - Energy performance contracting is a HUD-approved financing technique that uses cost savings from reduced energy consumption to repay the cost of financing energy conservation measures. In May 2017, the HACSA Board authorized the Executive Director to negotiate a contract with Johnson Controls, Inc. (JCI), a third-party provider of energy performance services, and authorized JCI to send their EPC project proposal to the HUD Energy Office for review and approval. Energy Office approval and arranging project finance took several months and it was not until late Spring 2018 until the project implementation got underway, after a municipal lease with PNC bank was approved by the board. Note 16 – Subsequent Events more fully describes the terms of this financing arrangement.

COMMUNITY SERVICES AGENCY

Community services activities of HACSA include Development, Weatherization, and Other Community Services such as the Resident Opportunity and Family Self Sufficiency Programs

Development - HACSA is the general partner or the managing member in a number of limited partnerships and limited liability companies formed to finance the construction of affordable housing. These entities appear in the aggregate in this report as discretely presented component units. In June 2015, federal low-income housing tax credits were awarded to HACSA for the construction of *The Oaks-at-14th*, a 54 unit development being built as permanent housing for ex-offenders who successfully graduate from a transitional housing program. Construction of *The Oaks-at-14th* began in May 2016 and was completed during the spring of 2017. At this time there are two other complexes in the Development pipeline at various stages. The *Glenwood* project would create 100-150 units of affordable housing near the riverfront in the Glenwood area of Springfield, Oregon. The *Market District Commons* (6th and Oak) project would create 50-60 units of affordable housing in the heart of downtown Eugene. For both of these projects, Development staff is working their way through the various steps of securing land,

COMMUNITY SERVICES AGENCY (Continued)

securing financing, planning, and permitting. The Development staff is also involved with a West Eugene property called the *Taney* site, rehab of the *Sheldon Village* apartment complex, rehabilitation of the *Firwood* apartment complex, remodel and permanent financing for the new Homes for Good Administration Building, sale of the Day Island administration building, disposition of the Fairview Administration Building, and disposition and replacement of an additional 100 units of Public Housing scattered sites under the Rental Assistance Demonstration (RAD) program, etc. For all of these projects, Development staff is working their way through the various regulatory steps.

Rental Assistance Demonstration - The Development staff is guiding the HUD RAD program. The objective of RAD is to move housing subsidy from the public housing program to the Section 8 program. The agency had 12 properties approved by HUD for conversion as of September 30, 2017 and plans to sell 112 units of its scattered site housing and re-house the tenants with Section 8 vouchers. HACSA expects the RAD project conversions to have a significant effect on HACSA programs and financial position over the coming years.

Energy Services - Cost effective measures are installed by private contractors and are paid for with public and private funds from federal grants and participating electric and natural gas utilities. Weatherization related funding totaled again $1,900,000 during the fiscal year ended September 30, 2017, consistent with the previous fiscal year.

Resident Opportunity and Self-Sufficiency Programs–HACSA received funding for these programs to hire a program coordinator who links residents with training opportunities, job placement organizations, and local employers. These services are designed to enable participants to reduce or eliminate the need for assistance and make progress toward achieving economic independence and housing self-sufficiency. These programs received federal funding totaling approximately $400,000 for the fiscal year ended September 30, 2017.

Shelter Plus Care-This program provides rental assistance in connection with matching supportive services. This program received approximately $500,000 for the fiscal year ended September 30, 2017 an increase of approximately $100,000 from the previous fiscal year.

HACSA ADMINISTRATION

Central Office Cost Center (COCC) - HACSA administration is comprised of executive, human resources, finance, information technology, general/maintenance, capital fund administration, building, and Board departments. Collectively, these departments form a COCC for HACSA. Operations of the COCC are funded based on HUD's Asset Management Model. Administrative activities are funded mostly through a fee-for-service approach. Revenues for COCC consist of fees from other programs. Total COCC revenue was budgeted to be $2,153,072 and was actually $1,964,282. COCC expenses, which consist of the cost of overhead services, were budgeted at $2,321,494 and were actually $2,628,592. The combined revenue shortfall and expense over-run equals $495,888 which, combined with a budgeted shortfall of $168,000, placed the COCC in a position of negative net position for the year ended September 30, 2017.

HACSA ADMINISTRATION (Continued)

HACSA had been actively seeking to purchase real estate property to develop a new administrative building and place all services and staff at one location. On June 28, 2017 the HACSA Board of Commissioners approved an order allowing HACSA to execute financing for the purchase of a new administrative building for $3,750,000, and on September 22, 2017, the transaction closed. HACSA will close its Day Island (Eugene) and Fairview Drive (Springfield) offices, and relocate to the new location in late 2019.

Beginning January 16, 2018 HACSA formally changed its name to *Homes for Good Housing Agency*.

HUD's REAL ESTATE ASSESSMENT CENTER (REAC)

REAC evaluates public housing authorities (PHAs) on an annual basis. Using the Public Housing Assessment System (PHAS), PHAs are rated for the physical status of their properties, financial condition, management proficiency, and capital fund compliance.

PUBLIC HOUSING ASSESSMENT SYSTEM

PHAS Indicators	Maximum Score	2014	2015	2016	2017
Pysical	40	37	37	38	38
Financial	25	23	0*	16	24
Management	25	22	22	23	24
Capital Fund	10	10	10	10	10
PHAS Total Score	100	92	69	87	96

*Due to late submission of completed financial statements to HUD.

CURRENTLY KNOWN FACTS AND CONDITIONS

Real Estate Development Activities **–** Development of low income housing results in a development fee to HACSA. The development fee is the most significant discretionary revenue for the Agency and supports overhead costs in excess of the HUD fee model, program delivery costs for grants that provide only program funds, the operating costs for the Development team and other discretionary expenses.

Rental Assistance Demonstration **–** As previously noted HACSA is utilizing HUD's RAD program to convert public housing projects to voucher based rent assistance housing. This project began several years ago when HACSA applied to HUD to convert the subsidy from 112 units of public housing to a housing choice voucher subsidy. Our application was approved and then commenced the many administrative steps to actually sell the housing units and build new affordable housing to which to attach the new subsidies. During FY18, we expect the first 12 units of public housing to be sold. The budgeted cash inflow was $2,400,000 and the projected cash inflow is approximately $2,580,000.

CURRENTLY KNOWN FACTS AND CONDITIONS (Continued)

However, HUD requires the Agency to pay relocation costs for residents displaced by the project and those relocation costs have exceeded our budget of $60,000 by over $50,000. In late calendar year 2018, we anticipate HUD to approve the second phase, in which the remaining 100 units will be sold. A strategy for releasing those units to market is currently under development.

Concurrently, the Development staff is working to build the required replacement housing. The following projects are in progress:

- *Taney Property* **–** This project will add between 40 and 50 units of low-income housing. Funding will come from proceeds of the Phase II RAD units. Construction is planned to begin in May 2019.

- *67th Street, Springfield* **–** The plan for this project is to add between 50 and 60 units of housing; funding to be provided by a 4% tax credit application in 2019 plus proceeds of the Phase II RAD units. Construction is planned to begin in May 2019.

Other Development activities include the following

- *Market District Commons* **–** This project will add 50 units of workforce housing in downtown Eugene, with 15 units set aside for veterans and persons with disabilities. It is a public/private partnership with a local developer. Construction is expected to begin in September 2018.

- *Housing First* **–** This project will add 50 units of housing for chronically homeless persons and include space for supportive service providers. Partnering on this project is the city of Eugene, Lane County Health and Human Services, Saint Vincent de Paul and potentially others. Pending successful attainment of funding, construction is expected to begin early in April 2020.

- *Glenwood Property* **–** The property for this project was optioned by HACSA several years ago and the option was exercised in April 2018. The current vision for development includes a mix of market rate and affordable units. Pending successful attainment of funding, construction could begin in late calendar 2020.

Administrative Activity **–** HACSA renamed itself as Homes for Good Housing Agency in January 2018. The rename was part of an intentional rebranding project intended to enhance the Agency's reputation in the community thru education, networking, social media, etc. As part of the rebranding efforts the Agency also launched a new website. Work is underway on a new home for the Agency. We currently serve our customers from two locations - one in Springfield and one in Eugene. In September 2016 we purchased a new administrative building. Our new home is at the corner of 13th and Olive, in the building many known as the old City of Eugene library. The building offers plenty of parking, easy bus access, ADA accessibility and one-stop services. The building is currently occupied by commercial tenants and the working plan is for Homes for Good staff to move in during late calendar-year 2019. Prior to moving in, the Agency will work with architects to customize the interior space.

CURRENTLY KNOWN FACTS AND CONDITIONS (Continued)

Interim financing is in place with a maturity date of December 1, 2020. Permanent financing will be put in place to retire the interim financing and pay for the remodel.

The agency currently operates out of two administrative locations: the Day Island building is in Eugene and houses the administrative staff, the Rent Assistance program, the Resident Services program and Family Self Sufficiency program. The Fairview building is in Springfield and houses the staff for the Property Management Division, Energy Services Department and the Capital Projects group. The Fairview property also provides office space to Lane County Parole & Probation. With the new administration building, both of these sites will be unnecessary for operations. The Day Island site will be sold. The Agency has accepted an offer to purchase the Day Island site and that offer will allow staff to remain in place until September 2020, by which time we hope the new administrative building remodel is complete. Plans for the Fairview site are being considered.

Energy Performance Contracting **–** As previously described HACSA has entered into an EPC contract. This $4,300,000 project will provide money-saving energy upgrades to all public housing sites. Energy savings are guaranteed to cover debt service costs. Early work to find a construction contractor, to complete the energy audit, to put the financing in place and to get HUD Energy Office approval took over eighteen months and the first equipment installation occurred in May 2018. The project is expected to continue on into 2019.

Rent Assistance **–** During 2018, this division managed voucher utilization using an analysis tool provided by HUD that carefully tracks many significant metrics such as program attrition, success rate (how long it takes a new voucher holder to find housing), per unit cost to the Agency, etc. The tool also contains assumptions for funding proration. The tool helps the Agency plan when to issue vouchers and how many vouchers to issue with the goal of spending 100% of our funding. This would maximize funding for the subsequent year and allow us to assist the maximum number of clients. Our assumption for the funding proration for HAP revenue from HUD was around 97%. In late May, 2018, HUD announced that they were retroactively changing the funding proration to 100%. This placed the agency in the critical position of having to quickly issue hundreds of vouchers in a period of only a few months. The Rent Assistance Division successfully issued 275 new vouchers and plans to issue an additional 250 by the end of September 2018.

CONTACTING HACSA'S FINANCIAL MANAGEMENT

This financial report is intended to provide citizens, tenants, clients, taxpayers, creditors and stakeholders with a general overview of HACSA's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or wish to request additional information, contact Jeffery Bridgens, Finance Director, Housing And Community Services Agency of Lane County, 177 Day Island Road, Eugene, OR, 97401; email: jbridgens@homesforgood.org; telephone: (541) 682-2525.

BASIC FINANCIAL STATEMENTS

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Primary Government	Discretely Presented Component Units
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,621,154	$ 377,822
Restricted cash and cash equivalents	2,931,625	1,314,000
Short-term investments	2,502,725	-
Accounts receivable:		
HUD	43,337	-
Tenants	35,797	9,042
Other	1,686,946	40,927
Notes receivable	16,444	-
Inventories	63,190	-
Prepaid expenses and other assets	350,725	17,659
Total current assets	11,251,943	1,759,450
NONCURRENT ASSETS:		
Notes receivable from component units and related parties	5,316,932	-
Investments in limited partnerships	852,262	-
Other	403,245	191,757
Total noncurrent assets	6,572,439	191,757
Capital assets:		
Nondepreciable	12,875,120	8,034,562
Depreciable	33,611,822	21,856,847
Total capital assets	46,486,942	29,891,409
Total noncurrent and capital assets	53,059,381	30,083,166
Total assets	$ 64,311,324	$ 31,842,616

See notes to the financial statements.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Primary Government	Discretely Presented Component Units
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 621,278	$ 2,147,284
Accrued payroll expenses	105,051	-
Other accrued liabilities	582,954	362,576
Accrued interest	15,414	48,257
Payable to HACSA	-	18,486
Refundable security deposits	426,353	-
Prepaid rent	19,608	69,186
Current portion of compensated absences	271,765	-
Current portion of bonds and notes payable	339,583	22,413
Total current liabilities	2,382,006	2,668,202
NONCURRENT LIABILITIES:		
Compensated absences, net of current portion	122,198	-
Bonds and notes payable, net of current portion	9,313,947	13,883,432
Notes payable - HACSA	-	6,383,291
Family self sufficiency escrow	329,026	-
Total noncurrent liabilities	9,765,171	20,266,723
Total liabilities	12,147,177	22,934,925
NET POSITION:		
Net investment in capital assets	34,087,040	8,547,915
Restricted	2,271,973	1,244,814
Unrestricted	15,805,134	(885,038)
Net position	52,164,147	8,907,691
Total liabilities and net position	$ 64,311,324	$ 31,842,616

See notes to the financial statements.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR YEAR ENDED SEPTEMBER 30, 2017

	Primary Government	Discretely Presented Component Units
OPERATING REVENUES:		
Dwelling rent	$ 5,325,515	$ 920,627
Housing assistance grants	17,027,431	-
HUD operating subsidies	3,657,569	-
Other government grants	1,992,707	96,499
Other income	1,576,440	28,952
Total operating revenues	29,579,662	1,046,078
OPERATING EXPENSES:		
Housing assistance payments	16,045,226	-
Housing assistance portability in	37,032	-
Administration	6,546,592	351,623
Fees	-	26,447
Tenant services	188,505	-
Utilities	959,422	146,859
Ordinary maintenance	5,151,360	197,446
Protection services	21,111	-
Insurance premiums	242,198	19,035
Other general	1,473,083	-
Non-routine maintenance	5,534	-
Depreciation	1,823,680	621,311
Total operating expenses	32,493,743	1,362,721
OPERATING LOSS	(2,914,081)	(316,643)
NONOPERATING REVENUES (EXPENSES):		
Interest income	144,532	1,139
Interest expense	(106,445)	(180,106)
Other nonoperating expenses	-	(131,857)
Total nonoperating expenses	38,087	(310,824)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(2,875,994)	(627,467)
CAPITAL CONTRIBUTIONS AND SPECIAL ITEMS:		
HUD capital grants	745,542	-
Capital contributions	-	1,487,211
Special items	770,618	-
Total capital contributions and special items	1,516,160	1,487,211
Increase (Decrease) in net position	(1,359,834)	859,744
Net position - Beginning of the year	53,523,981	8,047,947
Net position - End of the year	$ 52,164,147	$ 8,907,691

See notes to the financial statements.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

STATEMENT OF CASH FLOWS
FOR YEAR ENDED SEPTEMBER 30, 2017

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from HUD grants	$ 21,632,333
Receipts from state, local and other grants	1,753,589
Receipts from tenants and landlords	5,300,956
Receipts from others	1,492,353
Housing assistant payments	(16,082,258)
Payments to and on behalf of employees	(6,843,578)
Payments to vendors, contractors and others	(6,297,795)
Payments to utilities	(959,422)
Payments - in - lieu of taxes	(171,395)
Net cash provided by operating activities	(175,217)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITES:	
Proceeds from line of credit	61,304
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from bonds and notes payable	4,135,496
Interest paid on bonds and notes payable	(110,157)
Principal payments on bonds and notes payable	(657,790)
Proceeds from sale of capital assets	602,068
Acquisition and construction of capital assets	(5,090,910)
Return of contribution	(67,637)
Net cash used in capital and related financing activities	(1,188,930)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net change in unrestricted investments	(19,907)
Changes in other noncurrent assets, related party	338,700
Collection on related party receivables	1,232,207
Advances to component units	(1,059,786)
Investment and interest income received	144,532
Net cash used in investing activities	635,746
NET CHANGE IN CASH AND CASH EQUIVALENTS	(667,097)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,219,876
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 6,552,779
CASH AND CASH EQUIVALENTS	
Unrestricted cash	$ 3,621,154
Restricted cash	2,931,625
	$ 6,552,779

(Continued)

See notes to the financial statements.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

STATEMENT OF CASH FLOWS
FOR YEAR ENDED SEPTEMBER 30, 2017

	Primary Government
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	$ (2,914,081)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	1,823,680
Allowance for related party receivables	1,133,739
(Increase) decrease in:	
Receivables	(52,707)
Prepaid expenses	(218,411)
Inventories	15,541
Accounts payable and other accrued liabilities	127,681
Refundable deposits	(15,335)
Other non-current assets	(75,324)
Net cash provided by operating activities	$ (175,217)

SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS	
Sale of construction in progress and land in exchange for note receivable	$ 580,000
Advances to component units	$ (1,059,786)
Gain on sale of capital assets	$ (85,408)
Transfer of predevelopment costs to construction in progress	$ (240,954)
Retirement of note payable through refinancing	$ (322,695)
Write-off of note payable (Heeran Center)	$ (766,680)
Allowance for related party interest receivables	$ 1,133,739

(Concluded)

See notes to the financial statements.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Primary Government - The Housing and Community Services Agency ("HACSA") of Lane County, Oregon (the "Agency") is the public housing authority of Lane County, Oregon. HACSA was created by resolution of the County Board of Commissioners, pursuant to Oregon Revised Statues, Housing, Public Health and Safety section 456.075, with a mission to provide affordable, decent, safe and sanitary housing to low and moderate income families and households.

HACSA is governed by the County Board of Commissioners and two appointed resident commissioners. Although the HACSA governing body is substantially the same as Lane County's, there is no financial benefit or burden relationship between Lane County and HACSA, nor does Lane County management exercise operational responsibility over HACSA. Therefore, HACSA has been classified has a discrete component unit of Lane County, Oregon.

Component Units - The governmental reporting entity consists of HACSA (the Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable, or other organizations whose nature and significant relationship with HACSA are such that exclusion would cause HACSA's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either HACSA's ability to impose its will on the organization or there is potential for the organization to provide a financial benefit to or impose a financial burden on HACSA. The basic financial statements include both blended and discretely presented component units. The presentation of these entities as either blended or discretely presented is based upon certain criteria and circumstances.

Blended component units of HACSA are legally separate entities from the organization that HACSA is financially accountable for and hold a financial benefit or burden. HACSA Partner LLC is a sole member limited liability company in which HACSA is the sole member. HACSA is the general partner and HACSA Partner LLC is the limited partner in each of the limited partnerships blended component units. Management of HACSA has operation responsibility for its blended component units and manages the activities essentially the same as it manages its own programs and departments and such the financial data from the blended component units are combined with the financial data of HACSA.

Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize they are legally separate entities and are significant to HACSA. The discretely presented component units have separate partnership governing structures that distinguish them as separate entities that are majority owned by outside third-party limited partner's investors. The day-to-day operations of these partnerships are managed by HACSA as a general partner on behalf of each partnership's limited partners. HACSA therefore is financially accountable for these entities. Complete financial statements of individual component units can be obtained from the Finance Department of HACSA. Certain information may be reflected differently in these financial statements in order to conform to the presentation of the primary government than in those of separately issued component unit financial statements because the limited partnerships do not follow governmental accounting standards for reporting purposes.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Units - The following entities are reported as blended component units of HACSA at September 30, 2017:

	Number of Units	Location
• HousingPlus	n/a	
• HACSA Partner LLC	n/a	
• Walnut Park Limited Partnership ("Walnut Park")	32	Eugene, Oregon
• The Orchards Limited Partnership ("Orchards")	25	Eugene, Oregon
• Laurel Gardens Limited Partnership ("Laurel Gardens")	41	Eugene, Oregon
• Jacob's Lane Limited Partnership ("Jacob's Lane")	63	Eugene, Oregon
• Sheldon Village I Limited Partnership	43	Eugene, Oregon
• Sheldon Village II Limited Partnership	35	Eugene, Oregon
	239	

HousingPlus is an Oregon nonprofit entity formed to provide support services to HACSA residents, however current activities are nominal

HACSA Partner LLC is a sole member limited liability company in which HACSA is the sole member. HACSA is the general partner and HACSA Partner LLC is the limited partner in each of the limited partnerships listed above which are hereafter referred to as "blended limited partnerships". Each of the blended limited partnerships and the underlying projects were developed pursuant to the low-income housing tax credits program of Section 42 of the Internal Revenue Code ("Section 42"). Section 42 regulates the use of each project as to occupant eligibility and unit gross rents among other requirements for an initial compliance period of fifteen years plus and extended use period for an additional fifteen year period. Construction of each of the projects was financed in part by the sale of tax credits to limited partner investors. At the end of the initial fifteen year compliance period, the initial investor limited partners assigned their limited partnership interests to HACSA Partner LLC and exited the partnership. The limited partnership interest of Walnut Park, Orchards and Laurel Gardens were assigned to HACSA Partner LLC in a prior year. The limited partnership interest in Jacob's Lane was assigned to HACSA Partner LLC on August 19, 2015. The limited partnership interests for Sheldon Village I and Sheldon Village II were assigned to HACSA Partner LLC on August 16, 2016. Condensed financial information for the blended limited partnerships is included in Note 14.

