



Homes for Good

2019 Financial Statement

100 W 13th Ave. Eugene, OR 97401
541-682-3755 | | Homesforgood.org



HOMES FOR GOOD HOUSING AGENCY

**Financial Statements and Supplementary Information
for the year ended September 30, 2019
and Report of Independent Auditors
and Single Audit Reports**

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INTRODUCTORY SECTION

**HOMES FOR GOOD HOUSING AGENCY
LIST OF PRINCIPAL OFFICIALS**

SEPTEMBER 30, 2019

BOARD OF COMMISSIONERS

Pat Farr	125 E. 8 th Avenue Eugene, OR 97401
Jay Bozievich	125 E. 8 th Avenue Eugene, OR 97401
Joe Berney	125 E. 8 th Avenue Eugene, OR 97401
Heather Buch	125 E. 8 th Avenue Eugene, OR 97401
Pete Sorenson	125 E. 8 th Avenue Eugene, OR 97401
Charene Reavis	100 W. 13 th Street Eugene, OR 97401
Michelle Thurston	100 W. 13 th Street Eugene, OR 97401

ADMINISTRATION

Jacob Fox	Executive Director
Jeffery Bridgens	Finance Director
Ela Kubok	Communications Director
Wakan Alferes	Resident Services Director
Bailey McEuen	Human Resources Director
Steve Ochs	Real Estate Development Director
Beth Ochs	Rent Assistance Division Director
Steve Jole	Energy Services Director

FINANCIAL SECTION

Report of Independent Auditors

Board of Commissioners of
Homes For Good Housing Agency
Eugene, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Homes for Good Housing Agency (the Agency), a component unit of Lane County, Oregon, as of and for the year ended September 30, 2019, and the financial statements of Hawthorn-At-29th LLC, New Winds Apartments Limited Partnership, Roosevelt Crossing Limited Partnership, The Oaks-At-14th LLC, Munsel Park Limited Partnership, Turtle Creek Apartments Limited Partnership, Bascom Village II LLC and Richardson Bridge LLC (the aggregate discretely presented component units), as of and for the year ended December 31, 2018, 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 opinions 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. 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, The Oaks-At 14th LLC, Turtle Creek Apartments, Bascom Village II LLC and Richardson Bridge 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.

Opinions

In our opinion, based on our audit and reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of September 30, 2019, and the aggregate discretely presented component units as of December 31, 2018, and the respective changes in financial position and, where applicable, 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 14 and the schedule of changes in total OPEB liability and related ratios on page 50 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 51 through 72, 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 79 through 81 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 are 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 and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2020 on 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 the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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 August 24, 2020 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.



For Moss Adams LLP
Eugene, Oregon
August 24, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOMES FOR GOOD HOUSING AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Homes for Good Housing Agency (“Homes for Good” or the “Agency”) is the public housing authority of Lane County, Oregon. The Agency was created by resolution of the County Board of Commissioners, pursuant to Oregon Revised Statutes, 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. The Agency’s Board of Commissioners includes the Lane County Board of Commissioners and two appointed commissioners who are public housing residents. Homes for Good is a component unit of Lane County, Oregon and these financial statements are included in Lane County’s financial statements.

Management’s Discussion and Analysis (MD&A) provides an overview of the Agency’s financial activities for the fiscal year ended September 30, 2019.

Financial Highlights

- Homes for Good reported net position of approximately \$58,586,000, as of September 30, 2019. This represents an increase of \$3,136,000 (5.6%) from the prior year’s reported net position.
- Total assets and deferred outflows of resources were approximately \$83,868,000 which represents an increase of approximately \$12,238,000 or 17% from September 30, 2018. The increase in assets is attributable to increases in restricted cash deposits and capital assets and other long-term assets including new notes receivable due from related parties. Capital assets of the Agency increased substantially from investments in new predevelopment activities and renovations to the Agency’s future administrative building located at 100 W. 13th Street, Eugene, Oregon. Other long-term assets increased as the result of the Agency receiving new long-term note receivables for Market District Commons, a new tax credit partnership located in downtown Eugene, Oregon.
- Total liabilities and deferred inflows of resources were approximately \$25,282,000 which was an increase of approximately \$9,102,000 or 56.2% from September 30, 2018. This increase is due to the new note payables for the Agency’s additions related to its new administrative building.
- \$14,902,000 of the Agency’s combined net position was unrestricted. It is a decrease of \$(1,651,000) over the prior year. As a percent of total net position, this represents 26%, which is consistent with the prior year.
- Total operating revenue for the year ended September 30, 2019 was approximately \$38,447,000, an increase of \$5,770,800 (18) % over the prior year. The increase is attributable to funding received for Market District Commons.
- Total operating expenses increased by \$1,706,000. The 2019 increases to operating costs are attributable to increased housing assistance payments and higher maintenance expenses. The operating income for the year ended September 30, 2019 was \$2,924,000, approximately \$4,065,000 more than the previous year.

HOMES FOR GOOD HOUSING AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Using This Report

This 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 Homes for Good, as a whole, as of and for the year ended September 30, 2019.

The basic financial statements for the fiscal year ended September 30, 2019, are presented in two columns: primary government and discretely presented component units. The primary government includes all the Agency's Low Rent Public Housing programs, the Housing Choice Voucher program, community services programs and the Agency's blended component units: HACSA Partner LLC, Homes for Good Foundation, Walnut Park Limited Partnership, The Orchards Limited Partnership, Laurel Gardens Limited Partnership, Jacob's Lane Limited Partnership and Sheldon Village Apartments LLC.

The discretely presented component unit column includes ten (10) low-income housing tax credit limited partnerships/limited liability corporations. For a more detailed discussion of the reporting entity, please see Notes to the Financial Statements, Note 1- Summary of Significant Accounting Policies.

The Statement of Net Position, the Statement of Revenue, Expenses and Changes in Net Position and the Statement of Cash Flows report information about Homes for Good 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.

Homes for Good transactions are recorded as an 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.

The Statement of Net Position presents Homes for Good's financial position as of September 30, 2019. 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, simply stated, is the difference between what Homes for Good owns less amounts Homes for Good owes to others. Changes in net position over time is a useful indicator of whether the Agency's financial condition is improving or declining.

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, 2019.

The Statement of Cash Flows is an analysis of the increase or decrease in the Agency's cash balances during the year.

The supplemental information (including required supplementary information) reflects the combining financial statements of all 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 the Agency 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.

HOMES FOR GOOD HOUSING AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS

Net Position

Net position serves as an indicator of a government’s financial position. In the case of Homes for Good, assets exceed its liabilities by approximately \$58,586,000 at the close of the fiscal year and the Agency’s net position increased by approximately \$3,136,000 over the prior year. The increase in the Agency’s total assets reflects gains realized by selling long-term capital assets.

	September 30,	
	2019	2018
Assets and Deferred Outflows of Resources:		
Current assets	\$ 18,657,106	\$ 16,345,709
Capital assets	55,411,888	48,620,774
Other assets	9,787,761	6,652,251
Deferred outflows of resources	11,247	11,247
Total assets and deferred outflows of resources	<u>83,868,002</u>	<u>71,629,981</u>
Liabilities and Deferred Inflows of Resources:		
Current liabilities	7,127,126	6,530,603
Non-current Liabilities	18,149,967	9,644,229
Deferred inflows of resources	5,035	5,035
Total liabilities and deferred inflows of resources	<u>25,282,128</u>	<u>16,179,867</u>
Net position		
Net investment in capital assets	33,977,204	36,097,636
Restricted net position	9,706,064	3,029,910
Unrestricted net position	14,902,606	16,322,568
Net position	<u>58,585,874</u>	<u>55,450,114</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 83,868,002</u>	<u>\$ 71,629,981</u>

HOMES FOR GOOD HOUSING AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS

Changes in Net Position

Homes for Good’s funding was consistent with the previous year. The Agency distributed more housing assistance payments during 2019. Administration expenses also were consistent with 2018. The Agency received a significant amount of capital related grants associated with development of Market District Commons, LLC. Market District Commons, LLC is a newly formed tax credit partnership entity and is a discretely presented component unit of Homes for Good Housing Agency.

	Year Ended September 30,	
	2019	2018
	<u> </u>	<u> </u>
Housing assistance grants	20,341,752	18,798,681
Dwelling rent	6,101,137	5,966,226
HUD operating subsidies	7,733,529	3,642,325
Other government grants	3,994,373	2,443,171
Other income	<u>276,680</u>	<u>1,826,260</u>
Total operating revenues	<u>38,447,471</u>	<u>32,676,663</u>
Housing assistance payments	18,549,325	17,399,437
Administration	7,025,327	7,074,871
Maintenance	5,532,042	5,019,302
Depreciation	1,993,899	1,911,147
Utilities	974,556	994,299
Other	627,926	875,713
Tenant services	509,721	267,651
Insurance	261,340	242,651
Protective services	42,064	21,182
Housing assistance portability payments	4,027	-
Non-routine maintenance	<u>2,612</u>	<u>11,012</u>
Total operating expenses	<u>35,522,839</u>	<u>33,817,265</u>
Operating income (loss)	2,924,632	(1,140,602)
Non-operating income (expenses)		
HUD capital grants	437,589	294,382
Special items	-	4,301,252
Interest income	288,428	169,334
Interest expense	(419,634)	(338,399)
Loss on disposal of capital assets	<u>(95,255)</u>	<u>-</u>
Increase in net position	<u>\$ 3,135,760</u>	<u>\$ 3,285,967</u>

HOMES FOR GOOD HOUSING AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital Assets	September 30,	
	2019	2018
Land	\$ 11,701,190	\$ 11,593,321
Buildings and improvements	80,547,751	78,572,238
Furniture and equipment	3,616,151	3,262,656
Construction in progress	<u>10,327,157</u>	<u>4,177,443</u>
Total capital assets	106,192,249	97,605,658
Less: accumulated depreciation	<u>(50,780,361)</u>	<u>(48,984,884)</u>
Capital assets, net of accumulated depreciation	<u>\$ 55,411,888</u>	<u>\$ 48,620,774</u>

The Agency’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 Agency’s capital assets. Note 7-Capital Assets contained in the Notes to Financial Statements of this report provides detailed information about capital asset activities of Homes for Good. During fiscal year 2019, there was an increase of approximately \$6,800,000 to capital assets for all categories combined, net of accumulated depreciation. Significant amounts by category include:

Land – Additions to land include site costs for RAD 2, LLC and Legion Cottages.

Buildings and improvements – Buildings and improvements increased by \$1,984,000 during 2019. The majority of this increase is attributable to transfers of construction in progress within low rent public to building additions and upgrades that were placed into service during 2019. New building improvements include exterior painting at Abbie Lane apartments and new stairs at Signpost House totaling \$80,000 and \$127,000 respectively.

Construction in progress – The Agency’s construction in progress increased substantially by \$6,150,000. Growth in Homes for Good’s construction in progress is attributable to the Agency’s investment in its administrative offices located at 100 W. 13th Street, Eugene, Oregon. The Agency also continued its development and installation of energy performance measures during 2019. It is expected that these measures are place in service next year. The Agency also continued its investment in predevelopment activities and incurred costs for several new affordable housing projects. The Agency’s pre-development costs for affordable housing projects include costs related to The Commons on MLK and RAD 2, LLC. These new affordable housing projects will provide approximately 220 units of new affordable housing units over the next two years. The Agency’s pre-predevelopment costs for these affordable housing projects totaled approximately \$2,217,000 for the period ended September 30, 2019. New additions to construction in progress also include purchases made in association with capital fund grants from HUD within low rent public housing.

Accumulated depreciation - Accumulated depreciation increased by depreciation expense \$1,994,000 less removal of accumulated depreciation due to the disposal of buildings and equipment during 2019.

HOMES FOR GOOD HOUSING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt

The Agency's long-term debt includes 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. Note 8-Long-Term Liabilities contained in the Notes to Financial Statements of this report provides more detailed information about borrowing activities of Homes for Good.

	September 30,	
	2019	2018
Bonds	\$ 9,203,000	\$ -
Notes payable	12,231,684	13,079,741
Total capital assets	<u>\$ 21,434,684</u>	<u>\$ 13,079,741</u>

Budgets, Significant Changes and Economic Factors

The Agency's budget for the year ended September 30, 2019 was approved by the Homes for Good Board of Commissioners in September 2018. The Agency's budget is primarily supported by federal funds with the majority coming from the Department of Housing and Urban Development. The Agency is affected by Federal budget appropriations.

2019 Homes for Good Budgeted Revenues

Section 8 Division	\$ 19,690,180
Housing Programs	9,548,897
Community Services Division	10,318,523
COCC	<u>2,523,558</u>
Total	<u>\$ 42,081,158</u>

2019 Homes for Good Budgeted Expenses

Section 8 Division	\$ 19,790,380
Housing Programs	7,763,690
Community Services Division	4,977,571
COCC	<u>2,966,010</u>
Total	<u>\$ 35,497,651</u>

HUD Programs and Funding

The Agency's three largest services include rent assistance, affordable housing and community services. The Housing Choice Voucher and public housing are reliant on HUD funding. HUD did not implement any new methodologies about funding for fiscal year 2020. Management of Homes for Good expects the proration factors for Housing Choice Vouchers program and public housing programs over the coming year to be consistent with 2019.

HOMES FOR GOOD HOUSING AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

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 management of the Agency.

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.

The Agency began calendar 2019 with a voucher usage rate of 99% and ended with a voucher utilization rate of 97% at September 30, 2019. The Agency's goal is to manage attrition and new voucher issuance so that the combined average at year-end ranges from between 95% to 100%.

Housing Choice Voucher program revenue totaled approximately \$16,266,000, 958,000 less than budgeted for 2019. The Agency paid \$17,648,000 in rent assistance payments to landlords during 2019, \$40,000 less than was budgeted for the fiscal year.

Administrative funding for the Housing Choice Voucher program is based on a dollar value per voucher utilized, times the proration percentage. Administrative fee revenue for 2019 was \$2,770,000 and exceeded the budgeted administrative fee for 2019 by approximately \$462,000. Administrative expenses of the program for 2019 were \$2,432,000 and exceeded the budgeted amount for administrative expenses by \$580,000.

Housing

The Agency's Housing consists of 695 units of public housing as well as 247 units of affordable multi-family housing managed by Homes for Good. 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 Agency's Housing program are tenant rents and HUD operating subsidy grants.

Public housing operating subsidies are calculated annually using a methodology that takes into consideration multiple factors about the public housing portfolio including occupancy rates, utility consumption and inflation. After operating subsidies are calculated the federal government applies a proration factor based on the availability of funds. Homes for Good received operating subsidies of \$1,857,000 during 2019, a \$24,000 increase from the previous year and \$17,000 more than the operating subsidy budgeted for the year. For the 695 units of public housing, tenant rental revenue was budgeted to be \$2,075,000; actual rent revenue reported for 2019 was \$2,342,000, \$267,000 greater than budgeted.

HOMES FOR GOOD HOUSING AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS

Tenant rental revenue associated with the Agency’s portfolio of multi-family housing totaled \$1,261,000, \$8,000 greater than budgeted for 2019. The combined excess of operating revenue over operating expenses for these properties, net of depreciation, totaled \$193,000, \$93,000 less than budgeted.

Tenant rental revenue associated with third-party managed properties totaled approximately \$1,543,000 and was \$671,000 less than budgeted. The combined excess of operating revenue over operating expenses for these properties, net of depreciation, totaled \$211,000 for the period ended September 30, 2019, \$389,000 less than budgeted.

Capital fund program - HUD’s Capital Fund Program activities are an integral part of Homes for Good’s Housing operations. The Agency’s staff maintains various properties through capital improvements, funded either with the HUD capital grant program or from replacement reserves. The following chart illustrates the Agency’s capital grants and funding over the previous 7 years.

<u>Year</u>	<u>Capital Grant</u>	<u>Per Unit</u>
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
2018	1,392,007	2,003
2019	1,422,851	2,047

Energy performance contract - 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 2018, the Agency’s Board authorized the use of an energy performance contract. As of September 30, 2019, approximately seventy percent (70%) of the anticipated energy performance saving measures has been installed.

Community Services

Community services activities of Homes for Good include Real Estate Development, Energy Services, and Resident Services such as the Resident Opportunity and Family Self Sufficiency Programs.

Real estate development activities - Development of low-income housing results in development fees being earned by Homes for Good. Development fees represent significant discretionary revenues used to support the operating costs for real estate development staff and the Agency as a whole. During 2019 real estate development staff guided the Agency’s rental assistance demonstration activities to move housing subsidies from the public housing program to the Section 8 program. The Agency anticipates selling 97 scattered sites from its public housing portfolio in the coming years. The proceeds from these sales will be reinvested RAD 2, LLC, resulting in new affordable housing located in Eugene, Oregon and Springfield, Oregon. The sale of additional properties for RAD conversions is expected to have a significant effect on the Agency’s programs and financial position over the next several years.

HOMES FOR GOOD HOUSING AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$1,415,000 during the fiscal year ended September 30, 2019, \$285,000 less than the previous fiscal year.

Resident Services – Funding for Family Self Sufficiency (FSS) is made to hire a program coordinator who links residents with training opportunities, job placement organizations, and local employers. Residents enter into a contract of participation which outlines their responsibilities towards completion of training and employment objectives over a five-year period or less. During the period of participation, residents may earn an escrow credit, based on increased earned income, which they may use in a variety of ways upon successful graduation from the program. The FSS program received federal funding totaling approximately \$315,000 for the fiscal year ended September 30, 2019 and are comparable to the prior year.

The Shelter Plus Care program is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities, primarily those who have a serious mental illness. This program received approximately \$570,000 for the fiscal year ended September 30, 2019, approximately \$100,000 more than fiscal year 2018. Continuum of Care is designed to promote community-wide commitment to the goal of ending homelessness by providing funding to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness and promote access to and effective utilization of mainstream programs by individuals and families experiencing homelessness. The Agency received approximately \$366,000 of federal assistance to provide these services. The Shelter Plus Care and Continuum of Care programs will be combined starting in 2020.

Homes for Good Housing Agency Administration

The Agency's administration is comprised of executive, human resources, finance, information technology, communications, general/maintenance, capital fund administration, building, fleet, EPC and Board departments. Collectively, these departments form a central office cost center of the Agency. Administrative operations are funded through fees based on HUD's Asset Management Model. Total COCC revenue for 2019 was budgeted to be \$2,523,000 and was \$3,178,000, exceeding budgeted revenue by over \$655,000 (25%). Operating expenses of the COCC, which consist of the cost of overhead shared services, were budgeted at \$2,966,000 and were \$3,358,000.