Discretely Presented Component Units - The discretely presented component units includes low-income housing tax credit limited partnerships/limited liability corporations (collectively referred to as "limited partnerships") whose limited partners have limited rights regarding the operations of the partnerships and HACSA, as general partner, controls the day-to-day operations of the partnerships. The following entities, which comprise the discretely presented component units, are presented as of December 31, 2016 and for the year then ended:

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

	Date Formed	Number of Units	Location
• Hawthorn-at-29th LLC	07/28/11	35	Eugene, Oregon
• Bascom Village II LLC	03/10/15	48	Eugene, Oregon
• The Oaks at 14th LLC	04/20/16	54	Eugene, Oregon
• New Winds Apartments Limited Partnership	12/21/05	18	Florence, Oregon
• Roosevelt Crossing Limited Partnership	06/06/08	45	Eugene, Oregon
• Munsel Park Limited Partnership	11/14/00	44	Florence, Oregon
• Turtle Creek Apartments LP	02/13/07	27	Eugene, Oregon
• Richardson Bridge LLC	08/31/17	0	Eugene, Oregon
		271	

HACSA has 0.005% to 0.01% ownership interest in each of the limited partnerships. HACSA's investments in limited partnerships are accounted using the equity method.

Government-wide and Fund Financial Statements - The government-wide financial statements (i.e., the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows) report information of the primary government (HACSA) and its component units. The effect of inter-fund activity has been removed from these statements. The primary government is reported separately from certain legally separate discrete component units for which the primary government is financially accountable.

For financial reporting purposes, HACSA reports all of its operations as a single business activity in a single enterprise fund. Therefore, the government-wide and fund financial statements are the same.

Basic Financial Statements - The basic financial statements (i.e. the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows) report information on all of the business-type activities of HACSA and its component units. These basic financial statements are presented in accordance with the Governmental Accounting Standards Board (GASB) standards.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which HACSA receives value without directly giving equal value in exchange, include revenues from federal, state and local assistance programs. Revenue from these sources is recognized in the fiscal year in which all eligibility requirements have been met.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of HACSA's enterprise fund are U.S. Housing and Urban Development (HUD) housing assistance payments earned, Public Housing Operating Subsidies, HUD administrative fees and rental income from its public and affordable housing units. Other income includes development fees and partnership fees. Operating expenses include employee services, services and supplies, administrative expenses, utilities, depreciation on capital assets and housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For financial reporting purposes, HACSA considers its HUD grants associated with operations as operating revenues because these funds more closely represent revenues generated from operating activities rather than nonoperating activities. HUD grants associated with capital acquisition and improvements are considered capital contributions and are presented after nonoperating activity on the accompanying statement of revenues, expenses and changes in net position.

Summary of Significant Programs - The accompanying basic financial statements include the activities of several housing programs subsidized by HUD and other governmental entities. A summary of each significant program is provided below:

Public Housing – HACSA owns, operates and maintains 707 units of Public Housing which were acquired through HUD's Development Project Grant Program. Revenues consist primarily of rents and other fees collected from tenants, and an Operating Subsidy from HUD. Funds from the Capital Grant Program provided by HUD are used to improve the Public Housing portfolio. Substantially all additions to land, structures and equipment of Public Housing are accomplished through these grant funds.

Rent Assistance – Section 8 of the U.S. Housing and Community Development Act of 1974 provides Housing assistance Payments on behalf of lower-income families to participating housing owners. Under this program, the landlord-tenant relationship is between a rental-housing owner and a family, rather than HACSA and the family as in the Public Housing program. For approved housing, HUD contracts with HACSA to enter into contracts with landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by the lower-income families, which equals 30% of adjusted household gross income. Housing Assistance Payments made to landlords and some participants are funded through Annual Contributions Contracts. At September 30, 2017, HACSA administered 3053 vouchers including 236 Veterans Administration Supportive Housings vouchers that provide housing assistance for homeless veterans.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Affordable Housing and Special Needs Housings – In addition to the 707 units of Public Housing, HACSA owns an additional 418 affordable housing units in 10 different multifamily properties. HACSA has 100% control over 4 properties, with a total of 161 units. HACSA is either general partner or managing member in another 5 limited partnerships/limited liability corporations, with a total of 247 units.

Roosevelt Crossing – This complex provides 45 units of both transitional and permanent housing to homeless ex-offenders immediately following their release from incarceration.

Heeran Center - Residential mental health treatment facility to provide 24 hour secure residential treatment services under OAR 309-033-0520(3). On March 2, 2015, the state of Oregon suspended the license of the operator and the residents were removed from the facility. Effective August 1, 2015, the Agency leased the facilities to Columbia Care Services, Inc. to continue operations as a residential mental health treatment facility and former residents were re-admitted.

Signpost House and Family Shelter House – These properties provide residential housing for individuals and families with psychiatric disabilities.

Development **-** HACSA pursues development projects that augment the supply of low-cost housing, provide essential services to residents and revitalizes overall communities. These projects include renovation of older/existing housing and new construction. The following projects are in a predevelopment or early development phase at September 30, 2016:

- *Market District Commons (6th & Oak)* is a 50-60 unit affordable housing development planned for Eugene, Oregon. On December 13, 2013, HACSA entered into an option agreement with Lane County to acquire an option to enter into a ground lease for the purposes of developing, constructing, and operating a multifamily housing development and related facilities. The option term expires in 48 months from the effective date and requires monthly option payments of $1,300 beginning June 13, 2014.

- *Glenwood Place* is a 100-150 unit affordable housing complex planned for Glenwood, Oregon. During the month of April, 2018 HACSA purchased land located in Glenwood, Oregon.

Weatherization – This program provides weatherization services to low-income home owners including replacement windows, insulation, heating, cooling, etc. Funding is received through federal grants, distributed by the Oregon Housing and Community Services agency (OHCS), from Lane County, Oregon and directly from private utility companies.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, HACSA considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Inventories - Inventories are stated at cost, on a first-in, first-out basis.

Accounts Receivable - Accounts receivable are shown at net realizable value. The balances at September 30, 2017 are considered fully collectable.

Fair Value Measurements – HACSA categorizes fair value measures with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of assets or liabilities when applicable. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs. HACSA uses Level 2 inputs to measure the fair value of investments on a recurring basis. Investment balances comprise approximately 4% of HACSA's total assets.

Compensated Absences - Employees of HACSA are entitled to paid leave of absence from work, depending on job classification, length of service and other factors. All absences from work, including vacation, sick leave, family emergency or bereavement are charged against accrued earned leave. The estimated liability for vested leave benefits is recorded when it is earned as an expense and the cumulative unpaid amount is reported as a liability.

Capital Assets - Capital assets are assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Purchased or constructed capital assets are recorded at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and Improvements	7 to 40 Years
Furniture and Equipment	3 to 7 Years
Vehicles	5 Years

HACSA reviews its capital assets for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Eliminations - In the normal course of operations, certain programs may pay for common costs or advance funds for operational shortfalls that create inter-program receivables or payables. The inter-program receivables and payables net to zero and are eliminated for presentation of HACSA as a whole.

Internal Charges - HACSA internally charges its costs of support service, indirect costs allocations and rent provided by one department to other departments on a cost-reimbursement basis except for Public Housing and Housing Choice Vouchers because they utilize a fee for service model prescribed by HUD.

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

Net Position - Net position includes the various net earnings from operating income, non-operating revenues and expenses, and special items. Net position is classified in the following three components:

- *Net investment in Capital Assets* - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt.

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

- *Unrestricted* - This represents resources used for HACSA's general operations, which are not restricted by third parties. When an expense is incurred that can be paid using either restricted or unrestricted resources, HACSA's policy is to first apply the expense toward restricted resources.

Budgets - A budget is prepared by the administrative and fiscal staff for each of the separate programs within each division and for the total operation of HACSA after coordination, consultation, and receipt of approvals of service levels from the various grantors' agencies. A consolidated budget is submitted to the Board of Commissioners for approval, modification and adoption. HACSA is not required to and does not adopt a legally appropriated budget as defined by GASB and therefore budgetary comparisons are not reported in these financial statements.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes **-** HACSA is exempt from Federal income taxes under Internal Revenue Code Section 115. The limited partnerships which are shown as discretely presented are taxable entities, however, each of the entities have elected to be treated as a pass-through entity for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its partners on their respective income tax returns. Each partnership's federal tax status is based on their legal status as a partnership. Consequently, the partnerships are not required to take any tax positions in order to qualify as a pass-through entity. Accordingly, the discretely presented financial statements do not reflect a provision for income taxes and the partnerships have no other tax positions which must be considered for disclosure. The partnerships are required to file and do file tax returns with the Internal Revenue Service and other taxing authorities. Income tax returns filed by each of the entities are subject to examination by the Internal Revenue Service for a period of three years.

Other Post-Employment Benefits Obligation - HACSA administers a single-employer defined benefit healthcare plan per the requirements of a collective bargaining agreement. Per Oregon State law, the plan provides the opportunity for post-retirement healthcare insurance for eligible retirees and their spouses through HACSA's group health insurance plans which cover both active and retired participants. HACSA does not pay any portion of the retiree's healthcare insurance; however, the retired employee receives an implicit benefit of a lower healthcare premium which is spread among the cost of active employee premiums. HACSA pays none of the premium of health insurance coverage for eligible retirees who are not yet eligible for Medicare. HACSA's regular health care benefit providers underwrite the retirees' policies and retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

GASB provides for an exemption from measuring an implicit subsidy for employers participating in community-rated health care coverages provided that the employer's active and retired members comprise a sufficiently small portion (fewer than 100 members) of the entire community-rated premium pool. As of September 30, 2017 management determined that HACSA had 75 members and therefore satisfied the subscriber threshold for the implicit subsidy exemption.

New Accounting Pronouncements **-** The following new GASB accounting pronouncements are applicable to future reporting periods. HACSA management is currently evaluating whether or not these new GASB pronouncements will have a significant impact to the agency's financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* - This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. GASB Statement No. 75 is effective for HACSA for fiscal year ending September 30, 2018.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 84, *Fiduciary Activities* - Issued January 2017, this statement establishes criteria for identifying fiduciary activities of all state and local governments. GASB Statement No. 84 will be effective for HACSA for fiscal year ending September 30, 2020.

GASB Statement No. 85, *Omnibus 2017* **-** Issued March 2017, this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, good will fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits OPEB). Specifically, this Statement addresses the following topics: (a) Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation, (b) Reporting amounts previously reported as good will and "negative" goodwill, (c) Classifying real estate held by insurance entities, (d) Measuring certain money market investments and participating interest-earning investment contracts at amortized cost, (e) Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus, (f) Recognizing on-behalf payments for pensions or OPEB in employer financial statements, (g) Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB, (h) Simplifying certain aspects of the alternative measurement method for OPEB, and (i) Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans. GASB Statement No. 85 will be effective for HACSA for fiscal year ending September 30, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* - Issued May 2017, the purpose of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. GASB Statement No. 86 will be effective for HACSA for fiscal year ending September 30, 2018.

GASB Statement No. 87, *Leases* - This Statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for HACSA for fiscal year ending September 30, 2021.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* - Issued in April of 2018, the primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement also requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Lastly, for notes to financial statements related to debt, this Statement requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. This Statement is effect for periods beginning after June 15, 2018.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* - Issued June of 2018, the objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for periods beginning after December 15, 2019.

NOTE 2–CASH AND CASH EQUIVALENTS

Total cash and cash equivalents at September 30, 2017 were $6,552,778, of which $2,931,625 was restricted. Restricted cash and cash equivalents at September 30, 2017 include the following deposits and reserves:

Family self-sufficiency program reserves	$329,026
Replacement reserves	1,599,085
Residual receipts reserves	11,236
Mortgage escrow deposits	66,335
Tenant security deposits	428,879
Bond reserves	320,070
Insurance reserves	17,678
Operating reserves	159,316
Total restricted cash and cash equivalent	$2,931,625

Family self-sufficiency reserves – Reserves consist of amounts deposited under the Family Self-Sufficiency ("FSS") program. Under the FSS program, if the income of a tenant enrolled in the program increases, instead of decreasing the subsidy amount, the original subsidy continues to be paid and the difference between the original and new subsidy amount is deposited into an escrow account. If the tenant enrolled in the program attains certain target goals related to self-sufficiency, the tenant is awarded money from the escrow account to use for various purposes stated in the tenant's self-sufficiency plan such as college tuition or a down payment for the purchase of a home.

Replacement reserves – Reserves consist of funds held in trust for properties owned and operated by HACSA and to be used for the replacement or repair of capital assets.

Residual receipts reserves – Reserves are excess funds remaining after payment of authorized disbursements of HUD regulated properties owned and operated by HACSA. The funds can be used for property purposes in the event that operating receipts are not sufficient to pay for operating expenses.

Mortgage escrow deposits – Deposits are required by certain loan and regulatory agreements of properties owned and operated by HACSA. The funds are used to pay annual property taxes and insurance when due.

Tenant security deposits – Deposits represent the refundable deposits received from tenants and held in trust to secure the performance of a rental agreement. Tenant security deposits in excess of any outstanding damage or rent charges must be returned to the departing tenants within 30 days after the termination of the tenancy. The funds are typically held in segregated bank accounts since these funds may not be used for operations. The funds are, however, allowed to earn interest that may be retained for operations.

Bond reserves – Reserves include externally restricted funds on deposit with trustee relating to the servicing of debt.

NOTE 2–CASH AND CASH EQUIVALENTS (Continued)

Custodial Credit Risk for Deposits - Federal regulations require that public funds on deposit with financial institutions be secured at a rate of 100% of amounts in excess of deposit insurance coverage. The Agency and its discretely presented component units maintain cash balances at several financial institutions, some in excess of the federally insured amount of $250,000 per type of account. As required by Oregon Revised Statutes, (ORS Chapter 295), deposits in excess of federal depository insurance were held at financial institutions that participate in the Oregon State Treasurer's Public Fund Collateralization Program ("PFCP") and therefore $-0- funds are exposed to custodial credit risk.

Operating reserves – Reserves were established for certain entities to pay operating costs and expenses to the extent collected gross receipts are insufficient for such purpose.

NOTE 3–INVESTMENTS

HACSA's investment policy for federal funds conforms to HUD Noticed 96-33 (extended indefinitely by HUD Notice PIH 2002-13) that allows HUD funds to be invested in U.S. treasury bills, notes and bonds, obligations issued by agencies and instrumentalities of the U.S. government, state or municipal depository funds, and any other investment security authorized under the provisions of HUD Notice 96-33, as extended by HUD Notice PIH 2002-13. In addition, HACSA's investment policy for non-federal funds follows Oregon state law, specifically ORS Chapter 294, that authorizes all local funds to be invested in U.S. treasury obligations, U.S. agency obligations, Oregon Short Term Fund, commercial paper, corporate bonds, repurchase agreements, municipal debt, bankers acceptances, and qualified time deposits/savings accounts/certificates of deposit. Investments at September 30, 2017 consist the following:

Oregon Treasurer's Local Government Investment Pool (LGIP)	$651,453
Cash (RBC Money Market)	1,851,272
Total investments – short-term	$2,502,725

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

Interest rate risk - is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. HACSA limits investment maturities to three years as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 3–INVESTMENTS (Continued)

Credit risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. HACSA minimizes credit risk by: limiting exposure to poor credits and concentrating the investments in the safest types of securities; prequalifying the financial institutions, broker/dealers/intermediaries, and advisors with which HACSA will do business; diversifying the investment portfolio so that potential losses on individual securities will be minimized; and actively monitoring the investment portfolio holdings for ratings changes, changing economic/market conditions, etc.

Concentration of credit risks – Concentration of credit risk is risk of loss attributed to the magnitude of HACSA's investment in a single issuer (not including investments issued or guaranteed by the United States government, investments in mutual funds, or external investments pools). As of September 30, 2017, none of HACSA's investments are exposed to concentration of credit risk.

Custodial credit risk – Custodial credit risk is the risk that, in the event of failure of the counterparty, HACSA will not be able to recover the value of its investments that are in the possession of an outside party. As of September 30, 2017, none of HACSA's investments are exposed to custodial credit risk.

HACSA does not have a formal policy addressing these risks.

NOTE 4–ACCOUNTS RECEIVABLES

Accounts receivables are reported in the following major categories:

HUD – This represents annual settlement with HUD for amounts expended by HACSA in excess of funds received from HUD, subject to gran limits/maximums.

Grants – Amounts due from other government agencies and utility companies for amounts expended in the Weatherization and various other grant programs.

Tenant accounts receivables – These amounts represent charges to tenants for damages, rent and other miscellaneous items.

Other accounts receivables – Other accounts receivable at September 30, 2017 include other government grants of $622,564 and other program receivables of $1,064,382.

Fraud recovery – HACSA has recorded accounts receivable of $16,444 at September 30, 2017 from tenants for retroactive rent billings due to the failure of tenants to properly report income or other demographic information. An allowance for doubtful accounts equal to the receivable balance has been established at September 30, 2017.

NOTE 5–INVESTMENTS IN LIMITED PARTNERSHIPS

Investments in affiliated limited partnerships as of September 30, 2017 include the following:

	2017
Roosevelt Crossing Limited Partnership	$ 803,076
Richardson Bridge LLC	59,676
Munsel Park Limited Partnership	(10,502)
Hawthorne at 29th LLC	88
New Winds Apartments Limited Partnership	(8)
Bascom Village II	(12)
Turtle Creek Apartments Limited Partnership	(56)
	$ 852,262

NOTE 6–RELATED PARTIES

HACSA's related parties consist of its discretely presented component units, Lane County, Oregon and Sponsor's Inc.

Accounts receivable miscellaneous – A receivable from Lane County of $33,320 and a developer fee receivable that is due from Bascom Village II of $500,000 are included in miscellaneous account receivables as of September 30, 2017.

Predevelopment advances– Predevelopment advances related to Richardson Bridge LLC of approximately $117,418 are included in prepaid and other current assets of $350,725 as of September 30, 2017.

Guarantees – HACSA, as general partner, has guaranteed certain obligations of the affordable housing entities that comprise the discretely presented component units. These obligations include operating deficit guarantees and delivery of low income housing tax credit guarantees. These guarantees are further described in Note 10.

Developer fee revenue – Development fees of $86,940 and $75,000 from Bascom Village II and Richardson Bridge LLC respectively are included in other revenue of $1,576,440 for the year ended September 30, 2017.

Interest income – Interest income of $225,830 is included in mortgage interest income for the year ended September 30, 2017.

Notes receivable – Notes receivable with related parties are considered to be non-current assets because the maturity dates of the notes extend beyond one-year.

NOTE 6–RELATED PARTIES (Continued)

Notes and interest receivable as of September 30, 2017 and interest income for the year then ended from related parties and others are as follows:

	Maturity	Interest Rate	Outstanding Note Balance	Interest Receivable	Interest Income
Turtle Creek	11/01/47	5.01%	867,000	575,757	68,648
New Winds	08/01/47	3.25% - 5.15%	876,611	355,568	40,966
Hawthorn-at-29th	03/31/62	6.00%	690,013	71,564	48,279
Munsel Park	12/31/39	1.50%	770,726	81,500	12,594
Bascom Village II	08/30/45	1-2.82%	829,196	49,349	49,349
Richardson Bridge LLC	08/30/47	2.58%	832,964	-	-
The Oaks-at-14th	08/30/46	3.00%	448,658	-	5,994
Total limited partnerships			5,315,168	1,133,738	225,830
Allowance for doubtful accounts			-	(1,133,738)	
Total limited partnerships at fair value			5,315,168	-	
Sponosor, Inc (adminisrative partner in Roosevelt Crsossing)			775	-	
Other receivable, unrelated third-party			989	-	
Total			$ 5,316,932	$ -	

Turtle Creek Note Receivable –A promissory note payable to HACSA by Turtle Creek Apartments Limited Partnership dated October 30, 2007. The note was issued in the original amount of $867,000 and carries a 5.01% interest rate, compounded annually. The note is secured by a trust deed. The loan agreement calls for the note to be repaid upon sale or transfer of Turtle Creek Apartments Limited Partnership.

New Winds Note Receivables – Three promissory notes in the original amounts of $701,611, $75,000 and $100,000 with interest rates of $3.25%, 5.15% and 3.25% respectively. The notes are secured by the assets of the partnership.

Munsel Park Note Receivable – A promissory note payable to HACSA, dated June 27, 2003 in the original amount of $770,726. The note carries a 1.50% interest rate. Interest payments of one half of one percent is payable to HACSA annually, the remainder of the interest accrues and is due at maturity along with the principal balance.

Bascom Village II Note Receivables – Three promissory notes due from Bascom Village II LLC due on August 30, 2045. The notes require annual principal and interest payments on or before April 15 of each year beginning on April 15, 2017. Payments are based on available cash flow and are payable in the order of priority as set forth in the LLC's operating agreement. Interest on the each of the loans is compounded annually and the notes are secured by the project.

NOTE 6–RELATED PARTIES (Continued)

The Oaks-at-14th Note Receivables - Two notes payable to HACSA by The Oaks at 14th LLC. The Notes are payable in annual principal and interest installments beginning April 15, 2018, based on available Cash Flow, as defined in the LLC's operating agreement. Interest on each of the notes is compounded annually. Substantially all assets of the project are pledged as collateral for the borrowings subject to prior liens.

Richardson Bridge LLC – Two promissory notes for $580,000 and $252,964. The notes are secured by trust deed however the agreement limits HACSA's ability to use collateral as a remedy until December 31, 2033. Interest on the notes is stated at 2.58% and 3.00% respectively. The notes have a maturity date of August 30, 2047 and August 30, 2057 respectively.

Other assets – The following receivable (payable) balances due from (to) affiliated limited partnerships are included within the reported balance of other non-current assets as of September 30, 2017:

	Development Advance (Borrowing)	Partnership Management Fee Receivable	Total Receivable (Payable)
Hawthorn-at-29th	$ (22,626)	$ -	$ (22,626)
New Winds	-	104,710	104,710
Roosevelt Crossing	(2,200)	-	(2,200)
Munsel Park	-	296,088	296,088
Turtle Creek	-	6,003	6,003
Bascom Village II	-	21,270	21,270
	(24,826)	428,071	403,245

Transfer of operations – On August 22, 2017, HACSA sold substantially all of the assets and liabilities relating to its Richardson Bridge property to Richardson Bridge LLC, a component unit of the agency. Richardson Bridge LLC was established as a new tax credit entity for rehabilitation purposes. Richardson Bridge assets and liabilities including tenant security deposits, prepaid expenses, land, buildings and improvements and accounts payable totaling $500,759 were exchanged for a $580,000 note receivable. The assets and liabilities were transferred at their historical book value on the date of the transfer and HACSA recognized a gain on the transaction of $79,241. HACSA also advanced $252,963 to Richardson Bridge LLC. Richardson Bridge reported approximately $186,000 of both operating revenues and expenses as of the date of the transfer. The transferred assets and liabilities to Richardson Bridge LLC do not appear in these financial statements as the discretely presented component units reported in these financial statements have a calendar year-end of December 31, 2016 and Richardson Bridge LLC was formed at a later date. The transfer of assets and liabilities will be recognized in Richardson Bridge LLC's December 31, 2017.

NOTE 7–CAPITAL ASSETS

Land, buildings and equipment are accounted for in the individual programs in which the assets were purchased. The following is a summary of fixed asset activity for the year ended September 30, 2017:

	Balance September 30, 2016	Increases	Decreases	Transfers	Balance September 30, 2017
Capital assets not being depreciated:					
Land	$ 9,029,869	$2,013,404	$ (69,570)	$ -	$ 10,973,703
Construction in progress	744,195	1,164,965	(7,743)	-	1,901,417
Total capital assets not being depreciated	9,774,064	3,178,369	(77,313)	-	12,875,120
Capital assets being depreciated:					
Building and improvements	77,720,825	1,827,209	(993,121)	-	78,554,913
Furniture and equipment	2,873,226	85,332	-	-	2,958,558
Total capital assets being depreciated	80,594,051	1,912,541	(993,121)	-	81,513,471
Less accumulated depreciation:					
Buildings and improvements	(44,095,147)	(1,768,564)	553,774	-	(45,309,937)
Furniture and equipment	(2,536,596)	(55,116)	-	-	(2,591,712)
Total accumulated depreciation	(46,631,743)	(1,823,680)	553,774	-	(47,901,649)
Total capital assets being depreciated, net	33,962,308	88,861	(439,347)	-	33,611,822
Total capital assets, net	$ 43,736,372	$3,267,230	$ (516,660)	$ -	$ 46,486,942

Depreciation expense was charged to functions as follows:

	2017
Public housing	$ 663,891
Affordable housing and special needs housing	295,908
Agency business activities	153,458
Blended component units	692,250
COCC	18,173
Total depreciation expense	1,823,680

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

NOTE 8–LONG-TERM LIABILITIES

HACSA's long-term debt is comprised of bonds and notes payable which were incurred to purchase or rehabilitate low income housing and are payable from net cash flow from operations.

	Interest Rates	Monthly Payment	Maturity	Balance 09/30/16	Additions	Retirements	Balance 09/30/17	Current Portion
BONDS PAYABLE:								
Firwood Series A	6.7%	$ 8,685	11/01/20	$ 330,000	$ -	$ 60,000	$ 270,000	$ 60,000
Firwood Series B	6.7%	1,418	11/01/20	15,000	-	15,000	-	-
Total bonds payable				345,000	-	75,000	270,000	60,000
NOTES PAYABLE:								
State of Oregon:								
Heeran Center	3.7%	6,206	09/15/28	721,110	-	48,675	672,435	56,652
Heeran Center	0.0%	-	11/17/40	799,774	-	799,774	-	-
City of Eugene:								
Abbie Lane	2.0%	1,845	04/01/34	315,278	-	15,894	299,384	16,300
Firwood	3.3%	240	08/01/21	83,126	-	9,448	73,678	17,930
Firwood	2.0%	343	01/01/29	199,340	-	11,204	188,136	14,940
Signpost House	5.0%	926	02/01/32	21,296	-	10,267	11,029	10,800
Orchards	0.0%	-	02/01/32	111,001	529	-	111,530	-
USDA								
Camas	6.9%	992	09/01/35	277,715	-	7,357	270,358	7,875
Camas	6.9%	592	11/01/32	145,007	-	5,071	139,936	5,428
Norsemen	4.0%	357	05/11/44	165,651	-	1,195	164,456	16,649
Norsemen	4.0%	709	05/11/44	328,762	-	2,374	326,388	1,245
Norsemen	4.0%	561	05/11/44	260,377	-	1,880	258,497	2,470
Norsemen	4.0%	2,669	05/11/44	1,049,360	-	16,645	1,032,715	1,957
CRT								
Firwood	5.0%	2,087	03/01/25	173,130	-	16,758	156,372	17,627
Umpqua Bank:					-			
Family Shelter	7.8%	990	06/01/17	7,494	-	7,494	-	-
Walnut Park	6.2%	4,528	03/01/26	322,692	-	322,692	-	-
JPMorgan Chase:								
Laurel Gardens	4.930%	2,496	02/01/28	260,608	-	17,505	243,103	18,313
Orchards	6.040%	2,510	10/01/26	381,037	-	7,334	373,703	8,000
Banner Bank:								
Sheldon I	3.890%	1,936	07/01/32	274,344	-	12,789	261,555	14,228
Sheldon II	3.750%	1,727	12/01/33	262,935	-	11,052	251,883	11,713
Walnut Park	5.000%	3,720	09/01/27	-	350,000	-	350,000	31,957
Bank of America:					-			
Jacob's Lane	3.830%	2,338	11/01/29	289,815	-	17,262	272,553	18,089
Jacob's Lane	7.580%	1,480	11/01/29	147,652	-	6,800	140,852	7,410
Branch Banking & Trust								
100 W 13th Ave	3.150%	-	12/01/20	-	3,784,967	-	3,784,967	-
Total notes payable				6,597,504	4,135,496	1,349,470	9,383,530	279,583
Total long-term debt				$ 6,942,504	$ 4,135,496	$ 1,424,470	$ 9,653,530	$ 339,583
Long-term portion							$ 9,313,947	

NOTE 8–LONG-TERM LIABILITIES (Continued)

The bonds and notes payable are collateralized by capital assets owned by the entities listed for each individual obligation except for the note payable to a Charitable Remainder Unitrust which is unsecured. The monthly payment includes principal and interest. The monthly payments on the bonds are adjusted semi-annually based on bond maturities; the monthly payments listed for the notes payable to USDA Rural Development ("RD") are net of subsidies to be received from RD.

Bonds payable – In 1995 HACSA issued revenue bonds to pay for the purchase of the rights to operate the Firwood Apartments buildings. The debt is secured by revenues of the property and by the general revenues of the agency to the extent that revenues of the property are not sufficient. The pledged revenues are not available for other purposes until the maturity of the bonds. The Firwood Apartment buildings reported approximately $537,800 of rental revenue for the fiscal year ended September 30, 2017. Principal and interest payments on the revenue bonds totaled approximately $97,000 over the same period of time. Bond Premium and Discounts are amortized on a method which approximates the effective interest method over the related bond repayment period. Unamortized bond discount is deducted from bonds payable.

State of Oregon – The note payable by the Heeran Center is payable to the Housing and Community Services Department – State of Oregon ("OHCS"). In May 2015, OHCS agreed to temporarily defer payments on this note and on March 14, 2016 the note agreement as modified to reflect the deferred payments. Interest accrued from May 2015 to March 14, 2016 was added to the principal balance; monthly principal and interest payments were increased from $6,199 to $6,206 and the maturity date was extended to September 15, 2028. The forgivable note payable by the Heeran Center was originated by the Department of Human Resources - State of Oregon. The note is non-interest bearing that is forgivable on a pro-rata basis over a thirty year period provided that HACSA operates Heeran Center in conformance with the terms of the trust deed and related promissory note agreements.

City of Eugene – The notes payable collateralized by Firwood Apartments were modified during 2013 to make interest only payments beginning on April 1, 2013 and ending on March 1, 2016. The maturity dates were not extended which will result in balloon payments at maturity. The note payable collateralized by Orchards is non-interest bearing and has no required payments or maturity date provided that HACSA does not sell the property and complies with the terms of the note and related agreements.

USDA Rural Development – The mortgage notes payable to RD have stated interest rates however each property has entered Interest Credit and Rental Assistance Agreements. These agreements provide subsidies that reduce the amount of monthly loan payments made by HACSA monthly. In addition, when the properties charge rent in excess of the basic rent approved by RD, such excess rent ("overages") is remitted to RD as additional interest.

Line-of-credit instrument – HACSA has a $1,400,000 unsecured revolving line of credit with a bank. The line is used for short-term financing needs for development activities. The line-of-credit matures on June 1, 2018. Interest on the line-of-credit a variable interest rate is the prime rate plus .50 basis points

NOTE 8–LONG-TERM LIABILITIES (Continued)

(4.75%) as of September 30, 2017. The line-of-credit agreement also contains certain financial covenants for which the agency was in compliance with as September 30, 2017 or has obtained suitable waivers.

Charitable Remainder Trust – A $388,760 unsecured promissory note issued on March 23, 1995. The note carries a fixed interest rate of 5.00% and is payable in monthly installments of $2,086. The note has a maturity date of March 1, 205.

Sheldon Village I Banner Bank – A note payable to Banner Bank due on July 1, 2032. The loan is payable in monthly installments of $1,936 and carries a 3.89% interest rate. The loan is secured by real property and restricted deposits.

Sheldon Village II Banner Bank – A note payable to Banner Bank due on December 1, 2033. The loan is payable in monthly installments of $1,727 and carries a 3.75% interest rate. The loan is secured by real property and restricted deposits.

Jacob's Lane Bank of America – A $210,000 promissory note issued October 18, 1999. The note has a fixed interest rate of 7.58% and monthly payments of $1,480. The note is secured by real property and has a maturity date of November 1, 2029. There are reserve account requirements with the loan agreement to maintain a certain reserves Bank of America in relation to the project.

Jacob's Lane Bank of America – A $500,000 promissory note issued October 18, 1999. The note has a fixed interest rate of 3.83% and monthly payments of $2,338. The note is secured by real property and has a maturity date of November 1, 2029. There are reserve account requirements with the loan agreement to maintain a certain reserves Bank of America in relation to the project.

Branch Banking & Trust - $3,784,967 Promissory note dated September 21, 2017 for the purchase of a new administrative building. The note caries a fixed interest rate of 3.15% and has a maturity date of December 1, 2020. The agreement calls for interest only debt service on June 1 and December 1 annually with a final payment of the balance at maturity. The note is secured by real property.

Other – Walnut Park, Laurel Gardens and Orchards have outstanding loans for which the interest rate has been reduced during the 20 year period that Oregon Affordable Housing Tax Credits ("OAHTC") are available with respect to the loan. The expiration of the OAHTC with respect to these loans are as follows; Walnut Park, June 1, 2016 interest rate will increase from 6.15% to 10.15%; Laurel Gardens, December 31, 2017 interest rate will increase from 4.93% to 8.93% and Orchards, November 1, 2016 interest rate will increase from 6.04% to 8.62%.

NOTE 8–LONG-TERM LIABILITIES (Continued)

Future maturities of total long-term debt at September 30, 2017 are as follows:

Fiscal year	Principal	Interest
2018	$ 339,583	$ 327,343
2019	345,743	312,750
2020	4,147,811	297,709
2021	378,924	165,628
2022	298,583	146,474
2023-2027	1,846,030	554,860
2028-2032	746,673	339504
2033-2037	326,393	252,875
2038-2042	269,097	200,217
2043-2047	954,693	54,118
Total	$9,653,530	$2,651,477

Changes in long-term liabilities are as follows:

	Balance 09/30/16	Additions	Reductions	Balance 09/30/17	Due Within One Year
Compensated absences	$ 395,624	$ -	$ (1,661)	$ 393,963	$ 271,765
Bonds payable	345,000	-	(75,000)	270,000	60,000
Loans payable	6,597,504	4,135,496	(1,349,470)	9,383,530	279,583
	$7,338,128	$4,135,496	$(1,426,131)	$10,047,493	$611,348

NOTE 9–RISK MANAGEMENT

HACSA is exposed to various risks of loss related to errors and omissions, automobiles, damage to and destruction of assets, bodily injury, and workers' compensation. HACSA has obtained insurance from the Housing Authorities Risk Retention Pool to cover substantially all known risks except for workers' compensation and flood coverage. Workers compensation and flood coverage are covered by commercial insurance. There has been no significant reduction to coverage from the prior year, and settled claims have not exceeded the level of coverage in the past three years.

NOTE 10–COMMITMENTS AND CONTINGENCIES

Lease commitment - In 2005, HACSA entered into a ground lease and concurrently purchased the improvements situated on the site which was a 90-unit multi-family apartment complex known as Firwood Apartments. The initial term of the ground lease is from March 23, 1995 through January 31, 2014 with options to extend for three additional five year periods. In addition to the scheduled rents HACSA is required to pay all taxes, insurance, maintenance and utility costs. The lease agreement provides for increase in scheduled rents every five years which were $39,638 per year for the period February 1, 2009 to January 31, 2014; $47,565 per year for the first option period from February 1, 2014 to January 31, 2019; $57,078 per year for the second option period from February 1, 2019 to January 31, 2024; and $68,494 per year for the third option period from February 1, 2024 to January 31, 2029. The lease agreement provides that at the termination of the lease, HACSA shall surrender and deliver up the premises and all improvements situated on the site to the Lessor. The lease agreement also grants HACSA the right of first refusal to purchase the site and improvements.

Grant and property use restrictions - Certain of the properties operated by HACSA and affiliated limited partnerships were developed using funds provided by grants and low interest rate loans. The terms of these grants and loans restrict the use of the property and generally require the property to be rented to low-income qualified tenants for the period of the grant or related loan term. Failure to comply with the terms of the grants or the loans may result in a requirement to repay a portion or all of the proceeds received.

Lawsuit and claims - HACSA is subject to lawsuits and claims which arise out the normal course of its activities. In the opinion of the management of HACSA and based upon the opinions of legal counsel, the disposition of any and all such actions, of which it is aware, will not have a material effect on the financial positon of HACSA.

The Oaks at 14th LLC loan and completion guarantee – In April 2016, HACSA guaranteed a construction loan in the maximum principal amount of $6,232,928 for The Oaks at 14th LLC, a discretely presented component unit of the agency. The maturity of the construction loan is April 1, 2018. Under the agreement HACSA has agreed to repay immediately the principal sum of the note together with interest and any additional amounts payable under the construction loan agreement with U.S. National Bank. HACSA also has agreed to guarantee that construction project is completed within the time limits and general specifications of the project's plans.

Richardson Bridge LLC loan and completion guarantee - In April 2017, HACSA guaranteed a construction loan in the maximum principal amount of $3,514,020 on behalf of Richardson Bridge LLC, a discretely presented component unit of the agency. The maturity of the construction loan is November 1, 2018. Under the agreement HACSA has agreed to repay immediately the principal sum of the note together with interest and any additional amounts payable under the construction loan agreement with U.S. National Bank. HACSA also has agreed to guarantee that construction project is completed within the time limits and general specifications of the project's plans.

NOTE 10–COMMITMENTS AND CONTINGENCIES (Continued)

Operating deficit guarantees – HACSA has entered into agreements with Bascom Village II LLC, The Oaks at 14th LLC and Richardson Bridge LLC, discretely presented components of the agency, to provide guarantees of operating deficits. The agreements call for HACSA to advance funds as loans to the companies in amounts equal to the amount of the operating deficit for a period of approximately three-years from the end of each company's lease-up period. The agreements additionally call for an extension of one year for each period that a required operating expense coverage ratio is less than 115%. HACSA's maximum exposure to funding operating deficits for Bascom Village II LL, The Oaks at 14th LLC and Richardson Bridge LLC is $120,000, $110,000 and $84,496 respectively.

Community Housing Development promissory note agreement – In November 2010 HACSA was provided $992,822 of funding from the State of Oregon, Department of Human Services under a Community Housing Development promissory note agreement to upgrade the property's interior building improvements. Amounts are due under the agreement only for under circumstances the property is determined as not being operated in conformity with the terms of the agreement by the State of Oregon. Furthermore, amounts due under the agreement should it be determined the property is not being operated as agreed to are being reduced annually over a thirty-year straight line period. As of September 30, 2017 the potential exposure to HACSA under this agreement for failure to operate the facility as agreed was $766,680. The agreement expires on November 17, 2040.

NOTE 11–CONCENTRATIONS

For the year ended September 30, 2017, approximately 70% of operating revenues reflected in the financial statements is from HUD. HACSA operates in a highly regulated environment. The operations of HACSA are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes.

NOTE 12–LEASES

Heeran Center lease – On August 1, 2015, HACSA entered into the lease agreement with ColumbiaCare Services Inc. for the residential areas of the premise in Heeran Center. The lease agreement provides monthly rent of approximately $8,400 and is operated on a month-to-month basis. HACSA also leases the office reception area of Heeran Center to Lane County under the terms of an operating lease that is renewably annually. On July 1, 2017, the lease was renewed for a one year period at an annual rental rate of approximately $59,500.

NOTE 13–DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN

HACSA has a defined contribution plan established under Section 401(k) of the Internal Revenue Code, covering all eligible employees working 20 hours or more a week and who elect to be in the Plan after six months of service. HACSA makes a contribution of twelve percent of employee's gross monthly salary, of which six percent employer contributions are vested over 4 years and six percent pick-up contributions are 100% vested when made. Employees have the option of making voluntary salary deferral contributions up to twenty-five percent of their monthly gross salary, subject to the dollar limits specified in the Internal Revenue Code. The employer contributions for the year ended September 30, 2017 were $468,920.

NOTE 14–CONDENSED FINANCIAL STATEMENTS OF BLENDED COMPONENT UNITS

CONDENSED STATEMENT OF NET POSITION

	Walnut Park	Orchards	Laurel Gardens	Jacobs Lane
Assets:				
Current assets	$ 126,978	$ 28,071	$ 44,362	$ 48,189
Tenant security deposits	18,824	16,411	17,117	25,302
Other restricted deposits	26,008	56,645	137,183	259,421
Capital assets - net	592,781	665,577	387,573	1,996,022
Total assets	764,591	766,704	586,235	2,328,934
Liabilities:				
Current liabilities	124,712	181,693	40,870	70,446
Noncurrent liabilities	333,000	477,233	227,602	918,344
Total liabilities	457,712	658,926	268,472	988,790
Net Position:				
Net investment in capital assets	242,781	180,344	144,471	1,052,478
Restricted	26,008	56,645	137,183	259,421
Unrestricted	38,090	(129,212)	36,109	28,246
Total net position	$ 306,879	$ 107,777	$ 317,763	$ 1,340,144

NOTE 14–CONDENSED FINANCIAL STATEMENTS OF BLENDED COMPONENT UNITS (Continued)

CONDENSED STATEMENT OF NET POSITION

	Sheldon Village I	Sheldon Village II	Housing Plus	Total
Assets:				
Current assets	$ 52,537	$ 77,349	$ 513	$ 378,000
Tenant security deposits	18,867	17,867	-	114,389
Other restricted deposits	264,368	190,488	-	934,113
Capital assets - net	981,263	850,690	-	5,473,905
	1,317,036	1,136,394	513	6,900,406
Liabilities:				
Current liabilities	49,999	56,162	6,506	530,388
Noncurrent liabilities	1,076,150	875,372	-	3,907,701
	1,126,149	931,534	6,506	4,438,089
Net Position:				
Net investment in capital assets	(108,287)	(36,682)	-	1,475,104
Restricted	264,368	190,488	-	934,113
Unrestricted	34,806	51,054	(5,993)	53,100
	$ 190,887	$ 204,860	$ (5,993)	$ 2,462,317

NOTE 14–CONDENSED FINANCIAL STATEMENTS OF BLENDED COMPONENT UNITS (Continued)

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

	Walnut Park	Orchards	Laurel Gardens	Jacobs Lane
Revenues - Rental income	$ 176,340	$ 160,149	$ 176,307	$ 301,891
Other income	10,139	10,218	3,551	17,781
Total operating revenue	186,479	170,367	179,858	319,672
Expenses:				
Operating expenses	189,585	177,446	169,120	260,366
Depreciation and amortization	83,174	73,092	67,082	174,769
Total operating expenses	272,759	250,538	236,202	435,135
Operating income (loss)	(86,280)	(80,171)	(56,344)	(115,463)
Nonoperating revenue (expense):				
Interest income	54	85	241	160
Interest expense	(30,298)	(22,778)	(12,384)	(46,758)
Total nonoperating revenue (expense)	(30,245)	(22,692)	(12,143)	(46,597)
Change in net position	(116,524)	(102,863)	(68,487)	(162,060)
Net position September 30, 2016	423,403	210,641	386,248	1,502,204
Net position September 30, 2017	$ 306,879	$ 107,778	$ 317,761	$ 1,340,144

CONDENSED STATEMENT OF CASH FLOWS

	Walnut Park	Orchards	Laurel Gardens	Jacobs Lane
Net cash provided (used) by:				
Operating activities	$ (162,139)	$ (71,426)	$ (64,793)	$ (154,086)
Capital and related financing activities	80,182	42,980	37,194	122,563
Noncapital financing activities	-	-	-	-
Investing activities	54	85	241	160
Net increase (decrease)	(81,903)	(28,361)	(27,358)	(31,363)
Cash - beginning of year	151,293	122,501	222,273	362,091
Cash - end of year	$ 69,390	$ 94,140	$ 194,915	$ 330,728