HUD Scoring

HUD evaluates and scores public housing authorities 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. The following chart presents the Agency's scores from HUD over the past 4 years.

HOMES FOR GOOD HOUSING AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS

PHAS Indicators	Maximum Score	2016	2017	2018
Physical	40	38	38	38
Financial	25	16	24	25
Management	25	23	24	24
Capital Fund	10	10	10	10
PHAS Total Score	100	87	96	97

Currently Known Facts and Conditions

During September 2019 the Homes for Good Board approved the Agency’s fiscal year 2020 budget.

2020 Homes for Good Budgeted Revenues

Section 8 Division	\$ 21,746,000
Housing Programs	9,023,400
Community Services Division	29,588,500
COCC	<u>3,393,000</u>
 Total	 <u>\$ 63,750,900</u>

2020 Homes for Good Budgeted Expenses

Section 8 Division	\$ 21,746,000
Housing Programs	9,218,100
Community Services Division	21,411,600
COCC	<u>11,193,000</u>
 Total	 <u>\$ 63,568,700</u>

During calendar year 2020, the Agency anticipates HUD to approve the second phase of RAD, in which 97 more units of public housing will be sold. The eventual sale of these homes represents a significant source of development funding. Management estimates the sale of scattered site homes under the RAD program will generate more than \$20,000,000 to be used for development of new housing in Lane County, Oregon.

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

- *RAD 2, LLC* – This project will add between 90 and 110 units of low-income housing located in Eugene and Springfield, Oregon (*Sarang and Hayden Bridge Landing*). Funding will come from sales proceeds 97 scattered site properties. This project closed and construction started during February 2020.
- *Commons at MLK* – 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. This project closed and construction began during fall 2019.

HOMES FOR GOOD HOUSING AGENCY MANAGEMENT’S DISCUSSION AND ANALYSIS

- *Glenwood* – The property for this project was purchased during 2019. The concept for this development includes a mix of market rate and affordable units. Pending successful attainment of funding, construction could begin in late calendar 2020.
- *13th & Tyler* - The development of this property will provide housing and supportive services for 15 families experiencing homelessness.
- *Legion Cottages* - Four tiny homes designed by the Oregon BILDS program for Veterans partnering with the American Legion in Cottage Grove.
- *1100 Charnelton* – This partnership will identify, engage, and house people experiencing homelessness from Lane County’s Coordinated Entry Central Wait List. The development of this property will provide housing and supportive services for 40-50 people experiencing homelessness.

Homes for Good Housing Agency - The Agency renamed itself as Homes for Good Housing Agency in January 2019. The renaming was part of an intentional rebranding project intended to enhance the Agency’s reputation in the community through education, networking and social media. Our new home is at the corner of 13th and Olive, in the building many known as the former City of Eugene public library. The building offers ample parking, bus access, ADA accessibility and is intended to offer one-stop services. The building is currently occupied by commercial tenants. Homes for Good staff will move into this space in calendar-year 2020.

COVID-19 – The spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses locally and worldwide, resulting in an economic slowdown. Governments have responded with monetary and fiscal interventions to help stabilize economic conditions. They Agency’s financial position may be affected by loss of tenant rents and increased amounts of rental assistance due to loss of income of program participants. On March 22, 2020 a 90-day temporary moratorium on residential evictions for non-payment of rent was placed into effect for the State of Oregon. The temporary moratorium was subsequently extended to April 1, 2021. Management of the Agency has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended September 30, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Agency for future periods. HUD provided the Agency with approximately \$313,000 of additional funding for the Agency’s low rent public housing operations and \$500,000 for the Agency’s rent assistance programs.

Contacting Homes for Good

This financial report is intended to provide citizens, tenants, clients, taxpayers, creditors and stakeholders with a general overview of the Agency’s finances and to show accountability for the money it receives. If you have questions about this report or wish to request additional information, contact Jeffery Bridgens, Finance Director, Homes for Good, 100 W. 13th, Eugene, OR, 97401; email: jbridgens@homesforgood.org; telephone: (541) 682-2525.

HOMES FOR GOOD HOUSING AGENCY
STATEMENT OF NET POSITION

	September 30, 2019	December 31, 2018
	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 6,330,868	\$ 402,734
Restricted cash and cash equivalents	9,706,064	1,761,450
Tenant security deposits	430,989	
Short-term investments	328,571	-
Accounts receivable, net:		
HUD	68,002	-
Tenants	92,549	18,781
Other	1,128,110	73,102
Notes receivable	17,048	-
Inventories	156,540	-
Prepaid expenses and other assets	398,365	31,303
Total current assets	<u>18,657,106</u>	<u>2,287,370</u>
Non-current assets		
Notes receivable from component units and related parties	8,002,646	-
Investments in limited partnerships	903,814	-
Other	881,301	213,783
Total noncurrent assets	<u>9,787,761</u>	<u>213,783</u>
Capital assets:		
Nondepreciable	22,028,347	5,717,443
Depreciable, net of accumulated depreciation	33,383,541	30,286,993
Total capital assets	<u>55,411,888</u>	<u>36,004,436</u>
Total noncurrent and capital assets	<u>65,199,649</u>	<u>36,218,219</u>
Deferred outflows of resources	11,247	-
Total assets and deferred outflows of resources	<u><u>\$ 83,868,002</u></u>	<u><u>\$ 38,505,589</u></u>

See notes to the financial statements.

HOMES FOR GOOD HOUSING AGENCY
STATEMENT OF NET POSITION, (continued)

	September 30, 2019	December 31, 2018
	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 1,062,785	\$ 88,882
Accrued payroll expenses	104,082	-
Other accrued liabilities	701,233	405,758
Accrued interest	103,313	-
Refundable security deposits	426,986	106,651
Prepaid rent	261,228	-
Current portion of compensated absences	449,000	-
Current portion of notes payable	4,018,498	-
Total current liabilities	<u>7,127,126</u>	<u>601,291</u>
Non-Current liabilities		
Compensated absences, net of current portion	194,312	-
Notes payable, net of current portion	17,416,186	12,594,369
Other non-current liabilities	539,469	-
Total non-current liabilities	<u>18,149,967</u>	<u>12,594,369</u>
Total liabilities	<u>25,277,093</u>	<u>13,195,660</u>
Deferred inflows of resources	<u>5,035</u>	<u>-</u>
Net position		
Net investment in capital assets	33,977,204	23,410,067
Restricted	9,706,064	1,665,840
Unrestricted	14,902,606	234,022
Net position	<u>58,585,874</u>	<u>25,309,929</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 83,868,002</u>	<u>\$ 38,505,589</u>

See notes to the financial statements.

HOMES FOR GOOD HOUSING AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For the Year Ended September 30, 2019	For the Year Ended December 31, 2018
	Primary Government	Discretely Presented Component Units
Operating revenues		
Housing assistance grants	\$ 28,075,281	\$ -
Dwelling rent	6,101,137	1,711,226
Other government grants	3,994,373	151,961
Other income	276,680	30,221
Total operating revenues	38,447,471	1,893,408
Operating expenses		
Housing assistance payments	18,549,325	-
Administration	7,025,327	588,321
Maintenance	5,532,042	437,110
Depreciation	1,993,899	1,213,698
Utilities	974,556	217,806
Other general	625,426	187,877
Tenant services	509,721	-
Insurance premiums	261,340	-
Protective services	42,064	-
Non-routine maintenance	5,112	-
Housing assistance portability payments	4,027	-
Total operating expenses	35,522,839	2,644,812
Operating income (loss)	2,924,632	(751,404)
Non-operating revenues (expenses)		
Interest income	288,428	16,691
Interest expense	(419,634)	(385,295)
Loss on disposal of capital assets	(95,255)	-
Total nonoperating expenses	(226,461)	(368,604)
Income (Loss) before capital contributions and capital grants	2,698,171	(1,120,008)
Capital contributions and capital grants		
HUD capital grants	437,589	-
Capital contributions	-	10,538,380
Total capital contributions and capital grants	437,589	10,538,380
Increase in net position	3,135,760	9,418,372
Net position - Beginning of the year	55,450,114	15,891,557
Net position - End of the year	\$ 58,585,874	\$ 25,309,929

See notes to the financial statements.

HOMES FOR GOOD HOUSING AGENCY
STATEMENT OF CASH FLOWS

	For the Year Ended September 30, 2019
	<u>Primary Government</u>
Cash Flows from Operating Activities	
Receipts from HUD grants	\$ 28,521,866
Receipts from state, local and other grants	4,194,598
Receipts from tenants and landlords	5,854,679
Receipts from others	544,367
Housing assistant payments	(18,553,352)
Payments to and on behalf of employees	(7,450,025)
Payments to vendors, contractors and others	(5,804,595)
Payments to utilities	(974,556)
Payments - in - lieu of taxes	(281,772)
	<u>6,051,210</u>
Net cash provided by operating activities	<u>6,051,210</u>
Cash Flows from NonCapital Financing Activities	
Proceeds from bank line of credit	<u>61,304</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from notes payable	12,416,154
Principal payments on bonds and notes payable	(4,061,211)
Interest paid on bonds and notes payable	(441,947)
Proceeds from sale of capital assets	2,151,826
Acquisition and construction of capital assets	(11,032,094)
	<u>(967,272)</u>
Net cash used by capital and related financing activities	<u>(967,272)</u>
Cashflows from Investing Activities	
Net change in unrestricted investments	2,086,236
Investment income	288,539
Changes in other noncurrent assets, related party	(458,182)
Advances to component units	(2,702,650)
Repayments from related party notes receivable	25,211
	<u>(760,846)</u>
Net cash used by investing activities	<u>(760,846)</u>
Net Change in Cash and Cash Equivalents	4,384,396
Cash and Cash Equivalents at Beginning of Year	<u>12,083,525</u>
Cash and Cash Equivalents at End of Year	<u>\$ 16,467,921</u>
Cash and Cash Equivalents	
Unrestricted cash	\$ 6,330,868
Tenant security deposits	430,989
Restricted cash	9,706,064
	<u>\$ 16,467,921</u>

(Continued)

See notes to the financial statements.

HOMES FOR GOOD HOUSING AGENCY
STATEMENT OF CASH FLOWS (continued)

	For the Year Ended September 30, 2019
	<u>Primary Government</u>
Reconciliation of Operating Income to Net	
Cash provided by Operating Activities	
Operating income	\$ 2,924,632
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	1,993,899
Loss on disposal of capital assests	95,255
Allowance for related party receivables	189,092
(Increase) decrease in:	
Receivables	207,787
Prepaid expenses	(176,789)
Inventories	(44,235)
Accounts payable and other accrued liabilities	226,628
Refundable deposits	212,385
Other current and non-current liabilities	422,556
	<u>422,556</u>
Net cash provided by operating activities	<u>\$ 6,051,210</u>
Supplemental Disclosure of	
Non-Cash Transactions	
Transfers of construction in progress to buildings and equipment	<u>\$ 1,328,654</u>
Depreciation	<u>\$ 1,993,899</u>
Allowance for related party interest receivables	<u>\$ (174,495)</u>
	(Concluded)

See notes to the financial statements.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Primary Government – Homes for Good Housing Agency (“Homes for Good” of the “Agency”) is the public housing authority of Lane County, Oregon. The Agency was created by resolution of the County Board of Commissioners, pursuant to Oregon Revised Statutes, 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.

Homes for Good is governed by the County Board of Commissioners and two appointed resident commissioners. The Agency’s governing body is substantially the same as Lane County’s, there is no financial benefit or burden relationship between Lane County and Homes for Good. Lane County management does not exercise operational responsibility over Homes for Good. The Agency is a discrete component unit of Lane County, Oregon.

Component Units - The governmental reporting entity consists of Homes for Good (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 the agency are such that exclusion would cause Home for Good’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 Homes for Good’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 Homes for Good. 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 are legally separate entities from Homes for Good that the Agency is financially accountable for and presents either a financial benefit or a financial burden. Management of Homes for Good has operation responsibility for its blended component units and manages the activities the same as it manages its own programs and departments. The financial data of the Agency’s blended component units are combined with the financial data of Homes for Good.

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 Homes for Good. 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 the Agency as a general partner on behalf of each partnership’s limited partners. Management of Homes for Good therefore is financially accountable for these entities. Complete financial statements of individual discretely presented component units may be obtained from the Finance Department of Homes for Good. Certain information may be reflected differently in these financial statements to conform to the presentation of the primary government than in those of separately issued discretely presented component unit financial statements because the limited partnerships do not follow governmental accounting standards for reporting purposes.

Blended Component Units - The following entities are reported as blended component units of Homes for Good as of September 30, 2019:

	<u>Number of Units</u>	<u>Location</u>
• Homes for Good Foundation	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 Apartments Limited Partnership	<u>78</u>	Eugene, Oregon
	<u>239</u>	

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Homes for Good Foundation is an Oregon nonprofit entity formed to provide support services and scholarships to residents of Homes for Good.

HACSA Partner LLC is a sole member limited liability company for which the Agency is the sole member. Homes for Good 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. Limited partnership interests were assigned to the Agency in previous years. Condensed financial information for the Agency’s blended limited partnerships are included with the notes to these financial statements.

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 Homes for Good, as general partner, controls the day-to-day operations of the limited partnerships.

The following entities, which comprise the discretely presented component units, are presented as of December 31, 2018 and for the year then ended:

	<u>Date Formed</u>	<u>Number of Units</u>	<u>Location</u>
• Hawthorn-at-29 th LLC	07/28/11	35	Eugene, Oregon
• Bascom Village II LLC	03/10/15	48	Eugene, Oregon
• The Oaks at 14 th LLC	04/20/16	54	Eugene, Oregon
• New Winds Apartments LP	12/21/05	18	Florence, Oregon
• Roosevelt Crossing LP	06/06/08	45	Eugene, Oregon
• Munsel Park LP	11/14/00	44	Florence, Oregon
• Turtle Creek Apartments LP	02/13/07	27	Eugene, Oregon
• Richardson Bridge LLC	08/31/17	32	Eugene, Oregon
• Market District Commons, LLC	07/25/18	50	Eugene, Oregon
• RAD 2 LLC	05/05/19	<u>0</u>	Eugene and Springfield, Oregon

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The Agency has 0.005% to 0.01% ownership interests in the limited partnerships listed above. Homes for Good’s investments in these limited partnerships are accounted using the equity method.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Homes for Good's 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 activities of Homes for Good 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 Homes for Good 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.

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 Homes for Good 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, the Agency 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 – Homes for Good owns, operates and maintains 695 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 the Agency, and the family as in the public housing program. For approved housing, HUD contracts with Homes for Good 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, 2019, Homes for Good administered 3053 vouchers including 236 Veterans Administration Supportive Housings vouchers that provide housing assistance for homeless veterans. The Agency received 12 HUD project-based vouchers that are associated with Richardson Bridge LLC, a discretely presented component unit.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Affordable Housing and Special Needs Housings – In addition to the 695 units of public housing, Homes for Good owns an additional 418 affordable housing units in 10 different multifamily properties. The Agency has 100% control over 4 properties, with a total of 161 units. Homes for Good is either general partner or managing member in another 5 limited partnerships/limited liability corporations, with a total of 303 units.

Heeran Center - Residential mental health treatment facility to provide 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 – Homes for Good 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, 2019:

- *Glenwood Place* is a 100-150-unit affordable housing complex planned for Glenwood, Oregon. During the month of April 2019 Homes for Good purchased land located in Glenwood, Oregon.
- *RAD 2, LLC Taney Place* is 40 and 50 units of low-income housing, planned for Eugene, Oregon. Funding will come from proceeds of the Phase II RAD units. *Hayden Bridge Place* will add between 50 and 60 units of housing with funding to be provided by a 4% tax credit application in 2019 plus proceeds of the Phase II RAD units.

Developer fees – A development fee is money earned by the Agency for managing the development process for another principal for projects such as those described in the bulleted points above. Developer fees represent a significant revenue source of the Agency. Developer fee revenue is recognized upon completion of development and operational project milestones that are established with each principal. These milestones vary for each project.

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.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Agency 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 and Notes Receivable - Accounts receivable is shown at net realizable value. HUD, other government, miscellaneous and tenant receivables are considered fully collectable as of September 30, 2019. Management estimates the collectability of the Agency's note and interest receivables based on consideration of maturity dates, property performance and payment history. An allowance equal to the reported balance for accrued interest on related party notes has been established, See Note 6.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences - Employees of Homes for Good 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 more than 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. The Agency recognizes construction period interest as expense. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

Management of Homes for Good 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.

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 Homes for Good as a whole.

Internal Charges – Homes for Good 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.

Fair Value Measurements – The Agency 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. Investment balances comprise approximately 3% of the Agency's total assets.

Deposits - Federal and state regulations require that public funds on deposit with financial institutions be secured at a rate of 100% of amounts more than deposit insurance coverage. As required by Oregon Revised Statutes, (ORS Chapter 295), deposits more than federal depository insurance were held at financial institutions that participate in the Oregon State Treasurer's Public Fund Collateralization Program ("PFCP") and therefore there are no funds exposed to custodial credit risk.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 net investment in capital assets.
- *Restricted* - This represents resources for which Homes for Good is legally or contractually obligated to spend resources in accordance with restrictions imposed by third parties.
- *Unrestricted* - This represents resources used for Homes for Good'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, Homes for Good'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 Homes for Good 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. The Agency 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.

Income Taxes - Homes for Good 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 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 - Homes for Good administers a single-employer defined benefit healthcare plan per the requirements of a collective bargaining agreement. Per Oregon State law, the plan provides the opportunity for post-retirement healthcare insurance for eligible retirees and their spouses through the Agency's group health insurance plans which cover both active and retired participants.

Homes for Good does not pay any portion of the retiree's healthcare insurance; however, the retired employee receives an implicit benefit of a lower healthcare premium which is spread among the cost of active employee premiums. The Agency pays none of the premium of health insurance coverage for eligible retirees who are not yet eligible for Medicare. Homes for Good 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.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements - The following new GASB accounting pronouncements are applicable to future reporting periods. Management of Homes for Good is currently evaluating whether these new GASB pronouncements will have a significant impact to the agency's financial statements.