NOTE 14–CONDENSED FINANCIAL STATEMENTS OF BLENDED COMPONENT UNITS (Continued)

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

	Sheldon Village I	Sheldon Village II	Housing Plus	Total
Revenues - Rental income	$ 239,997	$ 191,837	$ -	$ 1,246,521
Other income	10,543	9,068	6,832	68,132
	250,540	200,905	6,832	1,314,653
Expenses:				
Operating expenses	220,348	154,415	3,449	1,174,729
Depreciation and amortization	160,441	133,692	-	692,251
	380,789	288,107	3,449	1,866,979
Operating income (loss)	(130,249)	(87,202)	3,382	(552,326)
Nonoperating revenue (expense):				
Interest income	377	286	-	1,204
Interest expense	(50,345)	(40,412)	-	(202,974)
Total nonoperating revenue (expense)	(49,967)	(40,126)	-	(201,770)
Change in net position	(180,216)	(127,328)	3,382	(754,096)
Net position September 30, 2016	371,103	332,188	(9,374)	3,216,413
Net position September 30, 2017	$ 190,887	$ 204,860	$ (5,992)	$ 2,462,317

CONDENSED STATEMENT OF CASH FLOWS

	Sheldon Village I	Sheldon Village II	Housing Plus	Total
Net cash provided (used) by:				
Operating activities	$ (109,832)	$ (22,804)	$ -	$ (585,081)
Capital and related financing activities	110,097	93,280	-	486,296
Noncapital financing activities	-	-	-	
Investing activities	377	286	-	1,205
Net increase (decrease)	642	70,762	-	(97,580)
Cash - beginning of year	321,013	250,893	-	1,430,064
Cash - end of year	$ 321,655	$ 321,655	$ -	$ 1,332,484

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

NOTE 15–DISCRETELY PRESENTED COMPONENT UNITS

Combining financial information for the discretely presented component units at December 31, 2016 is as follows:

	Hawthorn-at-29th	New Winds	Roosevelt Crossing	Oaks at 14th LLC
ASSETS				
Current assets				
Cash and cash equivalents	$ 121,676	$ 48,925	$ 29,625	$ 92,563
Accounts receivable:				
Tenants	1,829	888	1,713	-
HUD	-	-	-	-
Others	22,628	-	17,804	-
Prepaid expenses	4,319	2,199	1,828	-
Tenant deposits held in trust	6,235	7,182	5,285	-
Restricted deposits	384,512	97,293	391,019	-
Total current assets	541,199	156,487	447,274	92,563
Noncurrent assets				
Capital assets				
Nondepreciable	418,014	116,026	641,454	6,097,824
Depreciable	3,525,518	1,590,870	4,212,435	-
Total capital assets	3,943,532	1,706,896	4,853,889	6,097,824
Other assets	18,934	3,875	15,737	65,981
Total noncurrent assets	3,962,466	1,710,771	4,869,626	6,163,805
Total assets	$ 4,503,665	$ 1,867,258	$ 5,316,900	$ 6,256,368

NOTE 15–DISCRETELY PRESENTED COMPONENT UNITS (Continued)

	Munsel Park	Turtle Creek	Bascom Village II	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 34,112	$ 38,091	$ 12,830	$ 377,822
Accounts receivable:				
Tenants	-	3,320	1,292	9,042
HUD	-	-	-	-
Others	-	-	495	40,927
Prepaid expenses	3,678	3,309	2,326	17,659
Tenant deposits held in trust	13,967	20,982	19,619	73,270
Restricted deposits	220,097	147,809	-	1,240,730
Total current assets	271,854	213,511	36,562	1,759,450
Noncurrent assets				
Capital assets				
Nondepreciable	120,000	201,414	439,830	8,034,562
Depreciable	982,482	2,340,413	9,205,129	21,856,847
Total capital assets	1,102,482	2,541,827	9,644,959	29,891,409
Other assets	534	4,843	81,853	191,757
Total noncurrent assets	1,103,016	2,546,670	9,726,812	30,083,166
Total assets	$ 1,374,870	$ 2,760,181	$ 9,763,374	$ 31,842,616

NOTE 15–DISCRETELY PRESENTED COMPONENT UNITS (Continued)

	Hawthorn-at-29th	New Winds	Roosevelt Crossing	Oaks at 14th LLC
LIABILITIES				
Current liabilities				
Accounts payable -operation	$ 7,093	$ 3,413	$ -	$ -
Accounts payable - construction	-	-	-	1,720,098
Accrued interest	3,761	-	-	5,994
Due to HACSA	-	40,500	16,843	-
Due to other related parties	-	2,610	5,883	-
Prepaid rents	4,507	6,228	-	-
Refundable security deposits	6,020	7,182	5,285	-
Current portion of mortgages payable	32,949	-	-	-
Total current liabilities	54,330	59,933	28,011	1,726,092
Noncurrent liabilities				
Mortgages payable, net of unamortized debt issuance costs	1,054,498	-	3,025,601	2,873,418
Notes payable - HACSA	739,589	876,611	-	448,658
Accrued interest - HACSA	74,838	324,580	-	9,256
Deferred interest	-	-	-	4,126
Developer fee payable - HACSA	-	87,263	-	-
Due to HACSA	-	908	-	-
Total noncurrent liabilities	1,868,925	1,289,362	3,025,601	3,335,458
Total liabilities	1,923,255	1,349,295	3,053,612	5,061,550
NET POSITION				
Net investment in capital assets	2,116,496	743,022	1,828,288	1,055,650
Restricted	384,727	97,293	391,019	-
Unrestricted	79,187	(322,352)	43,981	139,168
Total net position	2,580,410	517,963	2,263,288	1,194,818
Total liabilities and net position	$ 4,503,665	$ 1,867,258	$ 5,316,900	$ 6,256,368

NOTE 15–DISCRETELY PRESENTED COMPONENT UNITS (Continued)

	Munsel Park	Turtle Creek	Bascom Village II	Total
LIABILITIES				
Current liabilities				
Accounts payable -operation	$ 7,169	$ 10,659	$ 35,897	$ 64,231
Accounts payable - construction	-	-	362,955	2,083,053
Accrued interest	1,530	-	36,972	48,257
Due to HACSA	219,267	16,000	12,000	304,610
Due to other related parties	-	4,993	5,000	18,486
Prepaid rents	-	193	11,485	22,413
Refundable security deposits	13,967	20,042	16,690	69,186
Current portion of mortgages payable	16,526	8,491	-	57,966
Total current liabilities	258,459	60,378	480,999	2,668,202
Noncurrent liabilities				
Mortgages payable, net of unamortized debt issuance costs	434,868	257,413	6,237,634	13,883,432
Notes payable - HACSA	770,726	867,000	829,196	4,531,780
Accrued interest - HACSA	72,019	519,751	-	1,000,444
Deferred interest	-	-	-	4,126
Developer fee payable - HACSA	-	-	700,000	787,263
Due to HACSA	58,770	-	-	59,678
Total noncurrent liabilities	1,336,383	1,644,164	7,766,830	20,266,723
Total liabilities	1,594,842	1,704,542	8,247,829	22,934,925
NET POSITION				
Net investment in capital assets	(119,638)	1,408,923	1,515,174	8,547,915
Restricted	220,097	148,749	2,929	1,244,814
Unrestricted	(320,431)	(502,033)	(2,558)	(885,038)
Total net position	(219,972)	1,055,639	1,515,545	8,907,691
Total liabilities and net position	$ 1,374,870	$ 2,760,181	$ 9,763,374	$ 31,842,616

NOTE 15–DISCRETELY PRESENTED COMPONENT UNITS (Continued)

	Hawthorn-at-29th	New Winds	Roosevelt Crossing	Oaks at 14th LLC
OPERATING REVENUES				
Rental revenue	$ 310,538	$ 110,886	$ 65,257	$ -
Grant income	-	-	96,499	-
Other rental income	14,891	300	-	-
Total revenues	325,429	111,186	161,756	-
OPERATING EXPENSES				
Administrative	59,944	45,561	49,950	-
Utilities	20,336	11,218	40,997	-
Operations and maintenance	47,316	15,865	26,631	-
Depreciation and amortization	102,279	98,398	135,632	-
Taxes and insurance	12,549	6,414	3,077	-
Total operating expenses	242,424	177,456	256,287	-
OPERATING INCOME (LOSS)	83,005	(66,270)	(94,531)	-
NONOPERATING REVENUES (EXPENSES)				
Interest income	231	22	582	-
Interest expenses	(44,638)	(39,910)	-	-
Interest - amortization of debt issuance costs	(167)	-	(4,833)	-
Other nonoperating expenses	(50,141)	(7,110)	(10,149)	(8,004)
Total nonoperating revenues (expenses)	(94,715)	(47,020)	(14,400)	(8,004)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(11,710)	(113,268)	(108,931)	(8,004)
Syndication costs				(5,400)
Capital contributions	-	-	-	1,208,222
Change in net position	(11,710)	(113,268)	(108,931)	1,194,818
Net position at beginning of the year	2,592,120	631,231	2,372,219	-
Net position at end of the year	$ 2,580,410	$ 517,963	$ 2,263,288	$ 1,194,818

NOTE 15–DISCRETELY PRESENTED COMPONENT UNITS (Continued)

	Munsel Park	Turtle Creek	Bascom Village II	Total
OPERATING REVENUES				
Rental revenue	$ 249,575	$ 164,824	$ 19,547	$ 920,627
Grant income	-	-	-	96,499
Other rental income	3,062	4,747	5,952	28,952
Total revenues	252,637	169,571	25,499	1,046,078
OPERATING EXPENSES				
Administrative	97,586	40,865	57,717	351,623
Utilities	44,206	27,236	2,866	146,859
Operations and maintenance	38,853	60,719	8,062	197,446
Depreciation and amortization	84,826	151,130	49,046	621,311
Taxes and insurance	4,310	8,124	11,008	45,482
Total operating expenses	269,781	288,074	128,699	1,362,721
OPERATING INCOME (LOSS)	(17,144)	(118,503)	(103,200)	(316,643)
NONOPERATING REVENUES (EXPENSES)				
Interest income	77	227	-	1,139
Interest expenses	(20,074)	(75,484)	-	(180,106)
Interest - amortization of debt issuance costs	-	(467)	-	(5,467)
Other nonoperating expenses	(23,525)	(10,460)	(17,000)	(126,389)
Total nonoperating revenues (expenses)	(43,522)	(86,184)	(17,000)	(310,823)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(60,666)	(204,687)	(120,200)	(627,466)
Syndication costs			(6,800)	(12,200)
Capital contributions	-	-	291,188	1,499,411
Change in net position	(60,666)	(204,687)	164,188	859,744
Net position at beginning of the year	(159,306)	1,260,326	1,351,357	8,047,947
Net position at end of the year	$ (219,972)	$1,055,639	$ 1,515,545	$ 8,907,691

NOTE 15–DISCRETELY PRESENTED COMPONENT UNITS (Continued)

Selected debt information for the discretely presented component units at December 31, 2016 is as follows:

	Balance 12/31/15	Additions	Repayments	Balance 12/31/16	Current Portion
Hawthorn-at-29th LLC					
Banner Bank	$ 1,123,721	$ -	$ 36,274	$ 1,087,447	$ 32,949
Roosevelt Crossing LP					
City of Eugene	550,000	-	-	550,000	-
State of Oregon	2,587,976	-	112,375	2,475,601	-
Munsel Park Apartments LP					
USDA Rural Development	148,745	-	4,959	143,786	5,264
USDA Rural Development	285,726	-	9,525	276,201	10,112
USDA Rural Development	32,490	-	1,083	31,407	1,150
Oaks at 14th					
US Bank - Construction	-	2,673,418	-	2,673,418	-
Sponsors Inc	-	200,000	-	200,000	-
Turtle Creek LP					
Banner Bank	284,517	-	18,613	265,904	8,491
Bascom Village II LLC					
Wells Fargo - Construction	251,552	5,994,081	7,999	6,237,634	-
Total long-term debt	$ 5,264,727	$ 8,867,499	$ 190,828	$ 13,941,398	$ 57,966
Long-term portion				$ 13,883,432	

Hawthorn-at 29th – Note payable to a bank with 4.0% interest, payable in monthly installments of $6,385. The note has a maturity date of January 10, 2033.

Roosevelt Crossing LP (City of Eugene) – Provided that the Roosevelt Crossing has complied with the terms of the HOME Agreement during the twenty year HOME affordability period, the City of Eugene agrees to release the trust deed or other security and the HOME loan promissory note shall be deemed to be paid and discharged. The note has a maturity date of May 11, 2029.

Roosevelt Crossing LP (State of Oregon) – Provided the loan is in compliance for the full period from January 1, 2011 through December 31, 2025, the loan balance payable shall be deemed to have been reduced ratably each year commencing January 1, 2011, at the rate of 6.67% per year but not to less than the minimum amount of $258,797. The minimum amount payable of $258,797 is payable in monthly installments beginning January 1, 2026 and is payable in full on or before December 31, 2046.

NOTE 15–DISCRETELY PRESENTED COMPONENT UNITS (Continued)

Munsel Park Apartments (USDA Rural Development) - The mortgage notes payable to RD have stated interest rates of 6.0%. Each property has entered Interest Credit and Rental Assistance Agreements with RD that reduce the effective interest rate to 1.0% annually over the term of the notes. The notes are payable in monthly installments of $1,146, $2,201 and $250 respectively. The notes mature June 16, 2033.

NOTE 16–SUBSEQUENT EVENTS

On December 28, 2017 HACSA entered in to a Master Equipment Lease-Purchase financing agreement with PNC Equipment Finance, LLC totaling $4,300,000 for its energy performance contract initiative with Johnson Controls, Inc. (JCI), a third-party provider of energy performance services. The EPC project will install energy saving measures including low flow toilets, showerhead/faucet aerators, irrigation controls, ductless heat pumps, window replacements, solar panels and irrigation wells for certain HACSA owned properties The financing agreement carries an adjustable interest rate at .65 times the change in the 10-year interest rate interest rate as published at thelce.com (3.391%) as of September 30, 2017. The loan is secured by the equipment purchased under the agreement. The agreement has a term of 15.5 years beginning after an initial 14-month construction period (Approximately September, 2034).

Beginning January 16, 2018 HACSA formally changed its name to Homes for Good Housing Agency. There were no changes in taxpayer identification numbers as a result of the name change.

On April 27, 2018 Homes for Good purchased property in Glenwood, Oregon for approximately $750,670 to be used for development of 100-150 unit affordable housing complex.

On June 5, 2018 HACSA accepted an offer to purchase its Day Island office site for approximately $2,100,000. The agreement allows for HACSA staff to continue use of the property through October 31, 2019 rent free. After October HACSA is obligated to pay monthly rent of $10,000 per month on a month-to-month basis.

SUPPLEMENTARY INFORMATION

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – COMBINING SCHEDULE OF NET POSITION
YEAR ENDED SEPTEMBER 30, 2017

		Low Rent Public Housing	Housing Choice Vouchers	Resident Opportunity and Supportive Services	Weatherization Assistance for Low-income Persons	Shelter Plus Care	Rural Rental Assistance Payments	N/C S/R Section 8 Programs
111	Cash - Unrestricted	$ 474,321	$ 2,392,057	$ -	$ -	$ -	$ 191,532	$ 103,878
113	Cash - Other Restricted	72,909	256,116	-	-	-	371,763	134,273
114	Cash - Tenant Security Deposits	189,616	-	-	-	-	32,683	5,841
100	Total Cash	736,846	2,648,173	-	-	-	595,978	243,992
122	Accounts Receivable - HUD Other Projects	-	-	-	-	43,337	-	-
124	Accounts Receivable - Other Government	470,890	-	2,970	79,114	-	-	-
125	Accounts Receivable - Miscellaneous	7,705	-	23,779	-	-	-	-
126	Accounts Receivable - Tenants	9,216	-	-	-	-	422	1,549
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	16,444	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	504,255	-	26,749	79,114	43,337	422	1,549
131	Investments - Unrestricted	1,291,974	-	-	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	3,705	9,073	137	-	-	7,804	649
143	Inventories	43,643	-	-	-	-	-	1,814
144	Inter Program Due From	-	-	-	-	-	-	-
150	Total Current Assets	2,580,423	2,657,246	26,886	79,114	43,337	604,204	248,004
161	Land	4,294,268	-	-	-	-	470,406	214,386
162	Buildings	36,895,160	-	-	-	-	4,925,598	1,730,846
163	Furniture, Equipment & Machinery - Dwellings	680,292	-	-	-	-	23,151	17,034
164	Furniture, Equipment & Machinery - Administration	789,909	88,393	-	-	-	-	-
166	Accumulated Depreciation	(23,788,003)	(79,553)	-	-	-	(936,771)	(1,031,604)
167	Construction in Progress	1,519,183	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	20,390,809	8,840	-	-	-	4,482,384	930,662
171	Notes, Loans and Mortgages Receivable - Non-Current	989	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-
176	Investments in Joint Ventures	-	-	-	-	-	-	-
180	Total Non-Current Assets	20,391,798	8,840	-	-	-	4,482,384	930,662
200	Total Assets and Deferred Outflow of Resources	$ 22,972,221	$ 2,666,086	$ 26,886	$ 79,114	$ 43,337	$ 5,086,588	$ 1,178,666
312	Accounts Payable <= 90 Days	$ 178,318	$ 3,704	$ 2,581	$ 12,150	$ 17,691	$ 12,864	$ 8,766
321	Accrued Wage/Payroll Taxes Payable	20,810	22,489	6,107	-	423	-	1,476
322	Accrued Compensated Absences - Current Portion	49,762	41,051	7,097	-	-	-	2,627
325	Accrued Interest Payable	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	42	-	-	-	-	-
333	Accounts Payable - Other Government	158,218	-	-	-	-	-	-
341	Tenant Security Deposits	189,616	-	-	-	-	32,383	5,841
342	Unearned Revenue	-	-	-	-	-	1,928	-
343	Current Portion of Long-term Debt - Capital Projects / Mortgage Revenue Bonds	-	-	-	-	-	35,624	16,300
345	Other Current Liabilities	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-
347	Inter Program - Due To	318,135	-	2,337	66,964	36,080	216,336	15,923
310	Total Current Liabilities	914,859	67,286	18,122	79,114	54,194	299,135	50,933
351	Long-Term Debt, Net of Current - Capital Projects / Mortgage Revenue	-	-	-	-	-	2,156,726	283,084
353	Non-Current Liabilities - Other	72,910	256,116	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	21,331	17,594	8,764	-	-	-	1,126
350	Total Non-Current Liabilities	94,241	273,710	8,764	-	-	2,156,726	284,210
300	Total Liabilities	1,009,100	340,996	26,886	79,114	54,194	2,455,861	335,143
508.4	Net Investment in Capital Assets	20,339,833	8,840	-	-	-	2,290,033	631,278
511.4	Restricted Net Position	72,909	25,343	-	-	-	371,763	134,273
512.4	Unrestricted Net Position	1,550,379	2,290,907	-	-	(10,857)	(31,069)	77,972
513	Total Equity - Net Position	21,963,121	2,325,090	-	-	(10,857)	2,630,727	843,523
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Position	$ 22,972,221	$ 2,666,086	$ 26,886	$ 79,114	$ 43,337	$ 5,086,588	$ 1,178,666

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – COMBINING SCHEDULE OF NET POSITION
YEAR ENDED SEPTEMBER 30, 2017

		Interest Reduction Payments	Low-Income Home Energy Assistance	Other Federal Programs	Business Activities	Central Office Cost Center	Component Unit - Discretely Presented	Component Unit - Blended
111	Cash - Unrestricted	$ 120,045	$ -	$ -	$ 16,308	$ 82,789	$ 377,822	$ 240,224
113	Cash - Other Restricted	354,033	-	-	379,539	-	1,240,730	934,113
114	Cash - Tenant Security Deposits	49,080	-	-	37,270	-	73,270	114,389
100	Total Cash	523,158	-	-	433,117	82,789	1,691,822	1,288,726
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-
124	Accounts Receivable - Other Government	-	67,996	-	-	-	-	1,594
125	Accounts Receivable - Miscellaneous	562	-	-	908,685	51,015	40,927	86,489
126	Accounts Receivable - Tenants	3,686	-	-	-	-	9,042	20,924
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	4,248	67,996	-	908,685	51,015	49,969	109,007
131	Investments - Unrestricted	-	-	-	651,453	559,298	-	-
132	Investments - Restricted	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	509	-	-	276,412	23,668	17,659	28,768
143	Inventories	8,368	-	-	6,466	2,899	-	-
144	Inter Program Due From	75,520	-	-	2,217,313	-	-	-
150	Total Current Assets	611,803	67,996	-	4,493,446	719,669	1,759,450	1,426,501
161	Land	1,363,547	-	-	3,649,991	165,394	2,374,506	815,711
162	Buildings	5,924,465	-	20,299	8,557,581	1,156,264	26,077,009	19,344,700
163	Furniture, Equipment & Machinery - Dwellings	33,012	-	-	99,178	-	599,295	379,620
164	Furniture, Equipment & Machinery - Administration	-	-	-	389,198	458,772	-	-
166	Accumulated Depreciation	(2,438,758)	-	(6,772)	(3,224,629)	(1,329,434)	(4,819,457)	(15,066,126)
167	Construction in Progress	-	-	-	379,446	2,788	5,660,056	-
160	Total Capital Assets, Net of Accumulated Depreciation	4,882,266	-	13,527	9,850,765	453,784	29,891,409	5,473,905
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	7,305,663	-	-	-
174	Other Assets	-	-	-	584,851	-	191,757	-
176	Investments in Joint Ventures	-	-	-	852,262	-	-	-
180	Total Non-Current Assets	4,882,266	-	13,527	18,593,541	453,784	30,083,166	5,473,905
200	Total Assets and Deferred Outflow of Resources	$ 5,494,069	$ 67,996	$ 13,527	$ 23,086,987	$ 1,173,453	$ 31,842,616	$ 6,900,406
312	Accounts Payable <= 90 Days	$ 12,728	$ 10,497	$ -	$ 227,760	$ 32,378	$ 2,147,284	$ 101,841
321	Accrued Wage/Payroll Taxes Payable	5,805	-	-	18,875	29,066	-	-
322	Accrued Compensated Absences - Current Portion	8,607	-	-	45,357	117,264	-	-
325	Accrued Interest Payable	-	-	-	8,572	-	48,257	6,842
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-
341	Tenant Security Deposits	49,080	-	-	37,270	-	-	112,163
342	Unearned Revenue	-	-	-	11,894	-	69,186	5,786
343	Current Portion of Long-term Debt - Capital Projects / Mortgage Revenue Bonds	-	-	-	177,949	-	22,413	109,710
345	Other Current Liabilities	-	-	15,563	64,562	317,281	57,966	92,816
346	Accrued Liabilities - Other	-	-	-	-	15,124	304,610	110,906
347	Inter Program - Due To	-	57,499	-	794,050	776,574	18,486	8,934
310	Total Current Liabilities	76,220	67,996	15,563	1,386,289	1,287,687	2,668,202	548,998
351	Long-Term Debt, Net of Current - Capital Projects / Mortgage Revenue	-	-	-	4,978,668	-	13,883,432	3,889,091
353	Non-Current Liabilities - Other	-	-	-	-	-	6,383,291	-
354	Accrued Compensated Absences - Non Current	3,688	-	-	19,439	50,256	-	-
350	Total Non-Current Liabilities	3,688	-	-	4,998,107	50,256	20,266,723	3,889,091
300	Total Liabilities	79,908	67,996	15,563	6,384,396	1,337,943	22,934,925	4,438,089
508.4	Net Investment in Capital Assets	4,882,266	-	13,527	3,992,374	453,785	8,547,915	1,475,104
511.4	Restricted Net Position	354,033	-	-	379,539	-	1,244,814	934,113
512.4	Unrestricted Net Position	177,862	-	(15,563)	12,330,678	(618,275)	(885,038)	53,100
513	Total Equity - Net Position	5,414,161	-	(2,036)	16,702,591	(164,490)	8,907,691	2,462,317
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Position	$ 5,494,069	$ 67,996	$ 13,527	$ 23,086,987	$ 1,173,453	$ 31,842,616	$ 6,900,406

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – COMBINING SCHEDULE OF NET POSITION
YEAR ENDED SEPTEMBER 30, 2017

		Subtotal	Eliminations	Total	HACSA Subtotal	HACSA Eliminations	HACSA Total
111	Cash - Unrestricted	$ 3,998,976	$ -	$ 3,998,976	$ 3,621,154	$ -	$ 3,621,154
113	Cash - Other Restricted	3,743,476	-	3,743,476	2,502,746	-	2,502,746
114	Cash - Tenant Security Deposits	502,149	-	502,149	428,879	-	428,879
100	Total Cash	8,244,601	-	8,244,601	6,552,779	-	6,552,779
122	Accounts Receivable - HUD Other Projects	43,337	-	43,337	43,337	-	43,337
124	Accounts Receivable - Other Government	622,564	-	622,564	622,564	-	622,564
125	Accounts Receivable - Miscellaneous	1,119,162	(13,853)	1,105,309	1,078,235	(13,853)	1,064,382
126	Accounts Receivable - Tenants	44,839	-	44,839	35,797	-	35,797
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	16,444	-	16,444	16,444	-	16,444
128	Fraud Recovery	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	1,846,346	(13,853)	1,832,493	1,796,377	(13,853)	1,782,524
131	Investments - Unrestricted	2,502,725	-	2,502,725	2,502,725	-	2,502,725
132	Investments - Restricted	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	368,384	-	368,384	350,725	-	350,725
143	Inventories	63,190	-	63,190	63,190	-	63,190
144	Inter Program Due From	2,292,833	(2,292,833)	-	2,292,833	(2,292,833)	-
150	Total Current Assets	15,318,079	(2,306,686)	13,011,393	13,558,629	(2,306,686)	11,251,943
161	Land	13,348,209	-	13,348,209	10,973,703	-	10,973,703
162	Buildings	104,631,922	-	104,631,922	78,554,913	-	78,554,913
163	Furniture, Equipment & Machinery - Dwellings	1,831,582	-	1,831,582	1,232,287	-	1,232,287
164	Furniture, Equipment & Machinery - Administration	1,726,272	-	1,726,272	1,726,272	-	1,726,272
166	Accumulated Depreciation	(52,721,107)	-	(52,721,107)	(47,901,650)	-	(47,901,650)
167	Construction in Progress	7,561,473	-	7,561,473	1,901,417	-	1,901,417
160	Total Capital Assets, Net of Accumulated Depreciation	76,378,351	-	76,378,351	46,486,942	-	46,486,942
171	Notes, Loans and Mortgages Receivable - Non-Current	7,306,652	(1,989,720)	5,316,932	7,306,652	(1,989,720)	5,316,932
174	Other Assets	776,608	(181,606)	595,002	584,851	(181,606)	403,245
176	Investments in Joint Ventures	852,262	-	852,262	852,262	-	852,262
180	Total Non-Current Assets	85,313,873	(2,171,326)	83,142,547	55,230,707	(2,171,326)	53,059,381
200	Total Assets and Deferred Outflow of Resources	$100,631,952	$ (4,478,012)	$ 96,153,940	$ 68,789,336	$ (4,478,012)	$ 64,311,324
312	Accounts Payable <= 90 Days	$ 2,768,562	$ -	$ 2,768,562	$ 621,278	$ -	$ 621,278
321	Accrued Wage/Payroll Taxes Payable	105,051	-	105,051	105,051	-	105,051
322	Accrued Compensated Absences - Current Portion	271,765	-	271,765	271,765	-	271,765
325	Accrued Interest Payable	63,671	-	63,671	15,414	-	15,414
331	Accounts Payable - HUD PHA Programs	42	-	42	42	-	42
333	Accounts Payable - Other Government	158,218	-	158,218	158,218	-	158,218
341	Tenant Security Deposits	426,353	-	426,353	426,353	-	426,353
342	Unearned Revenue	88,794	-	88,794	19,608	-	19,608
343	Current Portion of Long-term Debt - Capital Projects / Mortgage Revenue Bonds	361,996	-	361,996	339,583	-	339,583
345	Other Current Liabilities	548,188	(80,652)	467,536	490,222	(80,652)	409,570
346	Accrued Liabilities - Other	430,640	(110,906)	319,734	126,030	(110,906)	15,124
347	Inter Program - Due To	2,311,318	(2,292,832)	18,486	2,292,832	(2,292,832)	-
310	Total Current Liabilities	7,534,598	(2,484,390)	5,050,208	4,866,396	(2,484,390)	2,382,006
351	Long-Term Debt, Net of Current - Capital Projects / Mortgage Revenue	25,191,001	(1,993,622)	23,197,379	11,307,569	(1,993,622)	9,313,947
353	Non-Current Liabilities - Other	6,712,317	-	6,712,317	329,026	-	329,026
354	Accrued Compensated Absences - Non Current	122,198	-	122,198	122,198	-	122,198
350	Total Non-Current Liabilities	32,025,516	(1,993,622)	30,031,894	11,758,793	(1,993,622)	9,765,171
300	Total Liabilities	39,560,114	(4,478,012)	35,082,102	16,625,189	(4,478,012)	12,147,177
508.4	Net Investment in Capital Assets	42,634,955	-	42,634,955	34,087,040	-	34,087,040
511.4	Restricted Net Position	3,516,787	-	3,516,787	2,271,973	-	2,271,973
512.4	Unrestricted Net Position	14,920,096	-	14,920,096	15,805,134	-	15,805,134
513	Total Equity - Net Position	61,071,838	-	61,071,838	52,164,147	-	52,164,147
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Position	$100,631,952	$ (4,478,012)	$ 96,153,940	$ 68,789,336	$ (4,478,012)	$ 64,311,324

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Low Rent Public Housing	Housing Choice Vouchers	Resident Opportunity and Supportive Services	Weatherization Assistance for Low-income Persons	Shelter Plus Care	Rural Rental Assistance Payments	N/C S/R Section 8 Programs
70300	Net Tenant Rental Revenue	$ 2,150,031	$ -	$ -	$ -	$ -	$ 261,230	$ 80,634
70400	Tenant revenue - Other	14,300	-	-	-	-	-	-
70500	Total tenant revenue	2,164,331	-	-	-	-	261,230	80,634
70600	HUD PHA Operating Grants	2,214,103	17,027,431	382,101	-	495,382	-	159,575
70610	Capital Grants	745,542	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	709,063	-	251,697	-
71100	Investment Income - Unrestricted	5,189	-	-	-	-	-	-
71200	Mortgage Interest Income	-	-	-	-	-	-	-
71400	Fraud Recovery	-	31,203	-	-	-	-	-
71500	Other Revenue	77,351	81,959	51	-	-	14,198	5,266
72000	Investment Income - Restricted	-	2,140	-	-	-	124	171
70000	Total Revenue	5,206,516	17,142,733	382,152	709,063	495,382	527,249	245,646
91100	Administrative Salaries	473,340	865,994	241,402	24,891	20,558	-	21,446
91200	Auditing Fees	20,000	6,000	-	724	-	-	1,000
91300	Management Fee	509,160	381,036	-	-	-	52,785	93,337
91310	Bookkeeping Fee	61,822	238,147	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	154	-	61	-
91500	Employee Benefit Contributions - Administrative	248,691	495,634	143,403	82,186	8,974	-	9,590
91600	Office Expenses	120,646	117,217	8,489	21,821	242	14,978	1,573
91700	Legal Expense	7,057	1,634	-	266	-	1,683	12,898
91800	Travel	2,081	856	120	519	-	-	116
91810	Allocated Overhead	-	-	103,588	11,933	-	-	1,090
91900	Other	105,715	61,176	3,931	41,040	16	12,284	3,962
91000	Total Operating - Administrative	1,548,512	2,167,694	500,933	183,534	29,790	81,791	145,012
92000	Asset Management Fee	55,558	-	-	-	-	-	-
92100	Tenant Services - Salaries	3,596	21,001	-	-	-	-	-
92200	Relocation Costs	4,705	-	-	-	-	-	7,791
92300	Employee Benefit Contributions - Tenant Services	5,320	15,569	2,311	-	-	-	-
92400	Tenant Services - Other	30,002	30,663	-	-	-	-	8
92500	Total Tenant Services	43,623	67,233	2,311	-	-	-	7,799
93100	Water	125,852	-	-	-	-	18,114	6,483
93200	Electricity	96,905	-	-	-	-	9,531	1,370
93300	Gas	54,723	-	-	-	-	538	-
93600	Sewer	220,479	-	-	-	-	24,573	10,194
93800	Other Utilities Expense	-	-	-	-	-	-	-
93000	Total Utilities	497,959	-	-	-	-	52,756	18,047
94100	Ordinary Maintenance and Operations - Labor	380,106	-	-	172,770	-	-	18,449
94200	Ordinary Maintenance and Operations - Materials and Other	218,209	-	-	273,692	-	45,662	10,203
94300	Ordinary Maintenance and Operations Contracts	688,743	41,858	-	1,591	-	199,835	94,424
94500	Employee Benefit Contributions - Ordinary Maintenance	281,795	-	-	26,230	-	-	14,213
94000	Total Maintenance	1,568,853	41,858	-	474,283	-	245,497	137,289
95100	Protective Services - Labor	15,888	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	2,477	-	-	-	-	-	-
95000	Total Protective Services	18,365	-	-	-	-	-	-
96110	Property Insurance	96,592	-	-	-	-	8,222	-
96140	All Other Insurance	5,303	11,584	-	4,292	-	-	4,051
96100	Total Insurance Premiums	101,895	11,584	-	4,292	-	8,222	4,051

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Interest Reduction Payments	Low-Income Home Emergency Assistance	Other Federal Programs	Business Activities	Central Office Cost Center	Component Unit - Discretely Presented	Component Unit - Blended
70300	Net Tenant Rental Revenue	$ 514,386	$ -	$ -	$ 1,046,096	$ -	$ 920,627	$ 1,246,521
70400	Tenant revenue - Other	12,317	-	-	-	-	28,952	-
70500	Total tenant revenue	526,703	-	-	1,046,096	-	949,579	1,246,521
70600	HUD PHA Operating Grants	406,408	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-
						-		
70710	Management Fee	-	-	-	-	813,494	-	-
70720	Asset Management Fee	-	-	-	-	55,558	-	-
70730	Bookkeeping Fee	-	-	-	-	299,969	-	-
70740	Front Line Service Fee	-	-	-	-	252,990	-	-
70750	Other Fees	-	-	-	169,969	437,217	-	-
70700	Total Fee Revenue	-	-	-	169,969	1,859,228	-	-
70800	Other Government Grants	-	534,439	-	496,758	750	96,499	-
71100	Investment Income - Unrestricted	-	-	-	17,513	1,311	1,139	1,204
71200	Mortgage Interest Income	198	-	-	315,726	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-	-
71500	Other Revenue	32,918	-	-	1,101,183	102,993	1,487,211	68,133
72000	Investment Income - Restricted	-	-	-	158	-	-	-
70000	Total Revenue	966,227	534,439	-	3,147,403	1,964,282	2,534,428	1,315,858
91100	Administrative Salaries	109,349	13,139	-	318,705	1,101,594	73,471	-
91200	Auditing Fees	4,000	439	-	5,318	2,650	34,250	6,811
91300	Management Fee	87,750	-	-	32,176	-	116,181	123,136
91310	Bookkeeping Fee	-	-	-	-	-	-	-
91400	Advertising and Marketing	290	115	-	-	-	8,566	581
91500	Employee Benefit Contributions - Administrative	61,354	27,333	-	103,756	560,774	17,000	-
91600	Office Expenses	23,459	15,225	-	37,222	184,647	56,745	43,642
91700	Legal Expense	861	76	-	4,711	24,663	13,900	9,564
91800	Travel	460	470	-	1,832	16,499	1,107	-
91810	Allocated Overhead	3,661	9,470		288,509	-	-	-
91900	Other	4,041	21,364	-	41,395	156,092	30,403	61,657
91000	Total Operating - Administrative	295,225	87,631	-	833,624	2,046,919	351,623	245,391
92000	Asset Management Fee	-	-	-	-	-	26,447	40,000
92100	Tenant Services - Salaries	-	-	-	20,000	-	-	-
92200	Relocation Costs	1,078	-	-	3,139	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-
92400	Tenant Services - Other	-	-	-	30	-	-	43,292
92500	Total Tenant Services	1,078	-	-	23,169	-	-	43,292
93100	Water	27,137	-	-	27,405	2,356	55,632	46,842
93200	Electricity	14,228	-	-	34,423	24,732	48,878	49,503
93300	Gas	10,950	-	-	5,001	-	-	-
93600	Sewer	36,184	-	-	40,700	5,415	34,285	-
93800	Other Utilities Expense	-	-	-	-	-	8,064	65,784
93000	Total Utilities	88,499	-	-	107,529	32,503	146,859	162,129
94100	Ordinary Maintenance and Operations - Labor	119,976	166,379	-	118,196	196,646	65,388	-
94200	Ordinary Maintenance and Operations - Materials and Other	38,469	188,531	-	520,091	21,327	35,402	160,027
94300	Ordinary Maintenance and Operations Contracts	223,687	2,600	-	237,002	158,392	70,209	452,660
94500	Employee Benefit Contributions - Ordinary Maintenance	81,150	63,601	-	67,826	120,010	26,447	-
94000	Total Maintenance	463,282	421,111	-	943,115	496,375	197,446	612,687
95100	Protective Services - Labor	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	2,377	-	-	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	369	-	-	-	-	-	-
95000	Total Protective Services	2,746	-	-	-	-	-	-
96110	Property Insurance	19,441	-	-	16,422	10,696	19,035	-
96140	All Other Insurance	-	3,094	-	6,268	23,926	-	32,307
96100	Total Insurance Premiums	19,441	3,094	-	22,690	34,622	19,035	32,307

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Subtotal	Eliminations	Total	HACSA Subtotal	HACSA Eliminations	HACSA Total
70300	Net Tenant Rental Revenue	$ 6,219,525	$ -	$ 6,219,525	$ 5,298,898	$ -	$ 5,298,898
70400	Tenant revenue - Other	55,569	-	55,569	26,617	-	26,617
70500	Total tenant revenue	6,275,094	-	6,275,094	5,325,515	-	5,325,515
70600	HUD PHA Operating Grants	20,685,000	-	20,685,000	20,685,000	-	20,685,000
70610	Capital Grants	745,542	-	745,542	745,542	-	745,542
70710	Management Fee	813,494	(813,494)	-	813,494	(813,494)	-
70720	Asset Management Fee	55,558	(55,558)	-	55,558	(55,558)	-
70730	Bookkeeping Fee	299,969	(299,969)	-	299,969	(299,969)	-
70740	Front Line Service Fee	252,990	(252,990)	-	252,990	(252,990)	-
70750	Other Fees	607,186	(506,001)	101,185	607,186	(506,001)	101,185
70700	Total Fee Revenue	2,029,197	(1,928,012)	101,185	2,029,197	(1,928,012)	101,185
70800	Other Government Grants	2,089,206	-	2,089,206	1,992,707	-	1,992,707
71100	Investment Income - Unrestricted	26,356	(199,202)	(172,846)	25,217	(199,202)	(173,985)
71200	Mortgage Interest Income	315,924	-	315,924	315,924	-	315,924
71400	Fraud Recovery	31,203	-	31,203	31,203	-	31,203
71500	Other Revenue	2,971,263	(40,000)	2,931,263	1,484,052	(40,000)	1,444,052
72000	Investment Income - Restricted	2,593	-	2,593	2,593	-	2,593
70000	Total Revenue	35,171,378	(2,167,214)	33,004,164	32,636,950	(2,167,214)	30,469,736
91100	Administrative Salaries	3,263,889	-	3,263,889	3,190,418	-	3,190,418
91200	Auditing Fees	81,192	-	81,192	46,942	-	46,942
91300	Management Fee	1,395,561	(901,244)	494,317	1,279,380	(901,244)	378,136
91310	Bookkeeping Fee	299,969	(299,969)	-	299,969	(299,969)	-
91400	Advertising and Marketing	9,767	-	9,767	1,201	-	1,201
91500	Employee Benefit Contributions - Administrative	1,758,695	-	1,758,695	1,741,695	-	1,741,695
91600	Office Expenses	645,906	-	645,906	589,161	-	589,161
91700	Legal Expense	77,313	-	77,313	63,413	-	63,413
91800	Travel	24,060	-	24,060	22,953	-	22,953
91810	Allocated Overhead	418,251	(418,251)	-	418,251	(418,251)	-
91900	Other	543,076	-	543,076	512,673	-	512,673
91000	Total Operating - Administrative	8,517,679	(1,619,464)	6,898,215	8,166,056	(1,619,464)	6,546,592
92000	Asset Management Fee	122,005	(95,558)	26,447	95,558	(95,558)	-
92100	Tenant Services - Salaries	44,597	-	44,597	44,597	-	44,597
92200	Relocation Costs	16,713	-	16,713	16,713	-	16,713
92300	Employee Benefit Contributions - Tenant Services	23,200	-	23,200	23,200	-	23,200
92400	Tenant Services - Other	103,995	-	103,995	103,995	-	103,995
92500	Total Tenant Services	188,505	-	188,505	188,505	-	188,505
93100	Water	309,821	-	309,821	254,189	-	254,189
93200	Electricity	279,570	-	279,570	230,692	-	230,692
93300	Gas	71,212	-	71,212	71,212	-	71,212
93600	Sewer	371,830	-	371,830	337,545	-	337,545
93800	Other Utilities Expense	73,848	-	73,848	65,784	-	65,784
93000	Total Utilities	1,106,281	-	1,106,281	959,422	-	959,422
94100	Ordinary Maintenance and Operations - Labor	1,237,910	-	1,237,910	1,172,522	-	1,172,522
94200	Ordinary Maintenance and Operations - Materials and Other	1,511,613	-	1,511,613	1,476,211	-	1,476,211
94300	Ordinary Maintenance and Operations Contracts	2,171,001	(252,990)	1,918,011	2,100,792	(252,990)	1,847,802
94500	Employee Benefit Contributions - Ordinary Maintenance	681,272	-	681,272	654,825	-	654,825
94000	Total Maintenance	5,601,796	(252,990)	5,348,806	5,404,350	(252,990)	5,151,360
95100	Protective Services - Labor	15,888	-	15,888	15,888	-	15,888
95200	Protective Services - Other Contract Costs	2,377	-	2,377	2,377	-	2,377
95500	Employee Benefit Contributions - Protective Services	2,846	-	2,846	2,846	-	2,846
95000	Total Protective Services	21,111	-	21,111	21,111	-	21,111
96110	Property Insurance	170,408	-	170,408	151,373	-	151,373
96140	All Other Insurance	90,825	-	90,825	90,825	-	90,825
96100	Total Insurance Premiums	261,233	-	261,233	242,198	-	242,198