GASB Statement No. 84, *Fiduciary Activities* - Issued January 2019, this statement establishes criteria for identifying fiduciary activities of all state and local governments. GASB Statement No. 84 will be effective for the Agency for fiscal year ending September 30, 2021.

GASB Statement No. 87, *Leases* - This Statement was issued June 2019 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 the Agency for fiscal year ending September 30, 2022.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred after the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91, *Conduit Debt Obligations* – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. This statement is effective for the Agency for fiscal year ending September 30, 2023.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 92, *Omnibus 2020* – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following, the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports, Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan, The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits, The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements, Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and Terminology used to refer to derivative instruments. This statement will be effective for Homes for Good Housing Agency for its 2022 fiscal year.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* - Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, Clarifying the definition of reference rate, as it is used in Statement 53, as amended and Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. This statement will be effective for Homes for Good Housing Agency for its 2021 fiscal year.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement will be effective for Homes for Good for its 2023 financial statements.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* - The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.
- The effective dates of the following pronouncements are postponed by 18 months:
 - Statement No. 87, Leases
 - Implementation Guide No. 2019-3, Leases.

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The subscription term includes the period during which a government has a noncancelable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government’s incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods. Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly:

Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred.

Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset.

Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government’s ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria.

If a SBITA contract contains multiple components, a government should account for each component as a separate SBITA or nonsubscription component and allocate the contract price to the different components. If it is not practicable to determine a best estimate for price allocation for some or all components in the contract, a government should account for those components as a single SBITA. This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

GASB Statement No. 97, Certain Component Unit Criteria and Accounting for Internal Revenue Code Section 475 Deferred Compensation Plans- The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2019

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

NOTE 2–CASH AND CASH EQUIVALENTS

Total cash and cash equivalents at September 30, 2019 include the following deposits and reserves:

	2019
Unrestricted cash	\$ 6,330,868
Tenant security deposits	430,989
Restricted cash	
W. 13th construction account	5,125,882
Energy performance contracting	1,062,258
Rental assistance demonstration	1,066,852
Real estate development	316,930
Replacement and operating reserves	1,799,402
Family self-sufficiency program reserves	308,948
Insurance reserves	8,250
Residual receipts and resident participation reserves	8,892
Mortgage escrow reserves	8,650
Total restricted cash	9,706,064
Total cash and cash equivalents	<u>\$ 16,467,921</u>

W. 13th construction account – Reserves consist of funds held for the construction and renovations for the Agency’s administrative building located at 100 W. 13th Ave, Eugene, Oregon.

Energy performance contracting reserves – Reserves consist of funds held for public housing properties owned and operated by Homes for Good to be used for the purchase and installation of energy saving capital assets and upgrades associated with an energy performance contract.

Rental assistance demonstration proceeds – Homes for Good Housing Agency is utilizing HUD’s RAD program to convert public housing projects to voucher based rent assistance housing. The amount reported above consists of sales proceeds from property sales and are restricted for replacement housing purposes.

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

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.

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.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 2—CASH AND CASH EQUIVALENTS (Continued)

Residual receipts reserves – Reserves are excess funds remaining after payment of authorized disbursements of HUD regulated properties owned and operated by Homes for Good. The funds can be used for property purposes if operating receipts are not enough to pay for operating expenses.

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

Resident Participation funds– Deposits are for funding of tenant participation activities.

Custodial Credit Risk for Deposits - The Agency and its discretely presented component units maintain cash balances at several financial institutions, some more than the federally insured amount of \$250,000 per type of account.

NOTE 3—INVESTMENTS

Homes for Good’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, the Agency’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, 2019 consist the following:

Oregon Treasurer’s Local Government Investment Pool (LGIP)	<u>\$328,5 1</u>
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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 LGIP is classified as a Level 2 fair value measurement. 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. The Agency limits investment maturities to three years as a means of managing its exposure to fair value losses arising from increasing interest rates.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

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. The Agency 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 Homes for Good will do business with; 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 Homes for Good’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, 2019, none of the Agency’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, Homes for Good will not be able to recover the value of its investments that are in the possession of an outside party. As of September 30, 2019, none of The Agency’s investments are exposed to custodial credit risk.

The Agency 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 Homes for Good more than funds received from HUD, subject to grant limits.

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

Other accounts receivables – Other accounts receivables are comprised of amounts due from other government agencies and utility companies for amounts expended in the Weatherization and various other grant programs. Other accounts receivables also include accounts receivable from tenants for retroactive rent billings due to the failure of tenants to properly report income or other demographic information. Other accounts receivable at September 30, 2019 include other government grants of \$451,939 and other receivables of \$676,171.

NOTE 5—INVESTMENTS IN LIMITED PARTNERSHIPS

Investments in affiliated limited partnerships as of September 30, 2019 include the following:

	<u>2019</u>
Roosevelt Crossing Limited Partnership	\$ 803,065
Richardson Bridge LLC	111,332
Munsel Park Limited Partnership	(10,516)
Hawthorne at 29th LLC	85
New Winds Apartments Limited Partnership	(31)
Bascom Village II	(71)
The Oaks-At-14th	49
Turtle Creek Apartments Limited Partnership	(99)
	<u>\$ 903,814</u>

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 6—RELATED PARTIES

Related parties of Homes for Good consist of its discretely presented component units and Lane County, Oregon

Guarantees – Homes for Good, 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 \$773,971 from the Oaks-at-14th is included in other income.

Interest income – Interest income of \$180,503 is included in investment income for the year ended September 30, 2019.

Notes receivable – Notes receivable with related parties are non-current assets because the maturity dates of the notes extend beyond one-year. Notes and interest receivable as of September 30, 2019 and interest income for the year then ended from related parties and others are as follows:

Related Party	Maturity	Interest Rate	Outstanding Balance September 30, 2018	Advances	Repayments	Outstanding Balance September 30, 2019	Accrued Interest	Interest Income
Market District Commons			\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ -
Market District Commons			-	302,650	-	302,650	-	-
Market District Commons			-	400,000	-	400,000	-	-
Hawthorn-at-29th	03/31/62	6.00%	160,682	-	-	160,682	116,557	44,312
Hawthorn-at-29th	03/31/62	6.00%	455,966	-	-	455,966	107,258	-
The Oaks-at-14th	08/30/46	3.00%	277,408	-	(13,015)	264,393	-	37,817
The Oaks-at-14th	08/30/46	3.00%	200,000	-	-	200,000	11,903	37,817
Munsel Park	12/31/39	1.50%	100,000	-	-	100,000	-	-
Munsel Park	12/31/39	1.50%	670,727	-	-	670,727	-	-
Bascom Village II	08/30/45	1.00%	200,000	-	(12,196)	187,804	60,951	16,816
Bascom Village II	08/30/45	2.82%	395,329	-	-	395,329	-	-
Bascom Village II	08/30/45	1.00%	288,519	-	-	288,519	-	-
Turtle Creek	11/01/47	5.01%	867,000	-	-	867,000	711,643	68,187
Richardson Bridge	08/30/47	2.58%	580,000	-	-	580,000	49,576	26,543
Richardson Bridge	08/30/47	2.58%	252,965	-	-	252,965	-	26,543
New Winds	08/01/47	3.25%	701,611	-	-	701,611	-	-
New Winds	08/01/47	0.00%	100,000	-	-	100,000	-	-
New Winds	08/01/47	5.15%	75,000	-	-	75,000	441,896	42,414
Total limited partnerships			5,325,207	2,702,650	(25,211)	8,002,646	1,499,784	\$ 180,503
Allowance for doubtful accounts			-	-	-	-	(1,499,784)	-
Total			\$ 5,325,207	\$ 2,702,650	\$ (25,211)	\$ 8,002,646	\$ -	\$ 180,503

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 6—RELATED PARTIES (Continued)

Market District Commons notes receivable – Three notes payable to the Agency by Market District Commons LLC. The notes are payable in annual principal and interest installments beginning April 15, 2021 and 2022, based on available cash flow, as defined in the LLC's operating agreement. Interest on each of the notes is compounded annually. \$302,650 of the notes is unsecured. The notes for \$2,000,000 and \$400,000 are secured by deeds of trust for the assets of the project. The notes mature December 31, 2049.

Hawthorn-at-29th Notes receivable – The notes receivable are due March 31, 2062, proved for interest at 6% per annum, compounded annually, and are payable from cash flow in the order of priority as set forth in the operating agreement. Fixed assets, subject to prior liens are pledged as collateral.

The Oaks-at-14th notes receivable - Two notes payable to the Agency by The Oaks at 14th LLC. The Notes are payable in annual principal and interest installments beginning April 15, 2019, 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.

Munsel Park note receivable – A promissory note payable to the Agency, dated June 27, 2003 in the original amount of \$770,727. The note carries a 1.50% interest rate. Interest payments of one half of one percent is payable to the Agency annually, the remainder of the interest accrues and is due at maturity along with the principal balance.

Bascom Village II notes receivable – 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, 2019. 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.

Turtle Creek note receivable –A promissory note payable to the Agency 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.

Richardson Bridge LLC notes receivables – Two promissory notes for \$580,000 and \$252,965. The notes are secured by trust deed however the agreement limits the Agency'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.

New Winds notes receivable – 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.

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, 2019.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

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, 2019:

	Balance September 30, 2018	Increases	Decreases	Transfers	Balance September 30, 2019
Capital assets not being depreciated:					
Land	\$ 11,593,321	\$ 876,703	\$ (768,834)	\$ -	\$ 11,701,190
Construction in progress	4,177,443	9,016,285	(1,537,917)	(1,328,654)	10,327,157
Total capital assets not being depreciated	15,770,764	9,892,988	(2,306,751)	(1,328,654)	22,028,347
Capital assets being depreciated:					
Building and improvements	78,572,238	724,959	(40,528)	1,291,082	80,547,751
Furniture and equipment	3,262,656	414,241	(98,318)	37,572	3,616,151
Total capital assets being depreciated	81,834,894	1,139,200	(138,846)	1,328,654	84,163,902
Less accumulated depreciation:					
Buildings and improvements	(46,284,280)	(1,833,628)	27,621	-	(48,090,287)
Furniture and equipment	(2,700,604)	(160,271)	170,801	-	(2,690,074)
Total accumulated depreciation	(48,984,884)	(1,993,899)	198,422	-	(50,780,361)
Total capital assets being depreciated, net	32,850,010	(854,699)	59,576	1,328,654	33,383,541
Total capital assets, net	\$ 48,620,774	\$ 9,038,289	\$ (2,247,175)	\$ -	\$ 55,411,888

Depreciation expense was charged to functions as follows:

	2019
Public housing	\$ 685,332
Blended component units	664,471
COCC	180,061
Interest reduction payments	148,277
Agency business activities	150,280
Rural Rental Assistance	122,866
Housing Choice Vouchers	2,245
NCR Section 8	40,367
Total depreciation expense	1,993,899

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 8—LONG-TERM LIABILITIES

The Agency's long-term debt is comprised of the following as of September 30, 2019:

	Interest Rates	Maturity	Balance September 30, 2018	Additions	Repayments	Balance September 30, 2019	Current Portion
Notes Payable							
State of Oregon:							
Heeran Center	3.7%	09/15/28	621,932	-	(52,946)	568,986	54,300
City of Eugene:							
Abbie Lane	2.0%	04/01/34	282,971	-	(16,362)	266,609	17,000
Firwood	3.3%	08/01/21	63,839	-	(10,028)	53,811	10,500
Firwood	2.0%	01/01/29	176,579	-	(11,552)	165,027	12,000
Signpost House	5.0%	02/01/32	220	-	(220)	-	-
Orchards	0.0%	02/01/32	111,530	-	-	111,530	-
USDA							
Camas	6.9%	09/01/35	263,157	-	(8,390)	254,767	9,000
Camas	6.9%	11/01/32	134,673	-	(5,783)	128,890	6,300
Norsemen	4.0%	05/11/44	163,615	-	(1,401)	162,214	-
Norsemen	4.0%	05/11/44	324,127	-	(2,781)	321,346	8,600
Norsemen	4.0%	05/11/44	256,707	-	(2,202)	254,505	-
Norsemen	4.0%	05/11/44	1,016,862	-	(19,499)	997,363	19,800
Charitable Trust							
Firwood	5.0%	03/01/25	136,173	-	(18,604)	117,569	19,600
PNC Bank							
Energy Performance	3.5%	11/15/35	4,300,000	-	(43,190)	4,256,810	126,500
JPMorgan Chase:							
Laurel Gardens	4.9%	02/01/28	224,719	-	(19,362)	205,357	20,200
Orchards	6.0%	10/01/26	365,939	-	(8,293)	357,646	8,800
Banner Bank:							
Walnut Park	5.0%	09/01/27	322,304	-	(29,062)	293,242	30,600
Sheldon Village	4.3%	03/31/37	141,288	3,170,210	(100)	3,311,398	3,311,398
Bank of America:							
Jacob's Lane	3.8%	11/01/29	254,620	-	(18,628)	235,992	19,400
Jacob's Lane	7.6%	11/01/29	133,519	-	(7,841)	125,678	8,500
US Bank Equipment Finance							
COCC		09/30/24	-	42,944	-	42,944	8,600
Branch Banking & Trust							
100 W 13th Ave			3,784,967	-	(3,784,967)	-	-
100 W 13th Ave	3.4%	06/01/39	-	8,635,255	-	8,635,255	308,700
100 W 13th Ave	4.1%	06/01/39	-	567,745	-	567,745	18,700
Total notes payable			<u>\$ 13,079,741</u>	<u>\$ 12,416,154</u>	<u>\$ (4,061,211)</u>	<u>\$ 21,434,684</u>	<u>\$ 4,018,498</u>

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 8—LONG-TERM LIABILITIES (Continued)

State of Oregon (Heeran Center) – 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.

City of Eugene (Abbie Lane, Firwood, Signpost House & Orchards) – The City of Eugene provided loans to Homes for Good for rehabilitation and capital improvements for Abbie Lane, Firwood, Signpost House and Orchards housing properties. The Abbie lane note is secured by real estate and assets of the property. The notes for Firwood Apartments were modified during 2013 to make interest only payments and balloon payments at maturity and are uncollateralized. The Orchards note is collateralized by real property of the project and is non-interest bearing. The note has no required payments provided the Agency does not sell the property and complies with the terms of the agreement requiring Homes for Good to use the property to provide low-income housing.

USDA Rural Development (Camas & Norsemen) – 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 the Agency. In addition, when the properties charge rent more than the basic rent approved by RD, such excess rent (“overages”) is remitted to RD as additional interest.

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 \$2,087. The note has a maturity date of March 1, 2025. If the Agency fails to make a payment within 30 days after written notice of nonpayment from the note holder is made, the holder may declare the entire unpaid principal balance plus all accrued interest immediately due and payable.

PNC Equipment Finance, LLC (Energy Performance) – On December 28, 2019 Homes for Good Housing Agency 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 Homes for Good Housing Agency owned properties. The financing agreement calls for semi - annual payments escalating from \$134,088 to \$225,806 over the life of the agreement. The financing agreement matures December 28, 2035. Purchased equipment serves as collateral for the agreement. Failure of Homes for Good to make rent payments, failure to observe other covenants, false representations, application by the Agency for appointment of a receiver, trustee, conservator or liquidator or failure by the Agency to be in default under another financing agreement are events of default under the agreement. In the event of a default PNC Equipment Finance, LLC may require the Agency to pay all amounts due under the remaining term of the agreement, return all equipment and sell, lease or dispose of, terminate and cancel the agreement and require the Agency to pay all out-of-pocket costs and expenses incurred as a result of the default.

JP Morgan Chase Bank (Laurel Gardens, Orchards) – Laurel Gardens has a mortgage payable to JP Morgan Chase payable in monthly installments of \$2,496. The loan is secured by assets of the property. Orchards (Willakenzie Townhomes) has mortgage payable to JP Morgan Chase, payable in monthly installments of \$2,501. The mortgage is secured by assets of the property. 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, 2019 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%.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 8—LONG-TERM LIABILITIES (Continued)

Banner Bank (Sheldon Village Apartments) – A \$3,841,000 promissory note (Interim Renovation Loan) with Banner Bank dated September 11, 2019 for rehabilitation and permanent financing of the property. The note calls for payments of interest only monthly beginning on the first advance. A final payment of principal and interest of the Interim Renovation Loan is due no later than March 1, 2020. Provided all the conditions of the agreement are satisfied the note is convertible into a term loan, payable in monthly installments of principal and interest having a term loan maturity date of March 1, 2037. The note has a fixed interest rate of 4.25% and converts to a 4.75% interest rate upon conversion to a term loan. The agreement contains a prepayment fee equal to the present value of the difference between the remaining scheduled interest payments and the interest payments due in connection with a lender debt obligation as of the date of the prepayment. The prepayment fee provision is applicable only after conversion to a term loan. The loan is secured by the assets and all revenues (approximately \$564,000 annually) of Sheldon Village Apartments, LLC for the term of the agreement that ends on the maturity date. For comparative purposes, the total annual payments under the agreement after the conversion date are approximately \$240,000, or 45% of the revenues pledged. Failure to make payments, comply with terms of the note, failure to cure a default within 30 days or if a cure is not reasonably curable within 30 days, it must be cured within 90 days, false or misleading statements or representations, insolvency, another lender attempting to take property the lender hold has a security interest for, attempts by the guarantor to modify or revoke its guaranty or a material adverse change in the Agency's financial condition are considered to be default events under the terms of the financing agreement. In the event of a default the lender may declare the entire unpaid principal balance along with all accrued interest immediately due. The Agency is also obligated to pay a prepayment premium, calculated in conformity with the terms of the agreement, in the event of a voluntary or involuntary payment of the entire principal balance. The Agency has a loan with Banner Bank associated with Walnut Park, a blended component unit. A \$350,000 promissory note issued September 1 2017. The note is payable in monthly installments of \$3,720 and is secured by the assets of the property. The loan matures September 1, 2027.

Bank of America (Jacob's Lane) – 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. Failure by the Agency to make payments as agreed is a default event if not cured within 15 days after the lender has made a written demand. Jacob's Lane also has 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. Failure by the Agency to make payments as agreed is a default event if not cured within 15 days after the lender has made a written demand.