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Low Rent Public Housing	Housing Choice Vouchers	Resident Opportunity and Supportive Services	Weatherization Assistance for Low-income Persons	Shelter Plus Care	Rural Rental Assistance Payments	N/C S/R Section 8 Programs
96200	Other General Expenses	$ -	$ 28,589	$ -	$ -	$ -	$ -	$ -
96300	Payments in Lieu of Taxes	156,944	-	-	-	-	-	14,451
96400	Bad Debt - Tenant Rents	20,669	-	-	-	-	3,926	1,299
96000	Total Other General Expenses	177,613	28,589	-	-	-	3,926	15,750
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	36,030	6,273
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	36,030	6,273
96900	Total Operating Expenses	4,012,378	2,316,958	503,244	662,109	29,790	428,222	334,221
97000	Excess of Operating Revenue Over Operating Expenses	1,194,138	14,825,775	(121,092)	46,954	465,592	99,027	(88,575)
97100	Extraordinary Maintenance	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	15,489,814	-	-	481,283	-	-
97350	HAP Portability-In	-	37,032	-	-	-	-	-
97400	Depreciation Expense	663,891	-	-	-	-	121,339	39,210
90000	Total Expenses	4,676,269	17,843,804	503,244	662,109	511,073	549,561	373,431
10091	Inter Project Excess Cash Transfer In	100,000	-	159,836	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	(100,000)	-	-	-	-	-	-
10080	Special Items (Net Gain/Loss)	-	-	-	-	-	2,165	-
10100	Total Other financing Sources (Uses)	-	-	159,836	-	-	2,165	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	530,247	(701,071)	38,744	46,954	(15,691)	(20,147)	(127,785)
	Memo Account Information							
11020	Required Annual Debt Principal Payments	-	-	-	-	-	35,624	16,300
11030	Beginning Equity	21,432,874	3,026,161	(38,744)	(38,113)	4,834	2,650,874	971,308
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	(8,841)	-	-	-
11170	Administrative Fee Equity	-	2,178,975	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	25,343	-	-	-	-	-
11190	Unit Months Available	8,400	36,636	-	-	-	960	300
11210	Number of Unit Months Leased	8,289	34,004	-	-	-	939	300
11270	Excess Cash	1,172,078	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Interest Reduction Payments	Low-Income Home Emergency Assistance	Other Federal Program 1	1. Business Activities	Central Office Cost Center	Component Unit - Discretely Presented	Component Unit - Blended
96200	Other General Expenses	$ -	$ -	$ -	$ 1,188,360	$ -	$ 129,843	$ -
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	9,935	-	-	10,533	-	2,014	38,377
96000	Total Other General Expenses	9,935	-	-	1,198,893	-	131,857	38,377
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	60,369	-	180,106	202,975
96700	Total Interest Expense and Amortization Cost	-	-	-	60,369	-	180,106	202,975
96900	Total Operating Expenses	880,206	511,836	-	3,189,389	2,610,419	1,053,373	1,377,158
97000	Excess of Operating Revenue Over Operating Expenses	86,021	22,603	-	(41,986)	(646,137)	1,481,055	(61,300)
97100	Extraordinary Maintenance	5,534	-	-	-	-	-	-
97300	Housing Assistance Payments	-	-	-	73,583	-	-	546
97350	HAP Portability-In	-	-	-	-	-	-	-
97400	Depreciation Expense	134,739	-	620	153,458	18,173	621,311	692,250
90000	Total Expenses	1,020,479	511,836	620	3,416,430	2,628,592	1,674,684	2,069,954
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	(159,836)	-	-	-
10080	Special Items (Net Gain/Loss)	632,887	-	-	135,818	(252)	-	-
10100	Total Other financing Sources (Uses)	632,887	-	-	(24,018)	(252)	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	578,635	22,603	(620)	(293,045)	(664,562)	859,744	(754,096)
	Memo Account Information							
11020	Required Annual Debt Principal Payments	-	-	-	177,949	-	57,966	109,710
11030	Beginning Equity	4,835,526	(21,846)	(1,416)	16,986,038	500,072	8,047,947	3,216,413
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	(757)	-	9,598	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-
11190	Unit Months Available	1,560	-	-	1,836	-	2,604	2,868
11210	Number of Unit Months Leased	1,548	-	-	1,792	-	2,552	2,799
11270	Excess Cash	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Subtotal	Eliminations	Total	HACSA Subtotal	HACSA Eliminations	HACSA Total
96200	Other General Expenses	$ 1,346,792	$ -	$ 1,346,792	$ 1,216,949	$ -	$ 1,216,949
96300	Payments in Lieu of Taxes	171,395	-	171,395	171,395	-	171,395
96400	Bad Debt - Tenant Rents	86,753	-	86,753	84,739	-	84,739
96000	Total Other General Expenses	1,604,940	-	1,604,940	1,473,083	-	1,473,083
96710	Interest of Mortgage (or Bonds) Payable	485,753	(199,202)	286,551	305,647	(199,202)	106,445
96700	Total Interest Expense and Amortization Cost	485,753	(199,202)	286,551	305,647	(199,202)	106,445
96900	Total Operating Expenses	17,909,303	(2,167,214)	15,742,089	16,855,930	(2,167,214)	14,688,716
97000	Excess of Operating Revenue Over Operating Expenses	17,262,075	-	17,262,075	15,781,020	-	15,781,020
97100	Extraordinary Maintenance	5,534	-	5,534	5,534	-	5,534
97300	Housing Assistance Payments	16,045,226	-	16,045,226	16,045,226	-	16,045,226
97350	HAP Portability-In	37,032	-	37,032	37,032	-	37,032
97400	Depreciation Expense	2,444,991	-	2,444,991	1,823,680	-	1,823,680
90000	Total Expenses	36,442,086	(2,167,214)	34,274,872	34,767,402	(2,167,214)	32,600,188
10091	Inter Project Excess Cash Transfer In	259,836	-	259,836	259,836	-	259,836
10092	Inter Project Excess Cash Transfer Out	(259,836)	-	(259,836)	(259,836)	-	(259,836)
10080	Special Items (Net Gain/Loss)	770,618	-	770,618	770,618	-	770,618
10100	Total Other financing Sources (Uses)	770,618	-	770,618	770,618	-	770,618
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(500,090)	-	(500,090)	(1,359,834)	-	(1,359,834)
	Memo Account Information						
11020	Required Annual Debt Principal Payments	397,549	-	397,549	397,549	-	397,549
11030	Beginning Equity	61,571,928	-	61,571,928	53,523,981	-	53,523,981
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
11170	Administrative Fee Equity	2,178,975	-	2,178,975	2,178,975	-	2,178,975
11180	Housing Assistance Payments Equity	25,343	-	25,343	25,343	-	25,343
11190	Unit Months Available	55,164	-	55,164	55,164	-	55,164
11210	Number of Unit Months Leased	52,223	-	52,223	52,223	-	52,223
11270	Excess Cash	1,172,078	-	1,172,078	1,172,078	-	1,172,078
11620	Building Purchases	-	-	-	-	-	-
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – COMBINING SCHEDULE OF NET POSITION – LOW RENT PUBLIC HOUSING DETAIL FOR THE YEAR ENDED SEPTEMBER 30, 2017

		AMP 1 OR006000100	AMP 2 OR006000200	AMP 3 OR006000300	AMP 4 OR006000400
111	Cash - Unrestricted	$ 119,604	$ 120,961	$ 15,505	$ 118,251
113	Cash - Other Restricted	1,270	22,480	45,497	2,588
114	Cash - Tenant Security Deposits	9,780	67,865	59,395	20,025
100	Total Cash	130,654	211,306	120,397	140,864
122	Accounts Receivable - HUD Other Projects	21,263	9,784	1,701	235,601
125	Accounts Receivable - Miscellaneous	-	-	4,691	-
126	Accounts Receivable - Tenants	545	3,751	2,178	225
127	Notes, Loans, & Mortgages Receivable - Current	50	8,977	2,499	592
120	Total Receivables, Net of Allowances for Doubtful Accounts	21,858	22,512	11,069	236,418
131	Investments - Unrestricted	134,709	183,754	147,542	421,033
142	Prepaid Expenses and Other Assets	552	1,146	639	526
143	Inventories	3,345	16,312	8,346	2,814
150	Total Current Assets	291,118	435,030	287,993	801,655
161	Land	299,209	1,312,541	1,024,218	687,758
162	Buildings	3,783,911	10,237,513	7,417,718	5,415,921
163	Furniture, Equipment & Machinery - Dwellings	-	505,604	-	174,688
164	Furniture, Equipment & Machinery - Administration	57,208	-	375,064	-
166	Accumulated Depreciation	(1,496,660)	(7,868,453)	(4,374,848)	(4,360,600)
167	Construction in Progress	14,348	409,543	171,238	292,309
160	Total Capital Assets, Net of Accumulated Depreciation	2,658,016	4,596,748	4,613,390	2,210,076
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	834	-
180	Total Non-Current Assets	2,658,016	4,596,748	4,614,224	2,210,076
290	Total Assets and Deferred Outflow of Resources	$ 2,949,134	$ 5,031,778	$ 4,902,217	$ 3,011,731
312	Accounts Payable <= 90 Days	$ 3,949	$ 28,007	$ 4,357	$ 89,268
321	Accrued Wage/Payroll Taxes Payable	873	5,918	4,192	3,743
322	Accrued Compensated Absences - Current Portion	1,869	12,064	11,039	15,431
333	Accounts Payable - Other Government	4,553	56,271	32,757	33,503
341	Tenant Security Deposits	9,780	67,865	59,395	20,025
347	Inter Program - Due To	13,818	-	-	145,412
310	Total Current Liabilities	34,842	170,125	111,740	307,382
353	Non-current Liabilities - Other	1,271	22,480	45,496	2,589
354	Accrued Compensated Absences - Non Current	801	5,172	4,733	6,613
350	Total Non-Current Liabilities	2,072	27,652	50,229	9,202
300	Total Liabilities	36,914	197,777	161,969	316,584
508.4	Net Investment in Capital Assets	2,658,016	4,596,749	4,613,391	2,210,076
511.4	Restricted Net Position	1,270	22,480	45,497	2,588
512.4	Unrestricted Net Position	252,934	214,772	81,360	482,483
513	Total Equity - Net Assets / Position	2,912,220	4,834,001	4,740,248	2,695,147
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Position	$ 2,949,134	$ 5,031,778	$ 4,902,217	$ 3,011,731

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – COMBINING SCHEDULE OF NET POSITION – LOW RENT PUBLIC HOUSING DETAIL FOR THE YEAR ENDED SEPTEMBER 30, 2017

		AMP 5 OR006000500	AMP 6 OR006000600	AMP 99 OR00600999	Total
111	Cash - Unrestricted	$ -	$ 100,000	$ -	$ 474,321
113	Cash - Other Restricted	1,074	-	-	72,909
114	Cash - Tenant Security Deposits	20,351	12,200	-	189,616
100	Total Cash	21,425	112,200	-	736,846
122	Accounts Receivable - HUD Other Projects	1,346	201,195	-	470,890
125	Accounts Receivable - Miscellaneous	514	2,500	-	7,705
126	Accounts Receivable - Tenants	1,371	1,146	-	9,216
127	Notes, Loans, & Mortgages Receivable - Current	3,858	468	-	16,444
120	Total Receivables, Net of Allowances for Doubtful Accounts	7,089	205,309	-	504,255
131	Investments - Unrestricted	235,007	169,929	-	1,291,974
142	Prepaid Expenses and Other Assets	404	438	-	3,705
143	Inventories	5,696	7,130	-	43,643
150	Total Current Assets	269,621	495,006	-	2,580,423
161	Land	450,796	519,746	-	4,294,268
162	Buildings	3,665,357	6,374,740	-	36,895,160
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	680,292
164	Furniture, Equipment & Machinery - Administration	153,117	204,520	-	789,909
166	Accumulated Depreciation	(2,438,245)	(3,249,197)	-	(23,788,003)
167	Construction in Progress	50,978	544,634	36,133	1,519,183
160	Total Capital Assets, Net of Accumulated Depreciation	1,882,003	4,394,443	36,133	20,390,809
171	Notes, Loans and Mortgages Receivable - Non-Current	-	155		989
180	Total Non-Current Assets	1,882,003	4,394,598	36,133	20,391,798
290	Total Assets and Deferred Outflow of Resources	$ 2,151,624	$ 4,889,604	$ 36,133	$ 22,972,221
312	Accounts Payable <= 90 Days	$ 10,466	$ 42,271	$ -	$ 178,318
321	Accrued Wage/Payroll Taxes Payable	3,511	2,573	-	20,810
322	Accrued Compensated Absences - Current Portion	1,742	7,617	-	49,762
333	Accounts Payable - Other Government	17,152	13,982	-	158,218
341	Tenant Security Deposits	20,351	12,200	-	189,616
347	Inter Program - Due To	-	158,905	-	318,135
310	Total Current Liabilities	53,222	237,548	-	914,859
353	Non-current Liabilities - Other	1,074	-	-	72,910
354	Accrued Compensated Absences - Non Current	746	3,266	-	21,331
350	Total Non-Current Liabilities	1,820	3,266	-	94,241
300	Total Liabilities	55,042	240,814	-	1,009,100
508.4	Net Investment in Capital Assets	1,831,025	4,394,443	36,133	20,339,833
511.4	Restricted Net Position	1,074	-	-	72,909
512.4	Unrestricted Net Position	264,483	254,347	-	1,550,379
513	Total Equity - Net Assets / Position	2,096,582	4,648,790	36,133	21,963,121
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Position	$ 2,151,624	$ 4,889,604	$ 36,133	$ 22,972,221

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – LOW RENT PUBLIC HOUSING FOR THE YEAR ENDED SEPTEMBER 30, 2017

		AMP 1 OR006000100			AMP 2 OR006000200		
		Low Rent	Capital Fund	Total	Low Rent	Capital Fund	Total
70300	Net Tenant Rental Revenue	$ 79,035	$ -	$ 79,035	$ 693,625	$ -	$ 693,625
70400	Tenant Revenue - Other	-	-	-	-	-	-
70500	Total Tenant Revenue	79,035	-	79,035	693,625	-	693,625
70600	HUD PHA Operating Grants	93,354	84,077	177,431	537,902	19,600	557,502
70610	Capital Grants	-	67,706	67,706	-	97,889	97,889
71100	Investment Income - Unrestricted	473	-	473	644	-	644
71500	Other Revenue	1,207	-	1,207	30,730	-	30,730
70000	Total Revenue	174,069	151,783	325,852	1,262,901	117,489	1,380,390
91100	Administrative Salaries	17,097	-	17,097	148,004	-	148,004
91200	Auditing Fees	1,000	-	1,000	5,000	-	5,000
91300	Management Fee	17,092	14,912	32,004	127,585	14,978	142,563
91310	Book-keeping Fee	2,610	-	2,610	18,900	-	18,900
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee Benefit contributions - Administrative	6,449	-	6,449	67,133	-	67,133
91600	Office Expenses	7,286	-	7,286	30,318	-	30,318
91700	Legal Expense	293	-	293	1,977	-	1,977
91800	Travel	156	-	156	69	-	69
91900	Other	1,306	413	1,719	47,672	2,771	50,443
91000	Total Operating - Administrative	53,289	15,325	68,614	446,658	17,749	464,407
92000	Asset Management Fee	-	-	-	15,838	-	15,838
92100	Tenant Services - Salaries	350	-	-	2,692	-	-
92200	Relocation Costs	-	-	-	886	-	886
92300	Employee Benefit Contributions - Tenant Services	259	-	259	2,206	-	2,206
92400	Tenant Services - Other	1,307	-	1,307	10,184	-	10,184
92500	Total Tenant Services	1,916	-	1,566	15,968	-	13,276
93100	Water	12,012	-	12,012	39,393	-	39,393
93200	Electricity	2,459	-	2,459	1,056	-	1,056
93300	Gas	-	-	-	-	-	-
93600	Sewer	22,246	-	22,246	90,799	-	90,799
93000	Total Utilities	36,717	-	36,717	131,248	-	131,248
94100	Ordinary Maintenance and Operations - Labor	20,300	-	20,300	91,373	-	91,373
94200	Ordinary Maintenance and Operations - Materials and	4,771	-	4,771	75,735	-	75,735
94300	Ordinary Maintenance and Operations Contracts	16,101	-	16,101	191,809	-	191,809
94500	Employee Benefit Contributions - Ordinary	9,808	-	9,808	66,790	-	66,790
94000	Total Maintenance	50,980	-	50,980	425,707	-	425,707
95100	Protective Services - Labor	-	-	-	10,000	-	10,000
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	1,567	-	1,567
95000	Total Protective Services	-	-	-	11,567	-	11,567
96110	Property Insurance	5,153	-	5,153	30,739	-	30,739
96300	Payments in Lieu of Taxes	4,232	-	4,232	56,237	-	56,237
96400	Bad debt - Tenant Rents	-	-	-	10,126	-	10,126
96000	Total Other General Expenses	4,232	-	4,232	66,363	-	66,363
96900	Total Operating Expenses	152,287	15,325	167,262	1,144,088	17,749	1,159,145
97000	Excess of Operating Revenue over Operating Expenses	21,782	136,458	158,590	118,813	99,740	221,245
97400	Depreciation Expense	42,682	-	42,682	172,430	-	172,430
90000	Total Expenses	194,969	15,325	209,944	1,316,518	17,749	1,334,267
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	(100,000)	-	(100,000)
10093	Transfers between Program and Project - In	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	-	-	-	(100,000)	-	(100,000)
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (20,900)	$ 136,458	$ 115,558	$ (153,617)	$ 99,740	$ (53,877)

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – LOW RENT PUBLIC HOUSING FOR THE YEAR ENDED SEPTEMBER 30, 2017

		AMP 3 OR006000300			AMP 4 OR006000400		
		Low Rent	Capital Fund	Total	Low Rent	Capital Fund	Total
70300	Net Tenant Rental Revenue	$ 369,478	$ -	$ 369,478	$ 478,847	$ -	$ 478,847
70400	Tenant Revenue - Other	-	-	-	8,538	-	8,538
70500	Total Tenant Revenue	369,478	-	369,478	487,385	-	487,385
70600	HUD PHA Operating Grants	434,828	24,061	458,889	296,264	237,966	534,230
70610	Capital Grants	-	38,019	38,019	-	27,354	27,354
71100	Investment Income - Unrestricted	644	-	644	1,478	-	1,478
71500	Other Revenue	25,606	-	25,606	9,586	-	9,586
70000	Total Revenue	830,556	62,080	892,636	794,713	265,320	1,060,033
91100	Administrative Salaries	86,890	-	86,890	79,935	-	79,935
91200	Auditing Fees	4,000	-	4,000	3,000	-	3,000
91300	Management Fee	76,611	14,921	91,532	89,430	14,911	104,341
91310	Book-keeping Fee	10,530	-	10,530	13,402	-	13,402
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee Benefit contributions - Administrative	38,630	-	38,630	61,114	-	61,114
91600	Office Expenses	40,400	-	40,400	15,522	-	15,522
91700	Legal Expense	524	-	524	1,514	-	1,514
91800	Travel	120	-	120	312	-	312
91900	Other	13,981	754	14,735	6,454	401	6,855
91000	Total Operating - Administrative	271,686	15,675	287,361	270,683	15,312	285,995
92000	Asset Management Fee	-	-	-	17,880	-	17,880
92100	Tenant Services - Salaries	-	-	-	(32)	-	(32)
92200	Relocation Costs	2,796	-	2,796	1,023	-	1,023
92300	Employee Benefit Contributions - Tenant Services	2,205	-	2,205	130	-	130
92400	Tenant Services - Other	7,983	-	7,983	4,447	-	4,447
92500	Total Tenant Services	12,984	-	12,984	5,568	-	5,568
93100	Water	12,139	-	12,139	18,088	-	18,088
93200	Electricity	2,612	-	2,612	64,786	-	64,786
93300	Gas	-	-	-	40,445	-	40,445
93600	Sewer	20,734	-	20,734	25,877	-	25,877
93000	Total Utilities	35,485	-	35,485	149,196	-	149,196
94100	Ordinary Maintenance and Operations - Labor	104,210	-	104,210	57,416	-	57,416
94200	Ordinary Maintenance and Operations - Materials and	45,336	-	45,336	42,985	-	42,985
94300	Ordinary Maintenance and Operations Contracts	149,885	-	149,885	88,788	-	88,788
94500	Employee Benefit Contributions - Ordinary	85,910	-	85,910	46,781	-	46,781
94000	Total Maintenance	385,341	-	385,341	235,970	-	235,970
95100	Protective Services - Labor	-	-	-	2,390	-	2,390
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	370	-	370
95000	Total Protective Services	-	-	-	2,760	-	2,760
96110	Property Insurance	23,329	-	23,329	17,701	-	17,701
96300	Payments in Lieu of Taxes	33,399	-	33,399	32,965	-	32,965
96400	Bad debt - Tenant Rents	7,690	-	7,690	-	-	-
96000	Total Other General Expenses	41,089	-	41,089	32,965	-	32,965
96900	Total Operating Expenses	769,914	15,675	785,589	732,723	15,312	748,035
97000	Excess of Operating Revenue over Operating Expenses	60,642	46,405	107,047	61,990	250,008	311,998
97400	Depreciation Expense	166,607	-	166,607	83,803	-	83,803
90000	Total Expenses	936,521	15,675	952,196	816,526	15,312	831,838
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (105,965)	$ 46,405	$ (59,560)	$ (21,813)	$ 250,008	$ 228,195

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – LOW RENT PUBLIC HOUSING FOR THE YEAR ENDED SEPTEMBER 30, 2017

		AMP 5 OR006000500			AMP 6 OR006000600		
		Low Rent	Capital Fund	Total	Low Rent	Capital Fund	Total
70300	Net Tenant Rental Revenue	$ 249,827	$ -	$ 249,827	$ 279,219	$ -	$ 279,219
70400	Tenant Revenue - Other	2,182	-	2,182	3,580	-	3,580
70500	Total Tenant Revenue	252,009	-	252,009	282,799	-	282,799
70600	HUD PHA Operating Grants	250,064	15,414	265,478	153,504	65,893	219,397
70610	Capital Grants	-	16,182	16,182	-	498,392	498,392
71100	Investment Income - Unrestricted	1,323	-	1,323	627	-	627
71500	Other Revenue	10,098	-	10,098	124	-	124
70000	Total Revenue	513,494	31,596	545,090	437,054	564,285	1,001,339
91100	Administrative Salaries	60,428	-	60,428	80,986	-	80,986
91200	Auditing Fees	3,000	-	3,000	4,000	-	4,000
91300	Management Fee	52,884	14,900	67,784	55,699	15,237	70,936
91310	Book-keeping Fee	8,010	-	8,010	8,370	-	8,370
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee Benefit contributions - Administrative	35,859	-	35,859	39,506	-	39,506
91600	Office Expenses	12,844	-	12,844	14,275	-	14,275
91700	Legal Expense	1,118	-	1,118	1,631	-	1,631
91800	Travel	729	-	729	695	-	695
91900	Other	18,161	17	18,178	1,928	11,858	13,786
91000	Total Operating - Administrative	193,033	14,917	207,950	207,090	27,095	234,185
92000	Asset Management Fee	10,680	-	10,680	11,160	-	11,160
92100	Tenant Services - Salaries	586	-	586	-	-	-
92200	Relocation Costs	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	520	-	520	-	-	-
92400	Tenant Services - Other	3,488	-	3,488	2,593	-	2,593
92500	Total Tenant Services	4,594	-	4,594	2,593	-	2,593
93100	Water	26,520	-	26,520	17,700	-	17,700
93200	Electricity	9,219	-	9,219	16,773	-	16,773
93300	Gas	12,756	-	12,756	1,522	-	1,522
93600	Sewer	37,010	-	37,010	23,813	-	23,813
93000	Total Utilities	85,505	-	85,505	59,808	-	59,808
94100	Ordinary Maintenance and Operations - Labor	57,557	-	57,557	49,250	-	49,250
94200	Ordinary Maintenance and Operations - Materials and	23,199	-	23,199	26,183	-	26,183
94300	Ordinary Maintenance and Operations Contracts	147,140	-	147,140	95,020	-	95,020
94500	Employee Benefit Contributions - Ordinary	36,337	-	36,337	36,169	-	36,169
94000	Total Maintenance	264,233	-	264,233	206,622	-	206,622
95100	Protective Services - Labor	1,110	-	1,110	2,388	-	2,388
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	171	-	171	369	-	369
95000	Total Protective Services	1,281	-	1,281	2,757	-	2,757
96110	Property Insurance	11,876	-	11,876	13,097	-	13,097
96300	Payments in Lieu of Taxes	16,431	-	16,431	13,680	-	13,680
96400	Bad debt - Tenant Rents	-	-	-	2,853	-	2,853
96000	Total Other General Expenses	16,431	-	16,431	16,533	-	16,533
96900	Total Operating Expenses	587,633	14,917	602,550	519,660	27,095	546,755
97000	Excess of Operating Revenue over Operating Expenses	(74,139)	16,679	(57,460)	(82,606)	537,190	454,584
97400	Depreciation Expense	62,408	-	62,408	135,961	-	135,961
90000	Total Expenses	650,041	14,917	664,958	655,621	27,095	682,716
10091	Inter Project Excess Cash Transfer In	-	-	-	100,000	-	100,000
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	-	-	-	100,000	-	100,000
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (136,547)	$ 16,679	$ (119,868)	$ (118,567)	$ 537,190	$ 418,623

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – LOW RENT PUBLIC HOUSING FOR THE YEAR ENDED SEPTEMBER 30, 2017

		AMP 99 OR006009999			Total	Total	
		Low Rent	Capital Fund	Total	Low Rent	Capital Fund	Total
70300	Net Tenant Rental Revenue	$ -	$ -	$ -	$ 2,150,031	$ -	$ 2,150,031
70400	Tenant Revenue - Other	-	-	-	14,300	-	14,300
70500	Total Tenant Revenue	-	-	-	2,164,331	-	2,164,331
70600	HUD PHA Operating Grants	-	1,176	1,176	1,765,916	448,187	2,214,103
70610	Capital Grants	-	-	-	-	745,542	745,542
71100	Investment Income - Unrestricted	-	-	-	5,189	-	5,189
71500	Other Revenue	-	-	-	77,351	-	77,351
70000	Total Revenue	-	1,176	1,176	4,012,787	1,193,729	5,206,516
91100	Administrative Salaries	-	-	-	473,340	-	473,340
91200	Auditing Fees	-	-	-	20,000	-	20,000
91300	Management Fee	-	-	-	419,301	89,859	509,160
91310	Book-keeping Fee	-	-	-	61,822	-	61,822
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee Benefit contributions - Administrative	-	-	-	248,691	-	248,691
91600	Office Expenses	-	-	-	120,645	-	120,645
91700	Legal Expense	-	-	-	7,057	-	7,057
91800	Travel	-	-	-	2,081	-	2,081
91900	Other	-	-	-	89,502	16,214	105,716
91000	Total Operating - Administrative	-	-	-	1,442,439	106,073	1,548,512
92000	Asset Management Fee	-	-	-	55,558	-	55,558
92100	Tenant Services - Salaries	-	-	-	3,596	-	3,596
92200	Relocation Costs	-	-	-	4,705	-	4,705
92300	Employee Benefit Contributions - Tenant Services	-	-	-	5,320	-	5,320
92400	Tenant Services - Other	-	-	-	30,002	-	30,002
92500	Total Tenant Services	-	-	-	43,623	-	43,623
93100	Water	-	-	-	125,852	-	125,852
93200	Electricity	-	-	-	96,905	-	96,905
93300	Gas	-	-	-	54,723	-	54,723
93600	Sewer	-	-	-	220,479	-	220,479
93000	Total Utilities	-	-	-	497,959	-	497,959
94100	Ordinary Maintenance and Operations - Labor	-	-	-	380,106	-	380,106
94200	Ordinary Maintenance and Operations - Materials and	-	-	-	218,209	-	218,209
94300	Ordinary Maintenance and Operations Contracts	-	-	-	688,743	-	688,743
94500	Employee Benefit Contributions - Ordinary	-	-	-	281,795	-	281,795
94000	Total Maintenance	-	-	-	1,568,853	-	1,568,853
95100	Protective Services - Labor	-	-	-	15,888	-	15,888
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	2,477	-	2,477
95000	Total Protective Services	-	-	-	18,365	-	18,365
96110	Property Insurance	-	-	-	101,895	-	101,895
96300	Payments in Lieu of Taxes	-	-	-	156,944	-	156,944
96400	Bad debt - Tenant Rents	-	-	-	20,669	-	20,669
96000	Total Other General Expenses	-	-	-	177,613	-	177,613
96900	Total Operating Expenses	-	-	-	3,906,305	106,073	4,012,378
97000	Excess of Operating Revenue over Operating Expenses	-	1,176	1,176	106,482	1,087,656	1,194,138
97400	Depreciation Expense	-	-	-	663,891	-	663,891
90000	Total Expenses	-	-	-	4,570,196	106,073	4,676,269
10091	Inter Project Excess Cash Transfer In	-	-	-	100,000	-	100,000
10092	Inter Project Excess Cash Transfer Out	-	-	-	(100,000)	-	(100,000)
10093	Transfers between Program and Project - In	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ -	$ 1,176	$ 1,176	$ (557,409)	$ 1,087,656	$ 530,247

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – LOW RENT PUBLIC HOUSING FOR THE YEAR ENDED SEPTEMBER 30, 2017

		AMP 1 OR006000100			AMP 2 OR006000200		
		Low Rent	Capital Fund	Total	Low Rent	Capital Fund	Total
	Memo Account Information						
11030	Beginning Equity	2,794,353	2,309	2,796,662	4,576,531	311,347	4,887,878
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
11190	Unit Months Available	348	-	348	2,568	-	2,568
11210	Number of Unit Months Leased	340	-	340	2,534	-	2,534
11270	Excess Cash	230,879	-	230,879	115,838	-	115,838
11620	Building Purchases	11,433	-	11,433	63,485	-	63,485
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	33,885	-	33,885

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – LOW RENT PUBLIC HOUSING FOR THE YEAR ENDED SEPTEMBER 30, 2017

		AMP 3 OR006000300			AMP 4 OR006000400		
		Low Rent	Capital Fund	Total	Low Rent	Capital Fund	Total
	Memo Account Information						
11030	Beginning Equity	4,673,856	125,952	4,799,808	2,409,950	57,002	2,466,952
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
11190	Unit Months Available	1,536	-	1,536	1,788	-	1,788
11210	Number of Unit Months Leased	1,536	-	1,536	1,788	-	1,788
11270	Excess Cash	(19,366)	-	(19,366)	359,936	-	359,936
11620	Building Purchases	124,757	-	124,757	48,927	20,099	69,026
11630	Furniture & Equipment - Dwelling Purchases	4,441	-	4,441	9,965	229	10,194

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – LOW RENT PUBLIC HOUSING FOR THE YEAR ENDED SEPTEMBER 30, 2017

		AMP 5 OR006000500			AMP 6 OR006000600		
		Low Rent	Capital Fund	Total	Low Rent	Capital Fund	Total
	Memo Account Information						
11030	Beginning Equity	2,180,829	35,621	2,216,450	4,095,596	134,571	4,230,167
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
11190	Unit Months Available	1,068	-	1,068	1,116	-	1,116
11210	Number of Unit Months Leased	1,068	-	1,068	1,116	-	1,116
11270	Excess Cash	219,390	-	219,390	52,423	-	52,423
11620	Building Purchases	72,844	49,347	122,191	198,207	182,326	380,533
11630	Furniture & Equipment - Dwelling Purchases	2,609	382	2,991	25,853	1,209	27,062

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE–COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – LOW RENT PUBLIC HOUSING FOR THE YEAR ENDED SEPTEMBER 30, 2017

		AMP 99 OR006009999			Total	Total	
		Low Rent	Capital Fund	Total	Low Rent	Capital Fund	Total
	Memo Account Information						
11030	Beginning Equity	-	34,957	34,957	20,731,115	701,759	21,432,874
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
11190	Unit Months Available	-	-	-	8,424	-	8,424
11210	Number of Unit Months Leased	-	-	-	8,382	-	8,382
11270	Excess Cash	-	-	-	959,100	-	959,100
11620	Building Purchases	-	-	-	519,653	251,772	771,425
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	76,753	1,820	78,573

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – DETAIL FOR RURAL RENTAL ASSISTANCE PAYMENTS PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Camas	Norseman Village Apartments	Total
111	Cash - Unrestricted	$ 37,701	$ 153,831	$ 191,532
113	Cash - Other Restricted	77,259	294,504	371,763
114	Cash - Tenant Security Deposits	13,840	18,843	32,683
100	Total Cash	128,800	467,178	595,978
126	Accounts Receivable - Tenants	617	(195)	422
142	Prepaid Expenses and Other Assets	3,842	3,962	7,804
150	Total Current Assets	133,259	470,945	604,204
161	Land	371,677	98,729	470,406
162	Buildings	936,382	3,989,216	4,925,598
163	Furniture, Equipment & Machinery - Dwellings	8,860	14,291	23,151
166	Accumulated Depreciation	(336,274)	(600,497)	(936,771)
160	Total Capital Assets, Net of Accumulated Depreciation	980,644	3,501,740	4,482,384
290	Total Assets and Deferred Outflow of Resources	$ 1,113,903	$ 3,972,685	$ 5,086,588
312	Accounts Payable <= 90 Days	$ 7,133	$ 5,729	$ 12,863
341	Tenant Security Deposits	13,840	18,543	32,383
342	Unearned Revenue	1,927	1	1,928
343	Current Portion of Long-term Debt - Capital	13,303	22,321	35,624
347	Inter Program - Due To	83,956	132,380	216,336
310	Total Current Liabilities	120,159	178,975	299,134
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	396,991	1,759,735	2,156,726
300	Total Liabilities	517,150	1,938,710	2,455,860
508.4	Net Investment in Capital Assets	570,350	1,719,685	2,290,033
511.4	Restricted Net Position	77,260	294,804	371,763
512.4	Unrestricted Net Position	(50,857)	19,487	(31,068)
513	Total Equity - Net Assets / Position	596,753	2,033,975	2,630,728
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	$ 1,113,903	$ 3,972,685	$ 5,086,588

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – DETAIL FOR RURAL RENTAL ASSISTANCE PAYMENTS PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Camas	Norseman Village Apartments	Total
70300	Net Tenant Rental Revenue	$ 140,900	$ 120,330	$ 261,230
70800	Other Government Grants	90,534	161,163	251,697
71500	Other Revenue	7,289	6,909	14,198
72000	Investment Income - Restricted	17	107	124
70000	Total Revenue	238,740	288,509	527,249
91300	Management Fee	23,800	28,985	52,785
91400	Advertising and Marketing	61	-	61
91600	Office Expenses	8,766	6,213	14,979
91700	Legal Expense	309	1,374	1,683
91900	Other	5,098	7,185	12,283
91000	Total Operating - Administrative	38,034	43,757	81,791
93100	Water	14,940	3,174	18,114
93200	Electricity	5,752	3,779	9,531
93300	Gas	-	538	538
93600	Sewer	18,884	5,689	24,573
93000	Total Utilities	39,576	13,180	52,756
94200	Ordinary Maintenance and Operations - Materials & Other	34,666	10,996	45,662
94300-010	Garbage Service	10,721	6,964	17,685
94300-050	Landscape Maintenance	93	-	93
94300	Ordinary Maintenance and Operations Contracts	83,596	98,461	182,057
94000	Total Maintenance	129,076	116,421	245,497
96110	Property Insurance	4,041	4,181	8,222
96400	Bad debt - Tenant Rents	3,250	676	3,926
96710	Interest of Mortgage (or Bonds) Payable	6,571	29,459	36,030
96900	Total Operating Expenses	220,548	207,674	428,222
97000	Excess of Operating Revenue over Operating Expenses	18,192	80,835	99,027
97400	Depreciation Expense	21,132	100,207	121,339
90000	Total Expenses	241,681	307,881	549,561
10080	Special item	-	2,165	2,165
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (2,941)	$ (17,207)	$ (20,147)

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – DETAIL FOR INTEREST PAYMENTS PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Village Oaks	14 Pines	Total
111	Cash - Unrestricted	$ 39,422	$ 80,623	$ 120,045
113	Cash - Other Restricted	194,973	159,060	354,033
114	Cash - Tenant Security Deposits	32,621	16,459	49,080
100	Total Cash	267,016	256,142	523,158
125	Accounts Receivable - Other	-	562	562
126	Accounts Receivable - Tenants	2,307	1,379	3,686
142	Prepaid Expenses and Other Assets	254	255	509
143	Inventories	4,929	3,439	8,368
144	Inter Program Due From	5,120	70,400	75,520
150	Total Current Assets	279,626	332,177	611,803
161	Land	593,299	770,248	1,363,547
162	Buildings	2,378,597	3,545,868	5,924,465
164	Furniture, Equipment & Machinery - Administration	19,580	13,432	33,012
166	Accumulated Depreciation	(1,017,745)	(1,421,013)	(2,438,758)
160	Total Capital Assets, Net of Accumulated Depreciation	1,973,731	2,908,535	4,882,266
290	Total Assets and Deferred Outflow of Resources	$ 2,253,357	$ 3,240,712	$ 5,494,069
312	Accounts Payable <= 90 Days	$ 11,357	$ 1,371	$ 12,728
321	Accrued Wage/Payroll Taxes Payable	2,466	3,339	5,805
322	Accrued Compensated Absences - Current Portion	3,258	5,349	8,607
341	Tenant Security Deposits	32,621	16,459	49,080
310	Total Current Liabilities	49,702	26,518	76,220
354	Accrued compensated absense	1,396	2,292	3,688
300	Total Liabilities	51,098	28,810	79,908
508.4	Net Investment in Capital Assets	1,973,731	2,908,535	4,882,266
511.4	Restricted Net Position	194,973	159,060	354,033
512.4	Unrestricted Net Position	33,555	144,307	177,862
513	Total Equity - Net Assets / Position	2,202,259	3,211,903	5,414,161

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – DETAIL FOR INTEREST PAYMENTS PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Village Oaks	14 Pines	Total
70300	Net Tenant Rental Revenue	$ 342,533	$ 171,853	$ 514,386
70400	Tenant Revenue - Other	8,824	3,493	12,317
70500	Total Tenant Revenue	351,357	175,346	526,703
70600	HUD PHA Operating Grants	83,790	322,618	406,408
71500	Other Revenue	24,095	8,823	32,918
72000	Investment Income - Restricted	140	58	198
70000	Total Revenue	459,382	506,845	966,227
91100	Administrative Salaries	63,713	45,636	109,349
91200	Auditing Fees	3,000	1,000	4,000
91300	Management Fee	44,259	43,491	87,750
91400	Advertising and Marketing	290	-	290
91500	Employee Benefit contributions - Administrative	36,042	25,312	61,354
91600	Office Expenses	15,131	8,328	23,459
91700	Legal Expense	812	49	861
91800	Travel	260	200	460
91810	Allocated Overhead	1,604	2,057	3,661
91900	Other	2,017	2,024	4,041
91000	Total Operating - Administrative	167,128	128,097	295,225
92200	Relocation Costs	1,078	-	1,078
92500	Total Tenant Services	1,078	-	1,078
93100	Water	13,557	13,580	27,137
93200	Electricity	7,969	6,259	14,228
93300	Gas	10,021	929	10,950
93600	Sewer	18,655	17,529	36,184
93000	Total Utilities	50,202	38,297	88,499
94100	Ordinary Maintenance and Operations - Labor	49,607	70,369	119,976
94200	Ordinary Maintenance and Operations - Materials and Other	18,317	20,152	38,469
94300	Ordinary Maintenance and Operations Contracts	145,622	78,065	223,687
94500	Employee Benefit Contributions - Ordinary Maintenance	36,812	44,338	81,150
94000	Total Maintenance	250,358	212,924	463,282
95100	Security	-	-	-
95200	Protective Services - Other Contract Costs	2,377	-	2,377
95500	Employee Benefit Contributions - Protective Services	369	-	369
95000	Total Protective Services	2,746	-	2,746
96110	Property Insurance	9,491	9,950	19,441
96400	Bad debt - Tenant Rents	9,500	435	9,935
96900	Total Operating Expenses	490,504	389,703	880,207
97000	Excess of Operating Revenue over Operating Expenses	$ (31,122)	$ 117,142	$ 86,020
97100	Extraordinary Maintenance	5,534	-	5,534
97400	Depreciation Expense	53,901	80,838	134,739
90000	Total Expenses	549,938	470,541	1,020,479
10080	Special Item	291,766	341,121	632,887
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ 201,210	$ 377,425	$ 578,635

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – DETAIL FOR BUSINESS ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Development & Asset Management	Firwood	Richardson Bridge	Heeran Center	Signpost House	Energy Services
111	Cash - Unrestricted	$ -	$ -	$ 2,140	$ 14,083	$ -	$ -
113	Cash - Other Restricted	-	320,070	-	59,469	-	-
114	Cash - Tenant Security Deposits	-	36,260	-	-	1,010	-
100	Total Cash	-	356,330	2,140	73,552	1,010	-
125	Accounts Receivable - Miscellaneous	462,902	169	1,073	14,681	10,607	370,791
120	Total Receivables, Net of Allowances for Doubtful Accounts	462,902	169	1,073	14,681	10,607	370,791
131	Investments - Unrestricted	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	267,334	8,979	-	-	50	49
143	Inventories	-	3,539	-	-	-	2,927
144	Inter Program Due From	-	-	-	376,985	251,962	-
150	Total Current Assets	730,236	369,017	3,213	465,218	263,629	373,767
161	Land	2,884,699	-	-	403,815	195,358	-
162	Buildings	1,759,496	2,848,353	-	2,331,374	583,254	-
163	Furniture, Equipment & Machinery - Dwellings	-	8,032	-	91,146	-	-
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	-
166	Accumulated Depreciation	-	(1,287,895)	-	(723,946)	(230,025)	-
167	Construction in Progress	379,446	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	5,023,641	1,568,490	-	2,102,389	548,587	-
171	Notes, Loans and Mortgages Receivable - Non-Current, Net of Discounts and Allowances	6,471,925	-	832,963	-	-	-
174	Other Assets	584,851	-	-	-	-	-
176	Investments in Joint Ventures	792,586	-	59,676	-	-	-
180	Total Non-Current Assets	12,873,003	1,568,490	892,639	2,102,389	548,587	-
290	Total Assets and Deferred Outflow of Resources	$ 13,603,239	$ 1,937,507	$ 895,852	$ 2,567,608	$ 812,216	$ 373,767
312	Accounts Payable <= 90 Days	$ 177,292	$ 7,810	$ -	$ 5,205	$ 979	$ 22,894
321	Accrued Wage/Payroll Taxes Payable	7,638	2,214	-	55	52	8,031
322	Accrued Compensated Absences - Current Portion	12,580	4,566	-	-	-	26,096
325	Accrued Interest Payable	-	7,538	-	1,034	-	-
341	Tenant Security Deposits	-	36,260	-	-	1,010	-
342	Unearned Revenue	11,894	-	-	-	-	-
343	Current Portion of Long-term Debt - Capital	-	110,497	-	56,652	10,800	-
345	Line of Credit / Security Deposits	64,562	-	-	-	-	-
347	Due to COCC / A/P Other	269,328	59,782	-	-	-	273,372
310	Total Current Liabilities	543,294	228,667	-	62,946	12,841	330,393
351	Long-term Debt, Net of Current - Capital	3,784,968	577,688	-	615,783	229	-
354	Accrued Compensated Absences - Non Current	5,392	1,957	-	-	-	11,184
350	Long-term Debt, Net of Current - Capital Total Non-	3,790,360	579,645	-	615,783	229	11,184
300	Total Liabilities	4,333,654	808,312	-	678,729	13,070	341,577
508.4	Net Investment in Capital Assets	969,345	820,523	-	1,429,954	537,558	-
511.4	Restricted Net Position	-	320,070	-	59,469	-	-
512.4	Unrestricted Net Position	8,300,241	(11,398)	895,852	399,455	261,588	32,190
513	Total Equity - Net Assets / Position	9,269,586	1,129,195	895,852	1,888,879	799,146	32,190
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	$ 13,603,239	$ 1,937,507	$ 895,852	$ 2,567,608	$ 812,216	$ 373,767