US Bank Equipment Finance (COCC) – The Agency purchased new printer equipment during 2019. The agreement includes monthly payments of \$814 over five years. Failure to pay within ten days of the of the payment due date is considered a default event under the agreement. The loan is secured by the equipment.

Branch Banking & Trust (100 W. 13th Ave) – Series 2019A (federally tax-exempt) promissory note issued June 28, 2019 for \$8,632,255. The note has a fixed interest rate of 3.4% until June 1, 2029. The interest rate will reset at the Taxable Exempt Reset Rate defined as a rate of interest agreed upon by the lender and the Agency, reflecting current market conditions at that time. The note has a maturity date of June 1, 2039. Events of default under the agreement include a failure of the Agency to pay principal, interest or fees, failure to perform within 30 days after the lender has made written demand to cure a failure, dissolution of the Agency or a material misrepresentation to the lender by Homes for Good in connection with the execution of the promissory note. The principal balance, plus any accrued and unpaid interest may not be prepaid prior to June 1, 2029. In any event of a default, the lender may exercise any available remedy under the law, including commencement of foreclosure proceedings. The loan is secured by the property located at 100 W. 13th Ave, Eugene, Oregon.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 8—LONG-TERM LIABILITIES (Continued)

Series 2019B (federally taxable) promissory note issued June 28, 2019 for \$567,745. The note has a fixed interest rate of 4.16% until June 1, 2029. The interest rate will reset at the Taxable Reset Rate defined as a rate of interest agreed upon by the lender and the Agency, reflecting current market conditions at that time. The note has a maturity date of June 1, 2039. Events of default under the agreement include a failure of the Agency to pay principal, interest or fees, failure to perform within 30 days after the lender has made written demand to cure a failure, dissolution of the Agency or a material misrepresentation to the lender by Homes for Good in connection with the execution of the promissory note. The principal balance, plus any accrued and unpaid interest may not be prepaid prior to June 1, 2029. In any event of a default, the lender may exercise any available remedy under the law, including commencement of foreclosure proceedings. The loan is secured by the property located at 100 W. 13th Ave, Eugene, Oregon.

Future maturities of total long-term debt at September 30, 2019 are as follows:

Year	Principal	Interest
2020	\$ 4,018,498	\$ 954,600
2021	742,400	739,950
2022	778,000	656,300
2023	809,900	567,000
2024	853,500	533,800
2025-2029	4,772,500	2,396,400
2030-2034	4,706,300	1,253,500
2035-2039	3,906,400	477,400
2040-2044	311,500	79,300
2045-2049	535,686	24,952
Total	\$ 21,434,684	\$ 7,683,202

Changes in long-term liabilities are as follows:

	Balance September 30, 2018	Additions	Reductions	Balance September 30, 2019	Due Within One Year
Family self-sufficiency deposits	\$ 416,815	\$ -	\$ (44,423)	\$ 372,392	\$ -
Compensated absences	472,458	170,854	-	643,312	449,000
Notes payable	13,079,741	12,416,154	(4,061,211)	21,434,684	4,018,498
Other post-employment benefits	167,077	-	-	167,077	-
	\$ 14,136,091	\$ 12,587,008	\$ (4,105,634)	\$ 22,617,465	\$ 4,467,498

Banner Bank Line-of-credit instrument – Homes for Good 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 September 1, 2020. Interest on the line-of-credit a variable interest rate is the prime rate plus .50 basis points (4.75%) as of September 30, 2019. The Agency repaid \$61,304 and did not advance any funds during 2019. There was no outstanding balance on the line-of-credit as of September 30, 2019. The line-of-credit agreement also contains certain financial covenants for which the Agency was following as of September 30, 2019.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 9–RISK MANAGEMENT

Homes for Good Housing Agency is exposed to various risks of loss related to errors and omissions, automobiles, damage to and destruction of assets, bodily injury, and workers' compensation. Homes for Good Housing Agency obtain 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, Homes for Good 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 the Agency 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, the Agency shall surrender and deliver up the premises and all improvements situated on the site to the Lessor. The lease agreement also grants Homes for Good the right of first refusal to purchase the site and improvements.

Grant and property use restrictions - Certain of the properties operated by the Agency 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 – Homes for Good is subject to lawsuits and claims which arise out of the normal course of its activities. In the opinion of the management of the Agency 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 position of Homes for Good.

Sheldon Village Apartments, LLC – Homes for Good guarantees the indebtedness of Sheldon Village Apartments LLC totaling \$3,841,000 and is the maximum liability guaranteed. The Agency subordinated all its debt instruments owed to the Agency by Sheldon Village Apartments LLC. The Guarantee requires the Agency to furnish audited financial statements of the Agency to Banner Bank annually. The Agency also has agreed to guarantee that construction project is completed within the time limits and general specifications of the project's plans.

Operating deficit guarantees – Homes for Good 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 the Agency 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%. The Agency's maximum exposure to funding operating deficits for Bascom Village II LLC, The Oaks at 14th LLC and Richardson Bridge LLC is \$120,000, \$110,000 and \$84,496 respectively.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 10—COMMITMENTS AND CONTINGENCIES (Continued)

Community Housing Development promissory note agreement – In November 2010 Homes for Good 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 Heeran Center’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, 2019, the potential exposure to Homes for Good under this agreement for failure to operate the facility as agreed was \$700,000. The agreement expires on November 17, 2040.

Purchase Options and Right of First Refusal – The general partners of Turtle Creek, Munsel Park Limited Partnership and New Winds Limited Partnership hold the right of first refusal to purchase the limited partner’s interest at the end of the low-income housing tax compliance period at the great of the fair market value or an amount determined under the provisions of the partnership agreements.

The managing member of Hawthone-at-29th have the right of the right of first refusal to purchase the limited partner’s interest at the end of the low-income housing tax compliance period at the great of the fair market value or an amount determined under the provisions of the operating agreement.

Provided that the managing member of The Oaks at 14th LLC and Richardson Bridge LLC is not in default under the terms of their operating agreement, for a period of twelve months following the end of the initial fifteen year compliance period, the managing member has the option to purchase either the investor member’s entire interest in the project based on the buyout price determined in accordance with the terms set forth in the project’s operating agreement.

Funding guaranty – The Agency has provided a guaranty to pay for or perform any of the Managing Member Obligations, when due, for the development of Market District Commons. The total amount of the project is approximately \$16,000,000.

Construction agreement – The Agency entered into a pre-construction agreement with a general contractor for facility upgrades for Homes for Good’s new administration building. The pre-construction agreement totals \$39,000.

NOTE 11—LEASES

Heeran Center lease – On August 1, 2015, Homes for Good 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. The Agency 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, 2019, the lease was renewed for a one-year period at an annual rental rate of approximately \$59,500.

Office lease – On August 1, 2019 the Agency entered an operating lease agreement with the buyer of its Day Island offices. Rent is \$10,000 per month beginning in October 2019. The lease expires on December 31, 2019.

Building lease – On July 2, 2019 the Agency entered into an operating lease agreement with Lane County, Oregon for 540 Oak Street located in Eugene, Oregon (Bus Barn). Rent is \$2,000 payable monthly. The lease expires June 29, 2020 and contains a one-year renewal period.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 12—DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN

Homes for Good 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. The Agency contributes 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, 2019 were \$486,947.

NOTE 13—OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Homes for Good does not make any contributions towards retiree medical insurance, however the Agency allows retirees to continue medical coverage from their retirement date until eligible for Medicare. Retirees must pay the "full" premium charged by the insurance carrier. In this situation an implicit subsidy arises from the fact that health care premiums do not increase with age, whereas health care costs do increase with age. Accounting standards applicable for state and local governments requires the measurement and recognition of a liability on the balance sheets of participating employers for other post-employment retiree benefits. This liability is known as the total OPEB liability. The financial position of Homes for Good was not restated at the beginning of the year as required by generally accepted accounting principles because the liability is not significant. The total OPEB liability is reported with other non-current liabilities. The following table presents Homes for Good's total OPEB liability as of September 30, 2019 and 2018 respectively.

	2018	2019
Total OPEB liability	\$ 167,077	\$ 167,077
Covered payroll	4,432,600	4,740,001
Total OPEB liability as a % of covered payroll	3.77%	3.52%

With any valuation of future benefits, assumption of anticipated future events is required. These assumptions are generally based upon those used for valuing pension benefits.

Discount rate	3.06%	3.64%
Valuation date	July 1, 2016	July 1, 2016
Measurement date	September 30, 2016	September 30, 2017
Inflation	2.05%	2.50%
Salary increases	3.50%	3.50%
Actuarial cost method	Entry Age Normal	Entry Age Normal

For the healthy mortality assumption for both measurement dates, RP-2000 healthy white-collar male and female tables, set back one year for males. Mortality is projected on a generational basis using scale BB for males and females.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2019

NOTE 13—OTHER POST-EMPLOYMENT BENEFITS (Continued)

Home for Good’s total OPEB liability as of September 30, 2019 is \$167,077.

OPEB Expense – The annual OPEB expense is an accounting item intended to recognize certain changes in the total OPEB liability in the current period. The Agency did not recognize annual OPEB expense because management considers it not significant to the financial statements.

Sensitivity Analysis – The following presents the total OPEB liability of the Plan, calculated using the discount rate of 3.64%, as well as what the Plan’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 177,608</u>	<u>\$ 167,077</u>	<u>\$ 157,147</u>

A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 153,095</u>	<u>\$ 167,077</u>	<u>\$ 183,213</u>

OPEB deferred inflows and outflows of resources – The following presents the total OPEB deferred inflows and outflows of resources as of September 30, 2019 and the annual recognition (amortization) of these amounts included within future OPEB expense.

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or inputs contributions made subsequent to measurement date	(5,035)	-
Total as of September 30, 2019	<u>\$ (5,035)</u>	<u>\$ 11,247</u>

Year ended September 30:	Annual Recognition:
2020	\$ (1,259)
2021	(1,259)
2022	(1,259)
2023	(1,258)
2024	-
Total	<u>\$ (5,035)</u>

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 14—CONDENSED FINANCIAL STATEMENTS OF BLENDED COMPONENT UNITS

CONDENSED STATEMENTS OF NET POSITION

	Walnut Park	Orchards	Laurel Gardens	Jacobs Lane	Sheldon Village Apartments	Homes for Good Foundation	Total
Assets:							
Current assets	\$ 124,133	\$ 12,606	\$ 29,375	\$ 27,204	\$ 289,268	\$ 1,602	\$ 484,188
Tenant security deposits	20,056	14,405	15,822	25,306	35,072	-	110,661
Other restricted deposits	93,020	49,982	140,001	236,066	-	-	519,069
Capital assets - net	426,433	519,393	253,409	1,642,106	4,827,053	-	7,668,394
Total assets	663,642	596,386	438,607	1,930,682	5,151,393	1,602	8,782,312
Liabilities:							
Current liabilities	52,175	141,389	33,112	51,420	534,784	11,339	824,219
Noncurrent liabilities	293,242	469,177	205,358	908,354	4,927,670	-	6,803,801
Total liabilities	345,417	610,566	238,470	959,774	5,462,454	11,339	7,628,020
Net Position:							
Net investment in capital assets	133,191	50,216	48,051	733,752	(100,617)	-	864,593
Restricted	96,942	50,482	140,001	237,003	2,562	-	526,990
Unrestricted	88,093	(114,878)	12,085	153	(213,006)	(9,737)	(237,290)
Total net position	\$ 318,225	\$ (14,180)	\$ 200,137	\$ 970,908	\$ (311,061)	\$ (9,737)	\$ 1,154,292

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Walnut Park	Orchards	Laurel Gardens	Jacobs Lane	Sheldon Village Apartments	Homes for Good Foundation	Total
Revenues - Rental income	\$ 194,458	\$ 176,327	\$ 174,140	\$ 313,271	\$ 553,271	\$ -	\$ 1,411,467
Other income	8,700	8,734	9,241	8,997	10,954	4,318	50,944
Total operating revenue	203,159	185,061	183,381	322,268	564,225	4,318	1,462,412
Expenses:							
Operating expenses	171,566	172,456	156,844	333,844	306,561	7,266	1,148,537
Depreciation and amortization	83,174	73,092	67,082	179,146	261,977	-	664,471
Interest expense	15,366	21,835	10,566	41,645	78,370	-	167,782
Total operating expenses	270,106	267,383	234,492	554,635	646,908	7,266	1,980,790
Operating loss	(66,947)	(82,322)	(51,111)	(232,367)	(82,683)	(2,948)	(518,378)
Nonoperating revenue (expense):							
Transfer - In	-	-	-	-	375	-	375
Transfer - Out	-	-	-	-	(95,074)	-	(95,074)
Total nonoperating revenue (expense)	-	-	-	-	(94,699)	-	(94,699)
Change in net position	(66,947)	(82,322)	(51,111)	(232,367)	(177,382)	(2,948)	(613,077)
Net position September 30, 2018	385,172	68,142	251,248	1,203,275	(133,679)	(6,789)	1,767,369
Net position September 30, 2019	\$ 318,225	\$ (14,180)	\$ 200,137	\$ 970,908	\$ (311,061)	\$ (9,737)	\$ 1,154,292

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2019

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

CONDENSED STATEMENTS OF CASH FLOWS

	<u>Walnut</u>	<u>Orchards</u>	<u>Laurel</u>	<u>Jacobs</u>	<u>Sheldon Village</u>	<u>Homes for Good</u>	<u>Total</u>
Net cash provided (used) by:							
Operating activities	\$ (93,527)	\$ (93,527)	\$ (64,098)	\$ (238,845)	\$ (228,159)	\$ -	\$ (718,157)
Capital and non-capital related	64,801	64,801	47,722	176,703	121,951	-	475,979
Noncapital financing activities	-	-	-	-	-	-	-
Investing activities	-	-	-	-	-	-	-
Net increase (decrease)	(28,726)	(28,724)	(16,378)	(62,140)	(106,208)	-	(242,178)
Cash - beginning of year	174,247	93,111	172,201	323,512	235,979	-	999,051
Cash - end of year	<u>\$ 145,521</u>	<u>\$ 64,387</u>	<u>\$ 155,823</u>	<u>\$ 261,372</u>	<u>\$ 129,771</u>	<u>\$ -</u>	<u>\$ 756,875</u>

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2019

NOTE 15-DISCRETELY PRESENTED COMPONENT UNITS

Combining financial information for the discretely presented component units at December 31, 2018 is as follows:

	Roosevelt Crossings	Richardson Bridge	Munsel Park	Hawthorne	New Winds	Bascom Village II	The Oaks at 14th	Turtle Creek	Total
Assets:									
Current assets	\$ 28,510	\$ 25,206	\$ 79,711	\$ 101,250	\$ 43,429	\$ 74,493	\$ 147,084	\$ 26,236	\$ 525,919
Tenant security deposits	412,490	17,049	248,222	425,301	110,601	157,497	140,914	153,766	1,665,840
Other restricted deposits	-	-	12,022	6,328	7,232	23,541	25,702	20,785	95,610
Capital assets - net	4,641,395	5,737,228	930,491	3,745,050	1,511,412	9,082,250	8,115,105	2,241,505	36,004,436
Other assets	29,873	38,320	147	38,556	2,565	52,674	48,743	2,906	213,784
Total assets	5,112,268	5,817,803	1,270,593	4,316,485	1,675,239	9,390,455	8,477,548	2,445,198	38,505,589
Liabilities:									
Current liabilities	27,105	43,679	279,651	31,193	66,370	62,591	38,656	52,046	601,291
Noncurrent liabilities	3,035,267	1,630,805	1,344,309	1,731,161	1,326,242	1,008,249	747,582	1,770,754	12,594,369
Total liabilities	3,062,372	1,674,484	1,623,960	1,762,354	1,392,612	1,070,840	786,238	1,822,800	13,195,660
Net Position:									
Net investment in capital assets	1,606,128	4,106,423	(413,818)	2,013,889	185,170	8,074,001	7,367,523	470,751	23,410,067
Restricted	-	-	12,022	6,328	7,232	23,541	25,702	20,785	95,610
Unrestricted	443,768	36,896	48,429	533,914	90,225	222,073	298,085	130,862	1,804,252
Total net position	\$ 2,049,896	\$ 4,143,319	\$ (353,367)	\$ 2,554,131	\$ 282,627	\$ 8,319,615	\$ 7,691,310	\$ 622,398	\$ 25,309,929

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2019

NOTE 15-DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

	Roosevelt Crossings	Richardson Bridge	Munsel Park	Hawthorne	New Winds	Bascom Village II	The Oaks at 14th	Turtle Creek	Total
Revenues - Rental income	\$ 30,420	\$ 196,332	\$ 243,919	\$ 327,818	\$ 107,443	\$ 287,200	\$ 341,929	\$ 176,165	\$ 1,711,226
Other income	151,962	-	3,936	8,033	371	6,254	11,626	-	182,182
Total operating revenue	182,382	196,332	247,855	335,851	107,814	293,454	353,555	176,165	1,893,408
Expenses:									
Operating expenses	118,432	193,786	238,000	190,140	90,312	237,291	221,207	141,946	1,431,114
Depreciation and amortization	142,005	55,710	86,190	100,238	98,397	294,741	285,287	151,130	1,213,698
Total operating expenses	260,437	249,496	324,190	290,378	188,709	532,032	506,494	293,076	2,644,812
Operating loss	(78,055)	(53,164)	(76,335)	45,473	(80,895)	(238,578)	(152,939)	(116,911)	(751,404)
Nonoperating revenue:									
Transfer - In	-	3,543,059	-	-	-	-	6,995,321	-	10,538,380
Interest expense	(4,833)	(86,163)	(5,640)	(84,961)	(42,779)	(28,849)	(39,199)	(92,871)	(385,295)
Interest income	1,178	13,989	296	231	146	117	734	-	16,691
Total nonoperating	(3,655)	3,470,885	(5,344)	(84,730)	(42,633)	(28,732)	6,956,856	(92,871)	10,169,776
Change in net position	(81,710)	3,417,721	(81,679)	(39,257)	(123,528)	(267,310)	6,803,917	(209,782)	9,418,372
Net position December 31, 2017	2,131,608	725,597	(271,689)	2,593,388	406,155	8,586,925	887,393	832,180	15,891,557
Net position December 31, 2018	\$ 2,049,898	\$ 4,143,318	\$ (353,368)	\$ 2,554,131	\$ 282,627	\$ 8,319,615	\$ 7,691,310	\$ 622,398	\$ 25,309,929
	(2)	1	1	-	-	-	-	-	-
Net cash provided (used) by:									
Operating activities	\$ 25,336	\$ (51,777)	\$ 86,094	\$ 40,146	\$ 23,235	\$ 40,515	\$ 75,495	\$ 12,202	\$ 251,246
Capital and non-capital related	51,680	3,367,798	(18,628)	(107,786)	-	(21,752)	854,170	(8,777)	4,116,705
Noncapital financing activities	-	-	-	-	-	-	-	-	-
Investing activities	(67,702)	(3,306,205)	(15,090)	(22,356)	(25,334)	(60,543)	(898,498)	5,004	(4,390,724)
Net increase (decrease)	9,314	9,816	52,376	(89,996)	(2,099)	(41,780)	31,167	8,429	(22,773)
Cash - beginning of year	12,688	3,591	67,985	145,192	41,390	111,268	86,070	9,699	477,883
Cash - end of year	\$ 22,002	\$ 13,407	\$ 120,361	\$ 55,196	\$ 39,291	\$ 69,488	\$ 117,237	\$ 18,128	\$ 455,110

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 15–DISCRETELY PRESENTED COMPONENT UNITS (Continued)

Roosevelt Crossing LP (State of Oregon) – Provided the loan complies 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.

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.

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.

NOTE 16–CONCENTRATIONS

For the year ended September 30, 2019, approximately 83% of operating revenues reflected in the financial statements is from HUD. Homes for Good operates in a highly regulated environment. The operations of the Agency 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 17–SUBSEQUENT EVENTS

Mainstream Vouchers - In January 2019 Homes for Good received 33 Mainstream Vouchers from HUD. Mainstream Vouchers provide housing assistance payments to participating owners on behalf of families having heads of households (or their spouse) with disabilities. In addition, the Agency converted 33 of its contracted 2817 Housing Choice Vouchers into Project Based Vouchers.

Land sales – On February 18, 2020 the Agency sold a parcel of land located east of River Road and north of Lombard Street, Eugene, Oregon for \$850,000. On April 24, 2020 the Agency sold a parcel of land located at 48th and Main Street, Springfield, Oregon for \$1,050,000. These parcels were sold as a result of management determining more suitable low-income housing opportunities.

Administrative office – During April 2020 the Agency relocated its administrative offices from 177 Day Island Rd, Eugene, Oregon to 100 W. 13 Eugene, Oregon 97401.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2019

NOTE 18—SUBSEQUENT EVENTS (Continued)

RAD 2, LLC (Sarang & Hayden Bridge Place) – On February 21, 2020 Homes for Good Housing Agency transferred assets and liabilities from pre-development operations to RAD 2, LLC in exchange for a \$2,650,000 promissory note due from RAD 2, LLC. The promissory note has an interest rate of 3.7% and calls for annual payments of \$102,682 beginning April 15, 2022. The promissory note is unsecured and subject to the availability of funds of RAD 2, LLC. As a condition of agreement, Homes for Good Housing Agency also borrowed \$750,000 from the City of Springfield, Oregon. The loan is payable in two installment of \$375,000 beginning May 15, 2020. There is no stated interest rate on the note due to the City of Springfield, Oregon.

Homes for Good Housing Agency also provided a guaranty for two bonds totaling \$16,900,000, associated with RAD 2, LLC tax credit development. The loans are secured assets of RAD 2, LLC including all accounts established under the loan agreement. One bond is for \$6,500,000 and has a maturity date of February 1, 2042. The interest rate on the bond is 4.03% and calls for monthly bond payments beginning February 1, 2022 of \$32,885. The bond has several prepayment penalty clauses. A second bond was issued for \$10,400,000 and matures on February 1, 2022. The interest rate on the bond is 4.03% . Proceeds from the sale of scattered site homes are the primary repayment source for this project.

Commons on MLK – The Commons on MLK is a community project to house and support people in Lane County, Oregon that have been homeless the longest with 51 units of housing with array of supportive services. The complex is located on Martin Luther King Blvd in Eugene, Oregon next to both Lane County Behavioral Health and Community Health Center primary health care. The development cost is approximately \$12,800,000 million. The Agency has provided a guaranty of the loan used to finance construction for this project.

The Agency provides an operating deficit guaranty. If at any time an operating deficit exists as defined in the agreement, Homes for Good Housing Agency is responsible to advance funds in order to satisfy the obligation. The Agency's maximum amount for this guaranty is \$220,000. The Agency also provides a development fee guaranty. To the extent that any part of the development fee is not paid by the date of the final capital installment, Homes for Good is obligated to pay the developer fee in the form of an advance.

Energy services line-of-credit instrument – The agency obtained a \$500,000 line-of-credit instrument with a bank for purposes of managing cash flows of jobs associated with the Agency's energy services. There was no outstanding balance as of the report date.

COVID-19 – The spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses locally and worldwide, resulting in an economic slowdown. Governments have responded with monetary and fiscal interventions to help stabilize economic conditions. The Agency's financial position may be affected by loss of tenant rents and increased amounts of rental assistance due to loss of income of program participants. On March 22, 2020 a 90-day temporary moratorium on residential evictions for non-payment of rent was placed into effect for the State of Oregon. This moratorium was extended until April 1, 2021. Management of the Agency has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended September 30, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Agency for future periods.

REQUIRED SUPPLEMENTARY INFORMATION

HOMES FOR GOOD HOUSING AGENCY

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED SEPTEMBER 30, 2019

This schedule is required to report information for 10 years. However, until a full 10-year trend is compiled the information presented is for those years for which information is available.

Description	September 2018	September 2019
Service Cost	\$ 15,178	\$ -
Interest on total OPEB liability	5,309	-
Effect of changes to benefit terms	-	-
Effect of economic/demographic gains or (losses)	-	-
Effective of assumption changes or inputs	(6,294)	-
Benefit payments	(10,801)	-
Net change in total OPEB liability	3,392	-
Total OPEB liability, beginning	163,685	167,077
Total OPEB liability, ending	167,077	167,077
Covered payroll	4,432,600	4,740,001
Total OPEB liability as a % of covered payroll	3.77%	3.52%

SUPPLEMENTARY INFORMATION

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF NET POSITION
 SEPTEMBER 30, 2019

	Low Rent Public Housing	Continuum of Care	Rural Rental Assistance Payments	Weatherization Assistance for Low-income Persons	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Component Unit - Discretely Presented	Component Unit - Blended
111 Cash - Unrestricted	\$ 1,754,089	\$ -	\$ 164,669	\$ -	\$ -	\$ 2,219,941	\$ 402,734	\$ 426,979
113 Cash - Other Restricted	83,626	-	455,556	-	-	308,948	1,665,840	519,069
114 Cash - Tenant Security Deposits	195,393	-	31,844	-	-	-	95,610	110,660
100 Total Cash	2,033,108	-	652,069	-	-	2,528,889	2,164,184	1,056,708
122 Accounts Receivable - HUD Other Projects	2,036	-	-	-	27,485	-	-	-
124 Accounts Receivable - Other Government	-	149,198	-	88,128	-	-	-	-
125 Accounts Receivable - Miscellaneous	154,213	-	-	-	-	-	73,102	105
126 Accounts Receivable - Tenants	27,557	-	19,161	-	-	-	18,781	31,457
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	(7,299)
127 Notes, Loans, & Mortgages Receivable - Current	14,013	-	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	47	-	-
120 Total Receivables, Net of Allowances for Doubtful	197,819	149,198	19,161	88,128	27,485	47	91,883	24,263
131 Investments - Unrestricted	-	-	-	-	-	-	-	49
142 Prepaid Expenses and Other Assets	5,593	-	11,299	-	258	14,100	31,303	32,898
143 Inventories	98,411	-	-	-	-	-	-	-
144 Inter Program Due From	-	-	-	-	-	-	-	-
150 Total Current Assets	2,334,931	149,198	682,529	88,128	27,743	2,543,036	2,287,370	1,113,918
161 Land	4,148,387	-	470,405	-	-	-	5,717,443	815,711
162 Buildings	38,531,631	-	4,939,757	-	-	-	35,998,100	19,358,120
163 Furniture, Equipment & Machinery - Dwellings	1,564,714	-	29,424	-	-	-	1,382,030	379,620
164 Furniture, Equipment & Machinery -	-	-	-	-	-	119,323	-	-
166 Accumulated Depreciation	(24,857,842)	-	(1,181,613)	-	-	(81,798)	(7,093,137)	(16,393,676)
167 Construction in Progress	4,066,929	-	-	-	-	-	-	3,508,619
160 Total Capital Assets, Net of Accumulated Notes, Loans and Mortgages Receivable - Non-	23,453,819	-	4,257,973	-	-	37,525	36,004,436	7,668,394
171 Current	-	-	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-	213,783	-
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-
180 Total Non-Current Assets	23,453,819	-	4,257,973	-	-	37,525	36,218,219	7,668,394
200 Deferred Outflows of Resources	-	-	-	-	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	\$ 25,788,750	\$ 149,198	\$ 4,940,502	\$ 88,128	\$ 27,743	\$ 2,580,561	\$ 38,505,589	\$ 8,782,312
312 Accounts Payable <= 90 Days	82,077	7,717	188	82,261	2,167	27,533	88,882	225,618
321 Accrued Wage/Payroll Taxes Payable	19,965	841	-	-	4,465	23,656	-	274
322 Accrued Compensated Absences - Current Portion	86,000	2,000	-	-	13,000	57,000	-	-
325 Accrued Interest Payable	7,292	-	358	-	-	-	-	3,869
333 Accounts Payable - Other Government	187,734	-	-	-	-	-	-	-
341 Tenant Security Deposits	195,657	-	31,114	-	-	-	106,651	102,740
342 Unearned Revenue	-	-	-	-	-	-	-	11,228
343 Current Portion of Long-term Debt	126,500	-	43,700	-	-	-	-	3,398,898
345 Other Current Liabilities	-	-	-	-	-	-	-	12,162
346 Accrued Liabilities - Other	-	-	4,975	-	-	-	405,758	110,922
347 Inter Program - Due To	-	136,328	216,336	109,584	2,524	-	-	357,405
348 Loan Liability - Current	-	-	-	-	-	-	-	-
310 Total Current Liabilities	705,225	146,886	296,671	191,845	22,156	108,189	601,291	4,223,116
351 Long-Term Debt, Net of Current	3,001,896	-	2,075,384	-	-	-	12,594,369	3,404,904
353 Non-Current Liabilities - Other	63,444	-	-	-	-	308,948	-	-
354 Accrued Compensated Absences - Non Current	36,860	1,641	-	-	5,587	24,278	-	-
357 Other Post-Employment Benefits Liability	41,630	-	-	-	-	36,484	-	-
350 Total Non-Current Liabilities	3,143,830	1,641	2,075,384	-	5,587	369,710	12,594,369	3,404,904
300 Total Liabilities	3,849,055	148,527	2,372,055	191,845	27,743	477,899	13,195,660	7,628,020
400 Deferred Inflows of Resources	-	-	-	-	-	-	-	-
508.4 Net Investment in Capital Assets	20,325,423	-	2,138,889	-	-	37,525	23,410,067	864,592
511.4 Restricted Net Position	83,626	-	455,556	-	-	308,948	1,665,840	519,069
512.4 Unrestricted Net Position	1,530,646	671	(25,998)	(103,717)	-	1,756,189	234,022	(229,369)
513 Total Equity - Net Position	21,939,695	671	2,568,447	(103,717)	-	2,102,662	25,309,929	1,154,292
600 Total Liabilities, Deferred Inflows of Resources and	\$ 25,788,750	\$ 149,198	\$ 4,940,502	\$ 88,128	\$ 27,743	\$ 2,580,561	\$ 38,505,589	\$ 8,782,312

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF NET POSITION
 SEPTEMBER 30, 2019

	Interest Reduction Payments	N/C S/R Section 8 Programs	Shelter Plus Care	Low-Income Home Energy Assistance	VA Homeless Grant and Per Diem	Other Federal Program	Business Activities	Central Office Cost Center
111 Cash - Unrestricted	\$ -	\$ 78,534	\$ -	\$ -	\$ -	\$ -	\$ 1,555,261	\$ 131,395
113 Cash - Other Restricted	667,088	39,954	-	-	-	-	1,444,490	6,187,333
114 Cash - Tenant Security Deposits	49,459	6,363	-	-	-	-	37,270	-
100 Total Cash	716,547	124,851	-	-	-	-	3,037,021	6,318,728
122 Accounts Receivable - HUD Other Projects	-	-	38,481	-	-	-	-	-
124 Accounts Receivable - Other Government	-	-	-	97,536	14,194	-	-	102,883
125 Accounts Receivable - Miscellaneous	-	100	-	-	-	-	521,753	-
126 Accounts Receivable - Tenants	12,507	2,669	-	-	-	-	6,497	-
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	2,594	441	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful	15,101	3,210	38,481	97,536	14,194	-	528,250	102,883
131 Investments - Unrestricted	-	-	-	-	-	-	125,165	203,357
142 Prepaid Expenses and Other Assets	933	601	-	-	-	-	72,764	259,872
143 Inventories	22,987	4,716	-	-	-	-	24,324	6,102
144 Inter Program Due From	-	-	-	-	-	-	-	2,092,989
150 Total Current Assets	755,568	133,378	38,481	97,536	14,194	-	3,787,524	8,983,931
161 Land	1,363,547	214,386	-	-	-	-	2,386,606	2,302,148
162 Buildings	6,142,916	1,810,996	-	-	-	-	6,130,176	3,634,155
163 Furniture, Equipment & Machinery - Dwellings	51,239	17,034	-	-	-	-	111,148	-
164 Furniture, Equipment & Machinery -	-	-	-	-	-	-	8,032	1,335,617
166 Accumulated Depreciation	(2,723,662)	(1,113,308)	-	-	-	-	(2,559,168)	(1,869,294)
167 Construction in Progress	11,463	24,393	-	-	-	-	1,648,780	1,066,973
160 Total Capital Assets, Net of Accumulated Notes, Loans and Mortgages Receivable - Non-	4,845,503	953,501	-	-	-	-	7,725,574	6,469,599
171 Current	-	-	-	-	-	-	10,165,603	-
174 Other Assets	-	-	-	-	-	-	1,011,699	-
176 Investments in Joint Ventures	-	-	-	-	-	-	903,814	-
180 Total Non-Current Assets	4,845,503	953,501	-	-	-	-	19,806,690	6,469,599
200 Deferred Outflows of Resources	-	-	-	-	-	-	-	11,247
290 Total Assets and Deferred Outflow of Resources	\$ 5,601,071	\$ 1,086,879	\$ 38,481	\$ 97,536	\$ 14,194	\$ -	\$ 23,594,214	\$ 15,464,777
312 Accounts Payable <= 90 Days	43,681	6,276	3,504	107,836	-	-	95,944	377,983
321 Accrued Wage/Payroll Taxes Payable	6,523	1,400	404	-	-	-	21,807	24,747
322 Accrued Compensated Absences - Current Portion	31,000	5,000	2,000	-	-	-	83,000	170,000
325 Accrued Interest Payable	-	-	-	-	-	-	876	90,918
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	49,459	6,363	-	-	-	-	41,653	-
342 Unearned Revenue	-	-	-	-	-	-	250,000	-
343 Current Portion of Long-term Debt	-	17,000	-	-	-	-	96,400	336,000
345 Other Current Liabilities	-	-	-	-	-	-	380,799	-
346 Accrued Liabilities - Other	-	-	-	-	14,194	-	-	120,845
347 Inter Program - Due To	219,471	-	32,220	107,129	-	-	911,993	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-
310 Total Current Liabilities	350,134	36,039	38,128	214,965	14,194	-	1,882,472	1,120,493
351 Long-Term Debt, Net of Current	-	249,609	-	-	-	-	808,992	10,038,358
353 Non-Current Liabilities - Other	-	-	-	-	-	-	-	-
354 Accrued Compensated Absences - Non Current	13,350	2,789	353	-	-	-	36,282	73,172
357 Other Post-Employment Benefits Liability	-	-	-	-	-	-	6,529	82,434
350 Total Non-Current Liabilities	13,350	252,398	353	-	-	-	851,803	10,193,964
300 Total Liabilities	363,484	288,437	38,481	214,965	14,194	-	2,734,275	11,314,457
400 Deferred Inflows of Resources	-	-	-	-	-	-	-	5,035
508.4 Net Investment in Capital Assets	4,845,503	686,892	-	-	-	-	6,820,182	(3,904,759)
511.4 Restricted Net Position	667,088	39,954	-	-	-	-	1,444,490	6,187,333
512.4 Unrestricted Net Position	(275,004)	71,596	-	(117,429)	-	-	12,595,267	1,862,711
513 Total Equity - Net Position	5,237,587	798,442	-	(117,429)	-	-	20,859,939	4,145,285
Total Liabilities, Deferred Inflows of Resources and	\$ 5,601,071	\$ 1,086,879	\$ 38,481	\$ 97,536	\$ 14,194	\$ -	\$ 23,594,214	\$ 15,464,777

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF NET POSITION
 SEPTEMBER 30, 2019