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – DETAIL FOR BUSINESS ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Madrone	Emergency Housing Assistance	CSA	Agency Genereal	Family Shelter House	Turtle Creek	Total
111	Cash - Unrestricted	$ -	$ -	$ -	$ 85	$ -	$ -	$ 16,308
113	Cash - Other Restricted	-	-	-	-	-	-	379,539
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	37,270
100	Total Cash	-	-	-	85	-	-	433,117
125	Accounts Receivable - Miscellaneous	35,860	10,560	2,041	-	-	-	908,685
120	Total Receivables, Net of Allowances for Doubtful Accounts	35,860	10,560	2,041	-	-	-	908,685
131	Investments - Unrestricted	-	-	-	651,453	-	-	651,453
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	276,412
143	Inventories	-	-	-	-	-	-	6,466
144	Inter Program Due From	-	-	399,123	1,189,244	-	-	2,217,313
150	Total Current Assets	35,860	10,560	401,164	1,840,782	-	-	4,493,445
161	Land	-	-	166,120	-	-	-	3,649,992
162	Buildings	-	-	339,371	587,939	107,794	-	8,557,581
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	99,178
164	Furniture, Equipment & Machinery - Administration	-	-	69,790	319,408	-	-	389,198
166	Accumulated Depreciation	-	-	(266,194)	(688,789)	(27,780)	-	(3,224,629)
167	Construction in Progress	-	-	-	-	-	-	379,446
160	Total Capital Assets, Net of Accumulated	-	-	309,087	218,558	80,014	-	9,850,766
171	Notes, Loans and Mortgages Receivable - Non-Current, Net of Discounts and Allowances	-	-	-	-	775	-	7,305,663
174	Other Assets	-	-	-	-	-	-	584,851
176	Investments in Joint Ventures	-	-	-	-	-	-	852,262
180	Total Non-Current Assets	-	-	309,087	218,558	80,789	-	18,593,542
290	Total Assets and Deferred Outflow of Resources	$ 35,860	$ 10,560	$ 710,251	$ 2,059,340	$ 80,789	$ -	$ 23,086,987
312	Accounts Payable <= 90 Days	$ 11,927	$ 795	$ 858	$ -	$ -	$ -	$ 227,760
321	Accrued Wage/Payroll Taxes Payable	827	-	-	33	25	-	18,875
322	Accrued Compensated Absences - Current Portion	2,115	-	-	-	-	-	45,357
325	Accrued Interest Payable	-	-	-	-	-	-	8,572
341	Tenant Security Deposits	-	-	-	-	-	-	37,270
342	Unearned Revenue	-	-	-	-	-	-	11,894
343	Current Portion of Long-term Debt - Capital	-	-	-	-	-	-	177,949
345	Line of Credit / Security Deposits	-	-	-	-	-	-	64,562
347	Due to COCC / A/P Other	21,627	6,065	-	100,298	63,578	-	794,050
310	Total Current Liabilities	36,496	6,860	858	100,331	63,603	-	1,386,289
351	Long-term Debt, Net of Current - Capital	-	-	-	-	-	-	4,978,668
354	Accrued Compensated Absences - Non Current	906	-	-	-	-	-	19,439
350	Long-term Debt, Net of Current - Capital Total Non-	906	-	-	-	-	-	4,998,107
300	Total Liabilities	37,402	6,860	858	100,331	63,603	-	6,384,396
508.4	Net Investment in Capital Assets	-	-	-	218,558	16,436	-	3,992,374
511.4	Restricted Net Position	-	-	-	-	-	-	379,539
512.4	Unrestricted Net Position	(1,542)	3,700	709,393	1,740,449	750	-	12,330,678
513	Total Equity - Net Assets / Position	(1,542)	3,700	709,393	1,959,007	17,186	-	16,702,591
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	$ 35,860	$ 10,560	$ 710,251	$ 2,059,338	$ 80,789	$ -	$ 23,086,987

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – DETAIL FOR BUSINESS ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Development & Asset Management	Firwood	Richardson Bridge	Heeran Center	Signpost House	Energy Services
70300	Net Tenant Rental Revenue	$ 867	$ 537,879	$ 179,963	$ 243,582	$ 83,805	$ -
70750	Other Fees	169,969	-	-	-	-	-
70800	Other Government Grants	-	-	252,963	33,094	-	76,496
71100	Investment Income - Unrestricted	9,494	-	11	-	-	-
71200	Mortgage Interest Income	315,610	-	-	-	-	-
71500	Other Revenue	375,085	11,914	6,066	3,828	3,475	580,073
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-
72000	Investment Income - Restricted	-	81	-	77	-	-
70000	Total Revenue	871,025	549,875	439,003	280,581	87,280	656,569
91100	Administrative Salaries	211,776	59,940	-	1,149	3,323	20,231
91200	Auditing Fees	2,200	3,000	-	-	-	118
91300	Management Fee	-	-	12,700	6,480	12,996	-
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee Benefit contributions - Administrative	119,737	41,102	-	(286)	1,161	(79,890)
91600	Office Expenses	21,723	8,684	7,205	4,234	518	(5,224)
91700	Legal Expense	2,595	765	1,427	-	-	(76)
91800	Travel	1,503	212	-	-	-	80
91810	Overhead Allocations	125,048	37,196	-	1,746	-	124,519
91900	Other	17,979	5,736	9,303	483	19	2,880
91000	Total Operating - Administrative	502,561	156,635	30,635	13,806	18,017	62,638
92000	Asset Management Fee	-	-	20,000	-	-	-
92200	Relocation Costs	-	3,139	-	-	-	-
92400	Tenant Services - Other	-	30	-	-	-	-
92500	Total Tenant Services	-	3,169	20,000	-	-	-
93100	Water	95	14,884	5,695	3,737	2,994	-
93200	Electricity	977	9,010	6,059	17,199	1,177	-
93300	Gas	276	-	-	4,106	619	-
93600	Sewer	235	22,492	9,884	5,018	3,070	-
93000	Total Utilities	1,583	46,387	21,638	30,060	7,860	-
94100	Ordinary Maintenance and Operations - Labor	$ 8,763	$ 25,250	$ -	$ 1,173	$ -	$ 82,846
94200	Ordinary Maintenance and Operations - Materials and Other	49	23,501	23,723	16,375	5,765	450,678
94300	Ordinary Maintenance and Operations Contracts	(42,010)	72,631	82,215	63,293	36,794	5,699
94500	Employee Benefit Contributions - Ordinary Maintenance	5,523	20,450	-	1,507	-	40,263
94000	Total Maintenance	(27,675)	141,832	105,938	82,348	42,559	579,486
96110	Property Insurance	-	10,161	3,515	2,746	-	-
96140	All Other Insurance	3,145	-	-	-	1,546	(1,672)
96100	Total insurance Premiums	3,145	10,161	3,515	2,746	1,546	(1,672)
96200	Other General Expenses	1,138,463	49,897	-	-	-	-
96400	Bad debt - Tenant Rents	-	5,852	4,681	-	-	-
96000	Total Other General Expenses	1,138,463	55,749	4,681	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	388	33,366	-	25,716	888	-
96900	Total Operating Expenses	1,618,465	447,299	186,408	154,676	70,870	640,452
97000	Excess of Operating Revenue over Operating Expenses	(747,440)	102,576	252,596	125,905	16,410	16,117
97300	Housing Assistance Payments	-	-	-	-	-	-
97400	Depreciation Expense	-	64,088	-	58,044	14,581	-
90000	Total Expenses	1,618,465	511,387	186,408	212,720	85,451	640,452
10092	Inter Project Excess Cash Transfer Out	(159,836)	-	(148,394)	-	-	-
10093	Inter Project Excess Cash Transfer In	148,394	-	-	-	-	-
10080	Special Item	8,329,441	-	79,241	766,679	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ 7,570,559	$ 38,488	$ 183,443	$ 834,540	$ 1,829	$ 16,117
11030	Beginning Equity	1,699,027	1,090,707	712,409	1,054,339	797,317	6,475
11040	Prior Period Adjustments, Equity Transfers and Correction (	-	-	-	-	-	9,598

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

FINANCIAL DATA SCHEDULE – DETAIL FOR BUSINESS ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Madrone	Emergency Housing Assistance	CSA	Agency General	Family Shelter House	Turtle Creek	Total
70300	Net Tenant Rental Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,046,096
70750	Other Fees	-	-	-	-	-	-	169,969
70800	Other Government Grants	99,269	34,936	-	-	-	-	496,758
71100	Investment Income - Unrestricted	-	-	-	8,008	-	-	17,513
71200	Mortgage Interest Income	-	-	-	-	116	-	315,726
71500	Other Revenue	-	-	-	108,741	12,000	-	1,101,183
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-
72000	Investment Income - Restricted	-	-	-	-	-	-	158
70000	Total Revenue	99,269	34,936	-	116,749	12,116	-	3,147,403
91100	Administrative Salaries	19,018	-	-	3,257	11	-	318,705
91200	Auditing Fees	-	-	-	-	-	-	5,318
91300	Management Fee	-	-	-	-	-	-	32,176
91400	Advertising and Marketing	-	-	-	-	-	-	-
91500	Employee Benefit contributions - Administrative	15,795	-	-	6,136	-	-	103,756
91600	Office Expenses	285	-	(203)	-	-	-	37,222
91700	Legal Expense	-	-	-	-	-	-	4,711
91800	Travel	37	-	-	-	-	-	1,832
91810	Overhead Allocations	-	-	-	-	-	-	288,509
91900	Other	-	8,705	(2,584)	(1,126)	-	-	41,395
91000	Total Operating - Administrative	35,135	8,705	(2,787)	8,267	11	-	833,624
92000	Asset Management Fee	-	-	-	-	-	-	20,000
92200	Relocation Costs	-	-	-	-	-	-	3,139
92400	Tenant Services - Other	-	-	-	-	-	-	30
92500	Total Tenant Services	-	-	-	-	-	-	23,169
93100	Water	-	-	-	-	-	-	27,405
93200	Electricity	-	-	-	-	-	-	34,423
93300	Gas	-	-	-	-	-	-	5,001
93600	Sewer	-	-	-	-	-	-	40,699
93000	Total Utilities	-	-	-	-	-	-	107,528
94100	Ordinary Maintenance and Operations - Labor	$ -	$ -	$ -	$ 164	$ -	$ -	$ 118,196
94200	Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	-	-	520,091
94300	Ordinary Maintenance and Operations Contracts	18,380	-	-	-	-	-	237,002
94500	Employee Benefit Contributions - Ordinary	-	-	-	83	-	-	67,826
94000	Total Maintenance	18,380	-	-	247	-	-	943,115
96110	Property Insurance	-	-	-	-	-	-	16,422
96140	All Other Insurance	-	-	-	-	3,250	-	6,268
96100	Total insurance Premiums	-	-	-	-	3,250	-	22,690
96200	Other General Expenses	-	-	-	-	-	-	1,188,360
96400	Bad debt - Tenant Rents	-	-	-	-	-	-	10,533
96000	Total Other General Expenses	-	-	-	-	-	-	1,198,893
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	11	-	60,369
96900	Total Operating Expenses	53,515	8,705	(2,787)	8,514	3,272	-	3,189,388
97000	Excess of Operating Revenue over Operating	45,754	26,231	2,787	108,235	8,844	-	(41,986)
97300	Housing Assistance Payments	47,296	26,231	56	-	-	-	73,583
97400	Depreciation Expense	-	-	14,679	-	2,066	-	153,458
90000	Total Expenses	100,811	34,936	11,948	8,514	5,338	-	3,416,429
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	(308,230)
10093	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	148,394
10080	Special Item	-	-	(9,055,451)	-	-	15,908	135,818
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (1,542)	$ -	$ (9,067,399)	$ 108,235	$ 6,778	$ 15,908	$ (293,045)
11030	Beginning Equity	-	3,700	9,776,792	1,850,772	10,408	(15,908)	16,986,038
11040	Prior Period Adjustments, Equity Transfers and Correctio	-	-	-	-	-	-	9,598

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

Board of Commissioners of
Housing and Community Services Agency of Lane County
Eugene, Oregon

We have audited the basic financial statements of Housing and Community Services Agency of Lane County (the Agency), a component unit of Lane County, Oregon, and the aggregate discretely presented component units, as of and for the year ended September 30, 2017, and have issued our report thereon dated June 29, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations,* prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. Our report includes reference to other auditors who audited the financial statements of Hawthorn-At-29th LLC, New Winds Apartments Limited Partnership, Roosevelt Crossing Limited Partnership, Munsel Park Limited Partnership, Turtle Creek Apartments Limited Partnership, and Bascom Village II LLC, discretely presented component units, as described in our report of the Agency's financial statements. The financial statements of New Winds Apartments Limited Partnerships, Turtle Creek Apartments Limited Partnership, and Bascom Village II LLC were not audited in accordance with *Government Auditing Standards* or provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules (OAR) 162-10-000 to 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

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

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. Except as discussed below, the results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State.

Extensions of Time to Deliver Audit Reports

The Agency failed to file its fiscal year ended September 30, 2017 audit with the Secretary of State within 180 days of its fiscal year-end, and an extension request was not filed with the Secretary of State.

Internal Control Over Financial Reporting

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

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

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

Purpose of this Report

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

James C. Lanzarotta

For Moss Adams LLP
Eugene, Oregon
June 29, 2018

FEDERAL GRANT PROGRAMS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners of
Housing and Community Services Agency of Lane County
Eugene, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Housing and Community Services Agency of Lane County (the Agency), a component unit of Lane County, Oregon, and its discretely presented component units, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise Agency's basic financial statements, and have issued our report thereon dated June 29, 2018. Our report includes reference to other auditors who audited the financial statements of the aggregate discretely presented component units, except for Oaks-At 14th LLC, as described in our report of the Agency's financial statements. The financial statements of New Winds Apartments Limited Partnerships, Oaks-At 14th LLC, Turtle Creek Apartments Limited Partnership, and Bascom Village II LLC were not audited in accordance with Government Auditing Standards. We have issued an unmodified opinion for the Agency and a qualified opinion on the aggregate discretely presented component units because the financial statements of Oaks-At 14th LLC have not been audited.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Moss Adams, LLP

Eugene, Oregon
June 29, 2018

MOSSADAMS

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

Board of Commissioners of
Housing and Community Services Agency of Lane County
Eugene, Oregon

Report on Compliance for the Major Federal Program

We have audited Housing and Community Services Agency of Lane County (the Agency), a component unit of Lane County, Oregon, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Agency's major federal program for the year ended September 30, 2017. The Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Moss Adams, LLP

Eugene, Oregon
June 29, 2018

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Federal Grantor/Program Title	Federal CFDA Number	Subgrant ID Number	2017 Expenditures
U.S. Department of Housing and Urban Development:			
Direct Programs:			
Housing Choice Vouchers	* 14.871	N/A	$ 17,027,431
Public Housing	14.850	N/A	1,765,916
Public Housing Capital Fund	14.872	N/A	1,193,729
Shelter Plus Care	14.238	N/A	495,381
Resident Opportunity and Support Services- Service Coordinators	14.870	N/A	382,101
Low Income Housing Preservation and Resident Homeownership Act of 1990- Capital Grant - Village Oaks	14.U01	N/A	2,126,871
Interest Reduction Payments - Rental and Corporation Housing for Lower Income Families			
Village Oaks	14.103	N/A	83,790
Fourteen Pines	14.103	N/A	322,618
			406,408
Passed through Oregon Housing and Community Services Dept.- Section 8 New Construction and Substantial Rehabilitation - Abbie Lane Apartments	14.U02	N/A	159,575
Passed through State of Oregon:			
HOME Investment Partnership Program	14.239		
Camas Apartments		X001-265	634,318
Munsel Park		0000008	670,726
			1,305,044
Passed through City of Eugene:			
HOME Investment Partnership Program	14.239		
Jacobs Lane		98-02018	451,600
Hawthorn-at-29th		2009-02052	700,000
Laurel Garden		96-02103	137,200
Sheldon Village I		2002-02009	284,195
Sheldon Village II		2002-02091	290,805
Turtle Creek		2006-02013	565,000
Walnut Park		9570643	515,000
Willakenzie		Unknown	225,000
Bascom Village II		Unknown	254,206
			3,423,006
Total Department of Housing and Urban Development			28,285,462

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Federal Grantor/Program Title	Federal CFDA Number	Subgrant ID Number	2017 Expenditures
Under States Department of Agriculture			
Direct Programs:			
Rural Rental Housing Loans - Camas Apartments	10.415	N/A	$ 410,294
Rural Rental Housing Loans - Norsemen Village	10.415	N/A	1,782,055
			2,192,349
Rural Rental Assistance Payments - Camas Apartments	10.427	N/A	112,423
Rural Rental Assistance Payments - Norsemen Village	10.427	N/A	203,467
			315,890
Total Department of Agriculture			2,508,239
U.S. Department of Energy			
Passed through Lane County, Oregon:			
Weatherization Assistance for Low Income Persons	81.042	25765	289,239
Bonneville Power Administration	81.042	25765	419,824
Total Department of Energy			709,063
U.S. Department of Health and Human Services			
Passed through Lane County, Oregon-			
Low Income Home Energy Assistance	93.568	25765	534,439
Total expenditures of federal awards			$ 32,037,203

* Denotes Major Program

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

NOTE 1–BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Housing and Community Services Agency of Lane County ("HACSA"), a component unit of Lane County, Oregon, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of HACSA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of HACSA.

NOTE 2–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. HACSA has not elected to use the 10-percent de minims indirect cost rate allowed under the Uniform Guidance.

NOTE 3–LOAN PROGRAM S

HACSA has received loans funded by programs of U.S. Department of Agriculture and the U.S. Department of Housing and Urban Development. The loan balances outstanding are included in the federal expenditures presented in the Schedule and of Expenditures of Federal Awards; however these are not current year expenditures. There were no federal funds received for these items for the period ending September 30, 2017. HACSA received no additional loans during the year ended September 30, 2017. The balance of the loans outstanding at September 30, 2017 consists of the following:

CFDA Number	Program Name	Outstanding Balance
10.415	Rural rental housing loans	$2,192.349
14.239	Home investment partnership program	$1,305,044
14.239	Home investment partnership program	$3,423,006
14.U01	Low Income Housing Preservation and Resident Homeownership Act of 1990 Capital Grant	$2,126,871

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY
(A COMPONENT UNIT OF LANE COUNTY, OREGON)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified – Housing and Community Services Agency of Lane County

Qualified - Aggregate discretely presented component units

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

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

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

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

CFDA Numbers	*Name of Federal Program or Cluster*	*Type of Auditor's Report Issued on Compliance for Major Federal Programs*
14.871	Housing Voucher Cluster	*Unmodified*

Dollar threshold used to distinguish between type A and type B programs: $ 961,116

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY

SUMMARY OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2017

Follow up on finding reported June 30, 2016

Financial Statement Findings

None reported.

Federal Award Findings and Questioned Costs

FINDING 2016-001 – CFDA #14.850 – Public Housing (Instance of Noncompliance)

Condition: HACSA should conform to Financial Report Model No.1 PHAs under Asset Management with COCC as described in HUD Accounting Brief #16 and is required to use a fee-for-service approach for asset management costs incurred by PHAs. During the year ended September 30, 2016, HACSA used a mixed model of a fee-for-service and allocated overhead.

Recommendation: Overhead costs allocation analysis should be closely reviewed by the directors who have a thorough understanding of the compliance requirements of the major federal programs.

Status of Finding: Resolved. HACSA removed $444,119 of overhead allocation charges from COCC to Public Housing as part of the year-end closing process. The finance director and deputy director are closely reviewing the analysis of overhead allocations to ensure compliance with HUD requirements for Public Housing. In May of 2017, HACSA engaged Casterline Associates P.C., a HUD expert, to review HACSA's overhead allocation plan and to provide best practice recommendations. HACSA submitted its revised COCC Cost Allocation to its HUD field office in December 2017 and management believes the plan to be in conformity with Financial Report Mode3l No. 1 under Asset Management with COCC as described in HUD's Accounting Brief #16.