	Subtotal	Eliminations	Total	Homes for Good		Total
				Subtotal	Eliminations	
111 Cash - Unrestricted	\$ 6,733,602	\$ -	\$ 6,733,602	\$ 6,330,868	\$ -	\$ 6,330,868
113 Cash - Other Restricted	11,371,904	-	11,371,904	9,706,064	-	9,706,064
114 Cash - Tenant Security Deposits	526,599	-	526,599	430,989	-	430,989
100 Total Cash	18,632,105	-	18,632,105	16,467,921	-	16,467,921
122 Accounts Receivable - HUD Other Projects	68,002	-	68,002	68,002	-	68,002
124 Accounts Receivable - Other Government	451,939	-	451,939	451,939	-	451,939
125 Accounts Receivable - Miscellaneous	749,273	-	749,273	676,171	-	676,171
126 Accounts Receivable - Tenants	118,629	-	118,629	99,848	-	99,848
126.1 Allowance for Doubtful Accounts - Tenants	(7,299)	-	(7,299)	(7,299)	-	(7,299)
127 Notes, Loans, & Mortgages Receivable - Current	17,048	-	17,048	17,048	-	17,048
128 Fraud Recovery	47	-	47	47	-	47
120 Total Receivables, Net of Allowances for Doubtful	1,397,639	-	1,397,639	1,305,756	-	1,305,756
131 Investments - Unrestricted	328,571	-	328,571	328,571	-	328,571
142 Prepaid Expenses and Other Assets	429,621	-	429,621	398,318	-	398,318
143 Inventories	156,540	-	156,540	156,540	-	156,540
144 Inter Program Due From	2,092,989	(2,092,989)	-	2,092,989	(2,092,989)	-
150 Total Current Assets	23,037,465	(2,092,989)	20,944,476	20,750,095	(2,092,989)	18,657,106
161 Land	17,418,633	-	17,418,633	11,701,190	-	11,701,190
162 Buildings	116,545,851	-	116,545,851	80,547,751	-	80,547,751
163 Furniture, Equipment & Machinery - Dwellings	3,535,209	-	3,535,209	2,153,179	-	2,153,179
164 Furniture, Equipment & Machinery - Administration	1,462,972	-	1,462,972	1,462,972	-	1,462,972
166 Accumulated Depreciation	(57,873,498)	-	(57,873,498)	(50,780,361)	-	(50,780,361)
167 Construction in Progress	10,327,157	-	10,327,157	10,327,157	-	10,327,157
160 Total Capital Assets, Net of Accumulated Depreciation	91,416,324	-	91,416,324	55,411,888	-	55,411,888
171 Notes, Loans and Mortgages Receivable - Non-Current	10,165,603	(2,162,957)	8,002,646	10,165,603	(2,162,957)	8,002,646
174 Other Assets	1,225,482	(130,398)	1,095,084	1,011,699	(130,398)	881,301
176 Investments in Joint Ventures	903,814	-	903,814	903,814	-	903,814
180 Total Non-Current Assets	103,711,223	(2,293,355)	101,417,868	67,493,004	(2,293,355)	65,199,649
200 Deferred Outflows of Resources	11,247	-	11,247	11,247	-	11,247
290 Total Assets and Deferred Outflow of Resources	\$ 126,759,935	\$ (4,386,344)	\$ 122,373,591	\$ 88,254,346	\$ (4,386,344)	\$ 83,868,002
312 Accounts Payable <= 90 Days	1,151,667	-	1,151,667	1,062,785	-	1,062,785
321 Accrued Wage/Payroll Taxes Payable	104,082	-	104,082	104,082	-	104,082
322 Accrued Compensated Absences - Current Portion	449,000	-	449,000	449,000	-	449,000
325 Accrued Interest Payable	103,313	-	103,313	103,313	-	103,313
333 Accounts Payable - Other Government	187,734	-	187,734	187,734	-	187,734
341 Tenant Security Deposits	533,637	-	533,637	426,986	-	426,986
342 Unearned Revenue	261,228	-	261,228	261,228	-	261,228
343 Current Portion of Long-term Debt	4,018,498	-	4,018,498	4,018,498	-	4,018,498
345 Other Current Liabilities	392,961	-	392,961	392,961	-	392,961
346 Accrued Liabilities - Other	656,694	(130,398)	526,296	250,936	(130,398)	120,538
347 Inter Program - Due To	2,092,990	(2,092,989)	1	2,092,990	(2,092,989)	1
348 Loan Liability - Current	-	-	-	-	-	-
310 Total Current Liabilities	9,951,804	(2,223,387)	7,728,417	9,350,513	(2,223,387)	7,127,126
351 Long-Term Debt, Net of Current	32,173,512	(2,162,957)	30,010,555	19,579,143	(2,162,957)	17,416,186
353 Non-Current Liabilities - Other	372,392	-	372,392	372,392	-	372,392
354 Accrued Compensated Absences - Non Current	194,312	-	194,312	194,312	-	194,312
357 Other Post-Employment Benefits Liability	167,077	-	167,077	167,077	-	167,077
350 Total Non-Current Liabilities	32,907,293	(2,162,957)	30,744,336	20,312,924	(2,162,957)	18,149,967
300 Total Liabilities	42,859,097	(4,386,344)	38,472,753	29,663,437	(4,386,344)	25,277,093
400 Deferred Inflows of Resources	5,035	-	5,035	5,035	-	5,035
508.4 Net Investment in Capital Assets	55,224,314	-	55,224,314	31,814,247	-	33,977,204
511.4 Restricted Net Position	11,371,904	-	11,371,904	9,706,064	-	9,706,064
512.4 Unrestricted Net Position	17,299,585	-	17,299,585	17,065,563	-	14,902,606
513 Total Equity - Net Position	83,895,803	-	83,895,803	58,585,874	-	58,585,874
600 Equity - Net Position	\$ 126,759,935	\$ (4,386,344)	\$ 122,373,591	\$ 88,254,346	\$ (4,386,344)	\$ 83,868,002

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Low Rent Public Housing	Continuum of Care Program	Rural Rental Assistance Payments	Weatherization Assistance for Low-income Persons	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Component Unit - Discretely Presented	Component Unit - Blended
70300 Net Tenant Rental Revenue	\$ 2,342,336	\$ -	\$ 220,933	\$ -	\$ -	\$ -	\$ 1,711,226	\$ 1,411,467
70400 Tenant revenue - Other	17,413	-	-	-	-	-	-	-
70500 Total tenant revenue	2,359,749	-	220,933	-	-	-	1,711,226	1,411,467
70600 HUD PHA Operating Grants	2,671,346	-	-	-	388,142	20,341,752	-	-
70610 Capital Grants	437,589	-	-	-	-	-	-	-
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	-	365,661	262,066	563,448	-	75,000	151,961	-
71100 Investment Income - Unrestricted	38,875	-	-	-	-	1,454	16,691	1,107
71400 Fraud Recovery	-	-	-	-	-	13,293	-	-
71500 Other Revenue	21,833	-	18,163	-	30	27,655	30,221	49,838
71600 Loss on sale of capital assets	-	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	1,639	-	-	-	-	-
70000 Total Revenue	5,529,392	365,661	502,801	563,448	388,172	20,459,154	1,910,099	1,462,412
91100 Administrative Salaries	428,001	30,584	-	14,623	58,358	955,129	-	2,045
91200 Auditing Fees	22,224	-	-	1,814	-	9,140	-	6,500
91300 Management Fee	595,675	-	57,600	-	-	401,136	-	72,413
91310 Bookkeeping Fee	69,195	-	-	-	-	250,710	-	-
91400 Advertising and Marketing	138	-	398	677	-	690	-	2,812
91500 Employee Benefit Contributions - Administrative	244,622	22,155	-	14,124	39,522	570,353	-	211
91600 Office Expenses	134,682	326	11,471	30,450	15,682	97,058	588,321	29,452
91700 Legal Expense	3,932	55	7,431	-	-	4,583	-	15,912
91800 Travel	1,460	-	3,146	754	857	4,374	-	3,948
91810 Allocated Overhead	-	5,685	-	33,984	77,960	-	-	-
91900 Other	78,900	748	12,604	32,119	12,271	138,760	-	53,337
91000 Total Operating - Administrative	1,578,829	59,553	92,650	128,545	204,650	2,431,933	588,321	186,630
92000 Asset Management Fee	83,400	-	-	-	-	-	-	10,000
92100 Tenant Services - Salaries	31,603	-	-	-	159,620	70,760	-	-
92200 Relocation Costs	10,058	-	-	-	-	-	-	-
92300 Employee Benefit Contributions	21,860	-	-	-	91,794	20,671	-	-
92400 Tenant Services - Other	13,154	-	-	-	-	61,923	-	-
92500 Total Tenant Services	76,675	-	-	-	251,414	153,354	-	-
93100 Water	117,345	-	17,582	-	-	-	-	57,786
93200 Electricity	87,019	-	11,526	-	-	-	-	42,513
93300 Gas	42,217	-	625	-	-	-	-	-
93600 Sewer	218,516	-	30,430	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	217,806	69,740
93000 Total Utilities	465,097	-	60,163	-	-	-	217,806	170,039
94100 Ordinary Maintenance and Operations - Labor	373,697	-	-	147,241	-	-	-	-
94200 Ordinary Maintenance and Operations - Materials	167,293	-	14,557	318,923	-	-	-	98,005
94300 Ordinary Maintenance and Operations Contracts	935,726	95,165	223,018	-	333	89,344	437,110	620,674
94500 Employee Benefit Contributions	282,225	-	-	69,813	-	-	-	-
94000 Total Maintenance	1,758,941	95,165	237,575	535,977	333	89,344	437,110	718,679
95100 Protective Services - Labor	23,912	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-	728
95500 Employee Benefit Contributions	3,773	-	-	-	-	-	-	-
95000 Total Protective Services	27,685	-	-	-	-	-	-	728
96110 Property Insurance	107,474	48	11,033	2,643	2,398	11,798	-	35,904
96140 All Other Insurance	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	107,474	48	11,033	2,643	2,398	11,798	-	35,904
96200 Other General Expenses	36,133	-	-	-	-	29,011	73,861	-
96300 Payments in Lieu of Taxes	187,724	-	-	-	-	-	114,016	-
96400 Bad Debt - Tenant Rents	14,018	-	7,434	-	-	675	-	22,167
96000 Total Other General Expenses	237,875	-	7,434	-	-	29,686	187,877	22,167
96710 Interest Expense	121,591	-	32,367	-	-	-	385,295	167,782
96900 Total Operating Expenses	4,457,567	154,766	441,222	667,165	458,795	2,716,115	1,816,409	1,311,929
97000 Excess of Operating Revenue Over Operating Expen	1,071,825	210,895	61,579	(103,717)	(70,623)	17,743,039	93,690	150,483

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Interest Reduction Payments	N/C S/R Section 8 Programs	Shelter Plus Care	Low-Income Home Emergency Assistance	VA Homeless Grant and Per Diem	Other Federal Programs	Business Activities	Central Office Cost Center
70300 Net Tenant Rental Revenue	\$ 557,598	\$ 72,645	\$ -	\$ -	\$ -	\$ -	\$ 980,076	\$ 429,377
70400 Tenant revenue - Other	11,413	-	-	-	-	-	55,179	2,700
70500 Total tenant revenue	569,011	72,645	-	-	-	-	1,035,255	432,077
70600 HUD PHA Operating Grants	359,154	228,979	569,754	-	-	-	3,281,644	234,510
70610 Capital Grants	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	1,024,468
70720 Asset Management Fee	-	-	-	-	-	-	-	93,750
70730 Bookkeeping Fee	-	-	-	-	-	-	-	319,905
70740 Front Line Service Fee	-	-	-	-	-	-	-	514,916
70750 Other Fees	-	-	-	-	-	-	-	326,366
70700 Total Fee Revenue	-	-	-	-	-	-	-	2,279,405
70800 Other Government Grants	-	-	-	495,613	167,729	-	2,054,106	10,750
71100 Investment Income - Unrestricted	-	126	-	-	-	-	341,684	4,434
71400 Fraud Recovery	-	-	-	-	-	-	-	-
71500 Other Revenue	15,930	816	-	-	-	-	-	217,502
71600 Loss on sale of capital assets	-	-	-	-	-	-	(95,255)	-
72000 Investment Income - Restricted	258	-	-	-	-	-	1,908	-
70000 Total Revenue	944,353	302,566	569,754	495,613	167,729	-	6,619,342	3,178,678
91100 Administrative Salaries	139,180	27,418	28,995	7,096	-	-	443,459	1,121,380
91200 Auditing Fees	4,570	1,713	-	781	-	-	10,845	29,461
91300 Management Fee	87,607	16,319	-	-	-	-	74,993	5,000
91310 Bookkeeping Fee	-	-	-	-	-	-	-	-
91400 Advertising and Marketing	541	-	-	822	-	-	8,917	285
91500 Employee Benefit Contributions - Administrative	74,737	22,810	21,684	3,697	-	-	265,342	621,493
91600 Office Expenses	19,293	3,491	175	19,639	-	-	35,074	180,409
91700 Legal Expense	2,004	58	-	38	-	-	22,461	11,103
91800 Travel	255	63	-	605	-	-	2,771	9,103
91810 Allocated Overhead	-	-	5,821	21,284	-	-	132,432	-
91900 Other	15,501	7,292	320	12,040	-	-	191,166	242,533
91000 Total Operating - Administrative	343,688	79,164	56,995	66,002	-	-	1,187,460	2,220,767
92000 Asset Management Fee	-	-	-	-	-	-	10,350	-
92100 Tenant Services - Salaries	-	9,526	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-	-	-
92300 Employee Benefit Contributions	-	-	-	-	-	-	-	-
92400 Tenant Services - Other	-	6,922	-	-	-	-	11,830	-
92500 Total Tenant Services	-	16,448	-	-	-	-	11,830	-
93100 Water	30,496	6,762	-	-	-	-	22,321	5,454
93200 Electricity	13,964	1,364	-	-	-	-	35,677	46,515
93300 Gas	9,783	-	-	-	-	-	7,171	7,604
93600 Sewer	41,432	10,692	-	-	-	-	30,322	9,700
93800 Other Utilities Expense	-	-	-	-	-	-	-	-
93000 Total Utilities	95,675	18,818	-	-	-	-	95,491	69,273
94100 Ordinary Maintenance and Operations - Labor	115,896	13,642	-	153,453	-	-	136,105	272,683
94200 Ordinary Maintenance and Operations - Materials	43,915	7,889	-	292,607	-	-	447,869	20,111
94300 Ordinary Maintenance and Operations Contracts	267,756	68,532	-	-	-	-	151,330	165,228
94500 Employee Benefit Contributions	91,635	10,135	-	98,997	-	-	86,817	166,344
94000 Total Maintenance	519,202	100,198	-	545,057	-	-	822,121	624,366
95100 Protective Services - Labor	4,820	775	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	7,183	-
95500 Employee Benefit Contributions	752	121	-	-	-	-	-	-
95000 Total Protective Services	5,572	896	-	-	-	-	7,183	-
96110 Property Insurance	19,310	-	36	1,983	-	-	21,403	12,250
96140 All Other Insurance	-	3,704	-	-	-	-	-	31,356
96100 Total Insurance Premiums	19,310	3,704	36	1,983	-	-	21,403	43,606
96200 Other General Expenses	-	-	-	-	-	(2,656)	59,348	-
96300 Payments in Lieu of Taxes	-	15,656	-	-	-	-	-	78,392
96400 Bad Debt - Tenant Rents	1,033	1,996	-	-	-	-	174,495	-
96000 Total Other General Expenses	1,033	17,652	-	-	-	(2,656)	233,843	78,392
96710 Interest Expense	-	5,806	-	-	-	-	53,662	141,483
96900 Total Operating Expenses	984,480	242,686	57,031	613,042	-	(2,656)	2,443,343	3,177,887
97000 Excess of Operating Revenue Over Operating Expen	(40,127)	59,880	512,723	(117,429)	167,729	2,656	4,175,999	791

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Subtotal	Eliminations	Total	Homes for Good		Homes for Good
				Subtotal	Eliminations	Total
70300 Net Tenant Rental Revenue	7,725,658	\$ -	\$ 7,725,658	\$ 6,014,432	\$ -	\$ 6,014,432
70400 Tenant revenue - Other	86,705	-	86,705	86,705	-	86,705
70500 Total tenant revenue	7,812,363	-	7,812,363	6,101,137	-	6,101,137
70600 HUD PHA Operating Grants	28,075,281	-	28,075,281	28,075,281	-	28,075,281
70610 Capital Grants	437,589	-	437,589	437,589	-	437,589
70710 Management Fee	1,024,468	(1,024,468)	-	1,024,468	(1,024,468)	-
70720 Asset Management Fee	93,750	(93,750)	-	93,750	(93,750)	-
70730 Bookkeeping Fee	319,905	(319,905)	-	319,905	(319,905)	-
70740 Front Line Service Fee	514,916	(514,916)	-	514,916	(514,916)	-
70750 Other Fees	326,366	(277,166)	49,200	326,366	(277,166)	49,200
70700 Total Fee Revenue	2,279,405	(2,230,205)	49,200	2,279,405	(2,230,205)	49,200
70800 Other Government Grants	4,146,334	-	4,146,334	3,994,373	-	3,994,373
71100 Investment Income - Unrestricted	404,371	(103,057)	301,314	387,680	(103,057)	284,623
71400 Fraud Recovery	13,293	-	13,293	13,293	-	13,293
71500 Other Revenue	381,988	(137,580)	244,408	351,767	(137,580)	214,187
71600 Loss on sale of capital assets	(95,255)	-	(95,255)	(95,255)	-	(95,255)
72000 Investment Income - Restricted	3,805	-	3,805	3,805	-	3,805
70000 Total Revenue	43,554,429	(2,470,842)	40,988,332	41,549,075	(2,470,842)	39,078,233
91100 Administrative Salaries	3,256,268	-	3,256,268	3,256,268	-	3,256,268
91200 Auditing Fees	87,048	-	87,048	87,048	-	87,048
91300 Management Fee	1,310,743	(1,024,468)	286,275	1,310,743	(1,024,468)	286,275
91310 Bookkeeping Fee	319,905	(319,905)	-	319,905	(319,905)	-
91400 Advertising and Marketing	15,280	-	15,280	15,280	-	15,280
91500 Employee Benefit Contributions - Administrative	1,900,750	-	1,900,750	1,900,750	-	1,900,750
91600 Office Expenses	1,165,523	-	1,165,523	577,202	-	577,202
91700 Legal Expense	67,577	-	67,577	67,577	-	67,577
91800 Travel	27,336	-	27,336	27,336	-	27,336
91810 Allocated Overhead	277,166	(277,166)	-	277,166	(277,166)	-
91900 Other	797,591	-	797,591	797,591	-	797,591
91000 Total Operating - Administrative	9,225,187	(1,621,539)	7,603,648	8,636,866	(1,621,539)	7,015,327
92000 Asset Management Fee	103,750	(93,750)	10,000	103,750	(93,750)	10,000
92100 Tenant Services - Salaries	271,509	-	271,509	271,509	-	271,509
92200 Relocation Costs	10,058	-	10,058	10,058	-	10,058
92300 Employee Benefit Contributions	134,325	-	134,325	134,325	-	134,325
92400 Tenant Services - Other	93,829	-	93,829	93,829	-	93,829
92500 Total Tenant Services	509,721	-	509,721	509,721	-	509,721
93100 Water	257,746	-	257,746	257,746	-	257,746
93200 Electricity	238,578	-	238,578	238,578	-	238,578
93300 Gas	67,400	-	67,400	67,400	-	67,400
93600 Sewer	341,092	-	341,092	341,092	-	341,092
93800 Other Utilities Expense	287,546	-	287,546	69,740	-	69,740
93000 Total Utilities	1,192,362	-	1,192,362	974,556	-	974,556
94100 Ordinary Maintenance and Operations - Labor	1,212,717	-	1,212,717	1,212,717	-	1,212,717
94200 Ordinary Maintenance and Operations - Materials	1,411,169	-	1,411,169	1,411,169	-	1,411,169
94300 Ordinary Maintenance and Operations Contracts	3,054,216	(514,916)	2,539,300	2,617,106	(514,916)	2,102,190
94500 Employee Benefit Contributions	805,966	-	805,966	805,966	-	805,966
94000 Total Maintenance	6,484,068	(514,916)	5,969,152	6,046,958	(514,916)	5,532,042
95100 Protective Services - Labor	29,507	-	29,507	29,507	-	29,507
95200 Protective Services - Other Contract Costs	7,911	-	7,911	7,911	-	7,911
95500 Employee Benefit Contributions	4,646	-	4,646	4,646	-	4,646
95000 Total Protective Services	42,064	-	42,064	42,064	-	42,064
96110 Property Insurance	226,280	-	226,280	226,280	-	226,280
96140 All Other Insurance	35,060	-	35,060	35,060	-	35,060
96100 Total Insurance Premiums	261,340	-	261,340	261,340	-	261,340
96200 Other General Expenses	195,697	-	195,697	121,836	-	121,836
96300 Payments in Lieu of Taxes	395,788	-	395,788	281,772	-	281,772
96400 Bad Debt - Tenant Rents	221,818	-	221,818	221,818	-	221,818
96000 Total Other General Expenses	813,303	-	813,303	625,426	-	625,426
96710 Interest Expense	907,986	(103,057)	804,929	522,691	(103,057)	419,634
96900 Total Operating Expenses	19,539,781	(2,333,262)	17,206,519	17,723,372	(2,333,262)	15,390,110
97000 Excess of Operating Revenue Over Operating Expenses	24,014,648	(137,580)	23,781,813	23,825,703	(137,580)	23,688,123

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Low Rent Public Housing	Continuum of Care Program	Rural Rental Assistance Payments	Weatherization Assistance for Low-income Persons	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Component Unit - Discretely Presented	Component Unit - Blended
97100 Extraordinary Maintenance	408	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	2,500	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	191,282	-	-	-	17,648,858	-	-
97350 HAP Portability-In	-	-	-	-	-	4,027	-	-
97400 Depreciation Expense	685,332	-	122,866	-	-	2,245	1,213,698	664,471
90000 Total Expenses	5,145,807	346,048	564,088	667,165	458,795	20,371,245	3,030,107	1,976,400
10010 Operating Transfers In	-	-	-	-	-	-	-	-
10020 Operating Transfers Out	-	-	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	(137,580)	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	197,551	-	-	-	78,198	-	-	-
10094 Transfers between Program and Project - Out	(197,551)	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-
10100 Total Other financing Sources (Uses) Excess (Deficiency) of Total Revenue Over (Under)	(137,580)	-	-	-	78,198	-	-	-
10000 Total Expenses	\$ 246,005	\$ 19,613	\$ (61,287)	\$ (103,717)	\$ 7,575	\$ 87,909	\$ (1,120,008)	\$ (513,988)

Memo Account Information

11020 Required Annual Debt Principal Payments	126,500	-	43,700	-	-	-	82,493	3,398,898
Beginning Equity	21,693,690	(18,942)	2,629,734	-	(7,575)	2,014,753	15,891,557	1,668,280
Prior Period Adjustments, Equity Transfers and								
11030 Correction of Errors	-	-	-	-	-	-	10,538,380	-
11040 Administrative Fee Equity	-	-	-	-	-	1,947,439	-	-
11170 Housing Assistance Payments Equity	-	-	-	-	-	67,314	-	-
11180 Unit Months Available	8,340	380	960	-	-	36,636	3,624	2,868
11190 Number of Unit Months Leased	8,243	344	939	-	-	35,152	3,438	2,799
11210 Excess Cash	1,294,075	-	-	-	-	-	-	-
11270 Building Purchases	294,382	-	-	-	-	-	-	-
11620 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-
11630 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-
11640								

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Interest Reduction Payments	N/C S/R Section 8 Programs	Shelter Plus Care	Low-Income Home Emergency Assistance	VA Homeless Grant and Per Diem	Other Federal Programs	Business Activities	Central Office Cost Center
97100	Extraordinary Maintenance	-	2,204	-	-	-	-	-
97200	Casualty Losses - Non-capitalized	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	-	525,081	-	167,729	16,375	-
97350	HAP Portability-In	-	-	-	-	-	-	-
97400	Depreciation Expense	148,277	40,367	-	-	-	150,280	180,061
90000	Total Expenses	<u>1,132,757</u>	<u>285,257</u>	<u>582,112</u>	<u>613,042</u>	<u>167,729</u>	<u>2,609,998</u>	<u>3,357,948</u>
10010	Operating Transfers In	-	-	-	-	-	4,180	-
10020	Operating Transfers Out	-	-	-	-	-	-	(4,180)
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-
10093	Transfers between Program and Project - In	4,000	-	23,216	-	-	-	4,283,705
10094	Transfers between Program and Project - Out	-	-	-	-	-	(4,146,334)	(242,785)
10080	Special Items (Net Gain/Loss)	-	-	-	-	-	(226,510)	226,510
10100	Total Other financing Sources (Uses) Excess (Deficiency) of Total Revenue Over (Under)	<u>4,000</u>	<u>-</u>	<u>23,216</u>	<u>-</u>	<u>-</u>	<u>(4,368,664)</u>	<u>4,263,250</u>
10000	Total Expenses	<u>\$ (184,404)</u>	<u>\$ 17,309</u>	<u>\$ 10,858</u>	<u>\$(117,429)</u>	<u>\$ 2,656</u>	<u>\$ (359,320)</u>	<u>\$ 4,083,980</u>

Memo Account Information

11020	Required Annual Debt Principal Payments	-	17,000	-	-	-	96,400	336,000.00
	Beginning Equity	5,421,991	781,133	(10,858)	-	-	21,219,259	61,305
	Prior Period Adjustments, Equity Transfers and							
11030	Correction of Errors	-	-	-	-	-	-	-
11040	Administrative Fee Equity	-	-	-	-	-	-	-
11170	Housing Assistance Payments Equity	-	-	-	-	-	-	-
11180	Unit Months Available	1,560	300	672	-	-	1,836	-
11190	Number of Unit Months Leased	1,548	300	640	-	-	1,792	-
11210	Excess Cash	-	-	-	-	-	-	-
11270	Building Purchases	-	-	-	-	-	-	-
11620	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-
11630	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-
11640								

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Subtotal	Eliminations	Total	Homes for Good		Total
				Subtotal	Eliminations	
97100 Extraordinary Maintenance	2,612	-	2,612	2,612	-	2,612
97200 Casualty Losses - Non-capitalized	2,500	-	2,500	2,500	-	2,500
97300 Housing Assistance Payments	18,549,325	-	18,549,325	18,549,325	-	18,549,325
97350 HAP Portability-In	4,027	-	4,027	4,027	-	4,027
97400 Depreciation Expense	3,207,597	-	3,207,597	1,993,899	-	1,993,899
90000 Total Expenses	41,305,842	(2,333,262)	38,972,580	38,275,735	(2,333,262)	35,942,473
10010 Operating Transfers In	4,180	-	4,180	4,180	-	4,180
10020 Operating Transfers Out	(4,180)	-	(4,180)	(4,180)	-	(4,180)
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	(137,580)	137,580	-	(137,580)	137,580	-
10093 Transfers between Program and Project - In	4,586,670	-	4,586,670	4,586,670	-	4,586,670
10094 Transfers between Program and Project - Out	(4,586,670)	-	(4,586,670)	(4,586,670)	-	(4,586,670)
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	(137,580)	137,580	-	(137,580)	137,580	-
Excess (Deficiency) of Total Revenue Over (Under) Total						
10000 Expenses	\$ 2,111,007	\$ -	\$ 2,015,752	\$ 3,135,760	\$ -	\$ 3,135,760

Memo Account Information

11020 Required Annual Debt Principal Payments	4,365,518	-	4,365,518	4,283,025	-	4,283,025
Beginning Equity	71,341,671	-	71,341,671	55,450,114	-	55,450,114
Prior Period Adjustments, Equity Transfers and Correction						
11030 of Errors	10,538,380	-	10,538,380	-	-	-
11040 Administrative Fee Equity	11,040	-	11,040	11,040	-	11,040
11170 Housing Assistance Payments Equity	11,170	-	11,170	11,170	-	11,170
11180 Unit Months Available	28,096	-	28,096	24,472	-	24,472
11190 Number of Unit Months Leased	27,795	-	27,795	24,357	-	24,357
11210 Excess Cash	1,305,285	-	1,305,285	1,305,285	-	1,305,285
11270 Building Purchases	305,652.00	-	305,652	305,652	-	305,652
11620 Furniture & Equipment - Dwelling Purchases	11,620.00	-	11,620	11,620	-	11,620
11630 Furniture & Equipment - Administrative Purchases	11,630.00	-	11,630	11,630	-	11,630
11640						

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE – COMBINING SCHEDULE OF NET POSITION – LOW RENT PUBLIC HOUSING DETAIL FOR THE YEAR ENDED SEPTEMBER 30, 2019

	AMP 100 OR006000100	AMP 200 OR006000200	AMP 300 OR006000300	AMP 400 OR006000400	AMP 500 OR006000500	AMP 600 OR006000600	Total
111 Cash - Unrestricted	\$ 253,686	\$ 408,785	\$ 211,860	\$ 555,599	\$ 201,504	\$ 122,655	\$ 1,754,089
113 Cash - Other Restricted	1,719	25,762	47,419	4,846	2,441	1,439	83,626
114 Cash - Tenant Security Deposits	10,005	70,015	59,059	20,410	20,954	14,950	195,393
100 Total Cash	265,410	504,562	318,338	580,855	224,899	139,044	2,033,108
122 Accounts Receivable - HUD Other Projects	-	262	-	1,774	-	-	2,036
125 Accounts Receivable - Miscellaneous	-	-	154,213	-	-	-	154,213
126 Accounts Receivable - Tenants	2,623	5,014	8,589	2,394	2,487	6,450	27,557
127 Notes, Loans, & Mortgages Receivable - Current	-	7,492	3,203	90	2,218	1,010	14,013
120 Accounts	2,623	12,768	166,005	4,258	4,705	7,460	197,819
131 Investments - Unrestricted	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	808	1,661	838	1,001	612	673	5,593
143 Inventories	3,998	39,654	15,057	13,226	10,667	15,809	98,411
144 Inter Program Due From	-	-	-	-	-	-	-
150 Total Current Assets	272,839	558,645	500,238	599,340	240,883	162,986	2,334,931
161 Land	299,209	1,286,348	904,530	687,758	450,796	519,746	4,148,387
162 Buildings	3,798,247	10,616,187	7,362,056	6,088,729	3,715,792	6,950,620	38,531,631
163 Furniture, Equipment & Machinery - Dwellings	57,803	517,357	392,291	234,903	155,018	207,342	1,564,714
164 Furniture, Equipment & Machinery - Administration	-	-	-	-	-	-	-
166 Accumulated Depreciation	(1,605,939)	(8,206,174)	(4,482,253)	(4,525,621)	(2,542,193)	(3,495,662)	(24,857,842)
167 Construction in Progress	211,284	1,225,421	691,037	542,923	787,719	608,545	4,066,929
160 Total Capital Assets, Net of Accumulated Depreciation	2,760,604	5,439,139	4,867,661	3,028,692	2,567,132	4,790,591	23,453,819
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-	-
180 Total Non-Current Assets	2,760,604	5,439,139	4,867,661	3,028,692	2,567,132	4,790,591	23,453,819
290 Total Assets and Deferred Outflow of Resources	\$ 3,033,443	\$ 5,997,784	\$ 5,367,899	\$ 3,628,032	\$ 2,808,015	\$ 4,953,577	\$25,788,750
312 Accounts Payable <= 90 Days	\$ 3,771	\$ 33,451	\$ 10,412	\$ 6,728	\$ 16,654	\$ 11,061	\$ 82,077
321 Accrued Wage/Payroll Taxes Payable	1,099	5,995	3,499	3,153	2,110	4,109	19,965
322 Accrued Compensated Absences - Current Portion	12,628	22,791	11,989	41,497	21,489	12,466	122,860
325 Accrued Interest	1,402	-	-	-	3,197	2,693	7,292
333 Accounts Payable - Other Government	6,413	66,976	41,467	35,708	19,157	18,013	187,734
341 Tenant Security Deposits	10,105	70,393	53,785	23,940	21,184	16,250	195,657
343 Current Portion of Long-Term Debt - Capital Projects	-	-	-	-	-	-	-
345 Other Current Liabilities	-	-	-	-	-	-	-
347 Inter Program - Due To	-	-	-	-	-	-	-
310 Total Current Liabilities	35,418	199,606	121,152	111,026	83,791	64,592	615,585
351 Long-Term Debt, Net of Current - Capital Projects	204,346	971,758	277,401	506,106	688,851	479,934	3,128,396
353 Non-current Liabilities - Other	2,394	14,265	46,785	-	-	-	63,444
354 Accrued Compensated Absences - Non Current	-	-	-	-	-	-	-
357 Other Post-Employment Benefits Liability	1,786	11,982	7,873	8,161	5,991	5,837	41,630
350 Total Non-Current Liabilities	208,526	998,005	332,059	514,267	694,842	485,771	3,233,470
300 Total Liabilities	243,944	1,197,611	453,211	625,293	778,633	550,363	3,849,055
508 Net Investment in Capital Assets	2,556,258	4,467,381	4,590,260	3,028,692	1,878,281	4,310,657	20,831,529
511 Restricted Net Position	1,719	25,762	47,419	4,846	2,441	1,439	83,626
512 Unrestricted Net Position	231,522	307,030	277,009	(30,799)	148,660	91,118	1,024,540
513 Total Net Position	2,789,499	4,800,173	4,914,688	3,002,739	2,029,382	4,403,214	21,939,695
Total Liabilities, Deferred Inflows of Resources and							
600 Net Position	\$ 3,033,443	\$ 5,997,784	\$ 5,367,899	\$ 3,628,032	\$ 2,808,015	\$ 4,953,577	\$25,788,750

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE – DETAIL FOR INTEREST PAYMENTS PROGRAM FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Village Oaks	14 Pines	Total
111 Cash - Unrestricted	\$ -	\$ -	\$ -
113 Cash - Other Restricted	308,179	358,909	667,088
114 Cash - Tenant Security Deposits	31,651	17,807	49,459
100 Total Cash	<u>339,830</u>	<u>376,716</u>	<u>716,547</u>
125 Accounts Receivable - Other	-	-	-
126 Accounts Receivable - Tenants	3,811	8,695	12,507
127 Notes Receivable	897	1,697	2,594
142 Prepaid Expenses and Other Assets	481	451	933
143 Inventories	16,870	6,116	22,987
144 Inter Program Due From	-	-	-
150 Total Current Assets	<u>361,890</u>	<u>393,676</u>	<u>755,567</u>
161 Land	593,299	770,248	1,363,547
162 Buildings	2,487,807	3,655,109	6,142,916
164 Furniture, Equipment & Machinery - Administration	19,580	31,659	51,239
167 Construction in Progress	-	11,463	11,463
166 Accumulated Depreciation	(1,133,695)	(1,589,967)	(2,723,661)
160 Total Capital Assets, Net of Accumulated Depreciation	<u>1,966,992</u>	<u>2,878,512</u>	<u>4,845,504</u>
174 Other Assets	-	-	-
290 Total Assets and Deferred Outflow of Resources	<u>\$ 2,328,882</u>	<u>\$ 3,272,189</u>	<u>\$ 5,601,071</u>
312 Accounts Payable <= 90 Days	\$ 19,882	\$ 23,800	\$ 43,681
321 Accrued Wage/Payroll Taxes Payable	3,052	3,471	6,523
322 Accrued Compensated Absences - Current Portion	15,463	28,887	44,350
341 Tenant Security Deposits	31,651	17,807	49,459
342 Unearned Revenue	-	-	-
343 Current Portion of Long-term Debt	-	-	-
347 Inter Program - Due To	241,876	(22,405)	219,471
310 Total Current Liabilities	<u>311,925</u>	<u>51,559</u>	<u>363,484</u>
354 Accrued compensated absense	-	-	-
300 Total Liabilities	<u>311,925</u>	<u>51,559</u>	<u>363,484</u>
508.4 Net Investment in Capital Assets	1,966,992	2,878,512	4,845,504
511.4 Restricted Net Position	308,179	358,909	667,088
512.4 Unrestricted Net Position	(258,213)	(16,792)	(275,005)
513 Total Position	<u>2,016,957</u>	<u>3,220,630</u>	<u>5,237,587</u>
600 Total Liabilities and Net Position	<u>\$ 2,328,882</u>	<u>\$ 3,272,189</u>	<u>\$ 5,601,071</u>

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE – DETAIL FOR INTEREST PAYMENTS PROGRAM FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Village Oaks	14 Pines	Total
70300 Net Tenant Rental Revenue	\$ 355,701	\$ 201,898	\$ 557,598
70400 Tenant Revenue - Other	4,011	7,402	11,413
70500 Total Tenant Revenue	<u>359,712</u>	<u>209,300</u>	<u>569,012</u>
70600 HUD PHA Operating Grants	68,385	290,769	359,154
71500 Other Revenue	8,887	7,043	15,930
72000 Investment Income - Restricted	173	85	258
70000 Total Revenue	<u>437,158</u>	<u>507,196</u>	<u>944,354</u>
91100 Administrative Salaries	69,643	69,538	139,180
91200 Auditing Fees	2,285	2,285	4,570
91300 Management Fee	44,288	43,319	87,607
91400 Advertising and Marketing	310	231	541
91500 Employee Benefit contributions - Administrative	40,781	33,956	74,737
91600 Office Expenses	11,765	7,528	19,293
91700 Legal Expense	799	1,205	2,004
91800 Travel	213	41	255
91900 Other	11,469	1,847	13,316
91000 Total Operating - Administrative	<u>181,553</u>	<u>159,950</u>	<u>341,503</u>
93100 Water	14,936	15,560	30,496
93200 Electricity	8,372	5,592	13,964
93300 Gas	8,963	821	9,783
93600 Sewer	22,348	19,084	41,432
93000 Total Utilities	<u>54,618</u>	<u>41,057</u>	<u>95,675</u>
94100 Ordinary Maintenance and Operations - Labor	65,993	49,903	115,896
94200 Ordinary Maintenance and Operations - Materials and Other	30,284	13,631	43,915
94300 Ordinary Maintenance and Operations Contracts	147,762	119,994	267,756
94500 Employee Benefit Contributions - Ordinary Maintenance	47,498	44,136	91,635
94000 Total Maintenance	<u>291,538</u>	<u>227,665</u>	<u>519,203</u>
95100 Protective Services - Salaries	2,596	2,224	4,820
95500 Employee Benefit Contributions - Protective Services	405	347	752
95000 Total Protective Services	<u>3,001</u>	<u>2,570</u>	<u>5,571</u>
96110 Property Insurance	9,836	9,474	19,310
96400 Bad debt - Tenant Rents	1,036	(3)	1,033
96900 Total Operating Expenses	<u>541,583</u>	<u>440,713</u>	<u>982,296</u>
97000 Excess of Operating Revenue over Operating Expenses	(104,425)	66,483	(37,942)
97400 Depreciation Expense	62,048	86,229	148,277
90000 Total Expenses	<u>603,631</u>	<u>526,942</u>	<u>1,130,573</u>
10093 Operating Transfer In	-	2,000	2,000
10000 Deficiency of Total Revenue Under Total Expenses	<u>\$ (166,473)</u>	<u>\$ (17,746)</u>	<u>\$ (184,219)</u>

HOMES FOR GOOD HOUSING AGENCY

**FINANCIAL DATA SCHEDULE – DETAIL FOR RURAL RENTAL ASSISTANCE PAYMENTS PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Camas</u>	<u>Village Apartments</u>	<u>Total</u>
111 Cash - Unrestricted	\$ 22,945	\$ 141,723	\$ 164,669
113 Cash - Other Restricted	79,512	376,044	455,556
114 Cash - Tenant Security Deposits	13,799	18,045	31,844
100 Total Cash	<u>116,256</u>	<u>535,813</u>	<u>652,069</u>
125 Accounts Receivable - Miscellaneous	-	-	-
126 Accounts Receivable - Tenants	18,775	386	19,161
120 Accounts	18,775	386	19,161
142 Prepaid Expenses and Other Assets	5,933	5,365	11,298
150 Total Current Assets	<u>140,963</u>	<u>541,564</u>	<u>682,527</u>
161 Land	371,676	98,729	470,405
162 Buildings	950,541	3,989,216	4,939,757
163 Furniture, Equipment & Machinery - Dwellings	15,134	14,290	29,424
166 Accumulated Depreciation	(379,749)	(801,864)	(1,181,613)
167 Construction in Progress	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	<u>957,602</u>	<u>3,300,371</u>	<u>4,257,973</u>
290 Total Assets and Deferred Outflow of Resources	<u>\$ 1,098,566</u>	<u>\$ 3,841,935</u>	<u>\$ 4,940,501</u>
312 Accounts Payable <= 90 Days	\$ 188	\$ -	\$ 188
325 Accrued Interest Payable	358	-	358
341 Tenant Security Deposits	13,799	17,315	31,114
342 Unearned Revenue	3,488	1,487	4,975
343 Current Portion of Long-term Debt - Capital Projects	15,300	28,400	43,700
345 Other Current Liabilities	-	-	-
347 Inter Program - Due To	83,956	132,380	216,336
310 Total Current Liabilities	<u>117,088</u>	<u>179,582</u>	<u>296,671</u>
351 Long-term Debt, Net of Current - Capital Projects	368,656	1,706,729	2,075,384
300 Total Liabilities	<u>485,744</u>	<u>1,886,311</u>	<u>2,372,055</u>
508.4 Net Investment in Capital Assets	573,647	1,565,242	2,138,889
511.4 Restricted Net Position	79,512	376,044	455,556
512.4 Unrestricted Net Position	(40,337)	14,337	(26,000)
513 Total Equity - Net Assets / Position	<u>612,822</u>	<u>1,955,624</u>	<u>2,568,446</u>
Total Liabilities, Deferred Inflows of Resources and			
600 Equity - Net Position	<u>\$ 1,098,566</u>	<u>\$ 3,841,935</u>	<u>\$ 4,940,501</u>

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE -- DETAIL FOR RURAL RENTAL ASSISTANCE PAYMENTS PROGRAM FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Camas	Norseman Village Apartments	Total
70300 Net Tenant Rental Revenue	\$ 125,689	\$ 95,244	\$ 220,933
70800 Other Government Grants	98,859	163,207	262,066
71500 Other Revenue	10,454	7,709	18,163
72000 Investment Income - Restricted	341	1,298	1,639
70000 Total Revenue	<u>235,343</u>	<u>267,459</u>	<u>502,801</u>
91300 Management Fee	25,920	31,680	57,600
91400 Advertising and Marketing	398	-	398
91600 Office Expenses	5,083	6,388	11,471
91700 Legal Expense	719	6,712	7,431
91800 Travel	998	2,148	3,146
91900 Other	8,396	4,210	12,605
91000 Total Operating - Administrative	<u>41,514</u>	<u>51,137</u>	<u>92,651</u>
93100 Water	13,626	3,955	17,582
93200 Electricity	7,995	3,531	11,526
93300 Gas	-	625	625
93600 Sewer	23,680	6,750	30,430
93000 Total Utilities	<u>45,301</u>	<u>14,861</u>	<u>60,163</u>
94200 Ordinary Maintenance and Operations - Materials & Other	10,032	4,526	14,557
94300 Garbage Service	12,963	7,476	20,438
94300 Landscape Maintenance	13,210	650	13,860
94300 Ordinary Maintenance and Operations Contracts	83,850	104,870	188,719
94000 Total Maintenance	<u>120,055</u>	<u>117,521</u>	<u>237,575</u>
96110 Property Insurance	5,759	5,274	11,033
96400 Bad debt - Tenant Rents	5,545	1,890	7,434
96710 Interest of Mortgage (or Bonds) Payable	4,744	27,622	32,367
96900 Total Operating Expenses	<u>222,918</u>	<u>218,305</u>	<u>441,222</u>
97000 Excess of Operating Revenue over Operating Expenses	12,425	49,154	61,579
97400 Depreciation Expense	22,183	100,683	122,866
90000 Total Expenses	<u>245,101</u>	<u>318,988</u>	<u>564,088</u>
10000 Deficiency of Total Revenue Under Total Expenses	<u>\$ (9,758)</u>	<u>\$ (51,529)</u>	<u>\$ (61,287)</u>

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - DETAIL FOR BLENDED COMPONENT UNITS SEPTEMBER 30, 2019

	Walnut Park	Orchards	Laurel Gardens	Jacobs Lane	Sheldon Village I	Sheldon Village II	Sheldon Village Apartments	Housing Plus	Total	
111	Cash - Unrestricted	\$ 113,403	\$ 5,696	\$ 15,324	\$ 10,562	\$ -	\$ -	\$ 280,964	\$ 1,030	\$ 426,979
113	Cash - Other Restricted	93,020	49,982	140,001	236,066	-	-	-	-	519,069
114	Cash - Tenant Security Deposits	20,056	14,405	15,822	25,306	-	-	35,072	-	110,661
100	Total Cash	<u>226,479</u>	<u>70,083</u>	<u>171,147</u>	<u>271,934</u>	<u>-</u>	<u>-</u>	<u>316,036</u>	<u>1,030</u>	<u>1,056,709</u>
125	Accounts Receivable - Miscellaneous	105	-	-	-	-	-	-	-	105
126	Accounts Receivable - Tenants	4,881	4,066	9,879	8,571	-	-	4,060	-	31,457
128.1	Allowance for Doubtful Accounts - Tenants	(674)	(1,968)	(311)	(1,768)	-	-	(2,578)	-	(7,299)
131	LGIP	49	-	-	-	-	-	-	-	49
142	Prepaid Expenses and Other Assets	6,370	4,812	4,483	9,839	-	-	6,822	572	32,898
150	Total Current Assets	<u>237,210</u>	<u>76,993</u>	<u>185,198</u>	<u>288,576</u>	<u>-</u>	<u>-</u>	<u>324,340</u>	<u>1,602</u>	<u>1,113,919</u>
161	Land	107,650	160,863	97,235	449,963	-	-	-	-	815,711
162	Buildings	2,292,329	2,130,211	1,896,461	4,936,180	-	-	8,102,939	-	19,358,120
163	Furniture, Equipment & Machinery - Dwellings	35,644	89,176	73,156	80,391	-	-	101,253	-	379,620
166	Accumulated Depreciation	(2,009,190)	(1,860,857)	(1,813,443)	(3,824,428)	-	-	(6,885,758)	-	(16,393,676)
167	Construction in Progress	-	-	-	-	-	-	3,508,619	-	3,508,619
160	Total Capital Assets, Net of Accumulated Depreciation	<u>426,433</u>	<u>519,393</u>	<u>253,409</u>	<u>1,642,106</u>	<u>-</u>	<u>-</u>	<u>4,827,053</u>	<u>-</u>	<u>7,668,394</u>
290	Total Assets and Deferred Outflow of Resources	<u>\$ 663,642</u>	<u>\$ 596,386</u>	<u>\$ 438,607</u>	<u>\$ 1,930,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,151,393</u>	<u>\$ 1,602</u>	<u>\$ 8,782,312</u>
312	Accounts Payable <= 90 Days	\$ 8,096	\$ 7,628	\$ 9,787	\$ 21,942	\$ -	\$ -	\$ 178,066	\$ 100	\$ 225,619
321	Accrued Wage/Payroll Taxes Payable	274	-	-	-	-	-	-	-	274
325	Accrued Interest Payable	1,225	1,800	844	-	-	-	-	-	3,869
341	Tenant Security Deposits	16,134	13,905	15,822	24,369	-	-	32,510	-	102,740
342	Unearned Revenue	1,531	654	4,684	1,907	-	-	2,452	-	11,228
343	Current Portion of Long-term Debt	30,600	8,800	20,200	27,900	-	-	3,311,398	-	3,398,898
345	Other Current Liabilities	3,602	7,065	-	-	-	-	1,495	-	12,162
346	Accrued Liabilities - Other	18,709	72,941	-	-	-	-	19,272	-	110,922
347	Inter Program - Due To	2,605	37,396	1,975	3,202	-	-	300,989	11,239	357,406
310	Total Current Liabilities	<u>82,775</u>	<u>150,189</u>	<u>53,312</u>	<u>79,320</u>	<u>-</u>	<u>-</u>	<u>3,846,182</u>	<u>11,339</u>	<u>4,223,117</u>
351	Long-term Debt, Net of Current - Capital Projects	<u>262,642</u>	<u>460,377</u>	<u>185,158</u>	<u>880,454</u>	<u>-</u>	<u>-</u>	<u>1,616,272</u>	<u>-</u>	<u>3,404,903</u>
300	Total Liabilities	<u>345,417</u>	<u>610,566</u>	<u>238,470</u>	<u>959,774</u>	<u>-</u>	<u>-</u>	<u>5,462,454</u>	<u>11,339</u>	<u>7,628,020</u>
508.4	Net Investment in Capital Assets	133,191	50,216	48,051	733,752	-	-	(100,617)	-	864,593
511.4	Restricted Net Position	96,942	50,482	140,001	237,003	-	-	2,562	-	526,990
512.4	Unrestricted Net Position	88,093	(114,878)	12,085	153	-	-	(213,006)	(9,737)	(237,290)
513	Total Net Position	<u>318,225</u>	<u>(14,180)</u>	<u>200,137</u>	<u>970,908</u>	<u>-</u>	<u>-</u>	<u>(311,061)</u>	<u>(9,737)</u>	<u>1,154,292</u>
600	Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 663,642</u>	<u>\$ 596,386</u>	<u>\$ 438,607</u>	<u>\$ 1,930,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,151,393</u>	<u>\$ 1,602</u>	<u>\$ 8,782,312</u>

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - DETAIL FOR BLENDED COMPONENT UNITS SEPTEMBER 30, 2019

	Walnut Park	Orchards	Laurel Gardens	Jacobs Lane	Sheldon Village I	Sheldon Village II	Sheldon Village Apartments	Housing Plus	Total
70300 Net Tenant Rental Revenue	\$ 194,458	\$ 176,327	\$ 174,140	\$ 313,271	\$ -	\$ -	\$ 553,271	\$ -	\$ 1,411,467
70800 Other Government Grants	-	-	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	70	160	784	87	-	-	5	-	1,106
71500 Other Revenue	8,630	8,574	8,457	8,910	-	-	10,949	4,318	49,838
72000 Investment Income - Restricted	-	-	-	-	-	-	-	-	-
70000 Total Revenue	203,159	185,061	183,381	322,268	-	-	564,225	4,318	1,462,412
91100 Administrative Salaries	-	-	-	-	-	-	-	2,045	2,045
91200 Auditing Fees	1,000	-	4,500	1,000	-	-	-	-	6,500
91300 Management Fee	9,464	8,934	11,147	15,507	-	-	27,360	-	72,412
91400 Advertising and Marketing	920	324	315	909	-	-	344	-	2,812
91500 Administrative Fringe	-	-	-	-	-	-	-	211	211
91600 Office Expenses	3,391	4,657	8,137	6,299	-	-	6,968	-	29,452
91700 Legal Expense	4,066	2,668	3,427	3,576	-	-	1,311	865	15,913
91800 Travel	445	856	852	854	-	-	941	-	3,948
91900 Other	7,827	9,753	7,990	15,955	-	-	8,492	3,320	53,337
91000 Total Operating - Administrative	27,113	27,192	36,368	44,100	-	-	45,416	6,441	186,630
92000 Asset Management Fee	10,000	-	-	-	-	-	-	-	10,000
93100 Water	1,415	7,723	5,774	16,309	-	-	26,566	-	57,787
93200 Electricity	1,958	1,583	12,932	10,340	-	-	15,700	-	42,513
93600 Sewer	1,729	9,439	6,170	19,933	-	-	32,469	-	69,740
93000 Total Utilities	5,102	18,745	24,876	46,582	-	-	74,735	-	170,040
94200 Materials & Other	16,619	13,936	9,975	39,396	-	-	18,079	-	98,005
94300 Maintenance Contracts	103,765	99,099	76,366	195,096	-	-	146,348	-	620,674
94000 Total Maintenance	120,384	113,035	86,341	234,492	-	-	164,427	-	718,679
95200 Security	-	-	-	728	-	-	-	-	728
95000 Total Security	-	-	-	728	-	-	-	-	728
96140 Insurance - General	5,440	4,350	4,136	7,480	-	-	13,673	825	35,904
96400 Bad debt - Tenant Rents	3,528	9,134	5,123	462	-	-	3,920	-	22,167
96710 Interest of Mortgage (or Bonds) Payable	15,366	21,835	10,566	41,645	-	-	78,370	-	167,782
96900 Total Operating Expenses	186,933	194,291	167,410	375,489	-	-	380,541	7,266	1,311,930
97000 Operating Excess (Deficit)	16,226	(9,230)	15,971	(53,221)	-	-	183,684	(2,948)	150,482
97400 Depreciation Expense	83,174	73,092	67,082	179,146	-	-	261,977	-	664,471
90000 Total Expenses	270,106	267,383	234,492	554,635	-	-	642,518	7,266	1,976,400
10093 Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-
10094 Transfers between Program and Project - Out	-	-	-	-	-	-	-	-	-
10000 Deficiency of Total Revenue Under Total Expenses	\$ (66,948)	\$ (82,322)	\$ (51,111)	\$ (232,367)	\$ -	\$ -	\$ (78,293)	\$ (2,948)	\$ (513,989)

HOMES FOR GOOD HOUSING AGENCY

**FINANCIAL DATA SCHEDULE - DETAIL FOR BUSINESS ACTIVITIES
SEPTEMBER 30, 2019**

		Development & Asset Management	100 W. 13th Avenue	Heeran Center	Signpost House	Firwood	Energy Services	Emergency Housing Assistance	Pay for Success	Family Shelter House	Homes for Good Housing Agency	Total
111	Cash - Unrestricted	\$ 1,548,486	\$ -	\$ 6,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,555,261
113	Cash - Other Restricted	1,383,783	-	52,058	-	8,649	-	-	-	-	-	1,444,490
114	Cash - Tenant Security Deposits	-	-	-	1,010	36,260	-	-	-	-	-	37,270
100	Total Cash	2,932,269	-	58,833	1,010	44,909	-	-	-	-	-	3,037,021
125	Accounts Receivable - Miscellaneous	396,453	-	22,191	29,257	-	73,852	-	-	-	-	521,753
126	Accounts Receivable - Tenants	-	-	-	-	6,497	-	-	-	-	-	6,497
120	Total Receivables, Net	396,453	-	22,191	29,257	6,497	73,852	-	-	-	-	528,250
131	Investments - Unrestricted	-	-	74,150	-	-	-	-	-	51,015	-	125,165
142	Prepaid Expenses and Other Assets	62,424	-	-	-	10,061	279	-	-	-	-	72,764
143	Inventories	-	-	-	-	10,941	13,383	-	-	-	-	24,324
144	Inter Program Due From	-	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	3,391,146	-	155,174	30,267	72,408	87,514	-	-	51,015	-	3,787,524
161	Land	1,787,433	-	403,815	195,358	-	-	-	-	-	-	2,386,606
162	Buildings	-	-	2,345,779	712,514	2,964,089	-	-	-	107,794	-	6,130,176
163	Furniture, Equipment & Machinery - Dwellings	-	-	111,148	-	-	-	-	-	-	-	111,148
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	8,032	-	-	-	-	-	8,032
166	Accumulated Depreciation	-	-	(848,378)	(264,335)	(1,418,675)	-	-	-	(27,780)	-	(2,559,168)
167	Construction in Progress	1,648,780	-	-	-	-	-	-	-	-	-	1,648,780
160	Total Capital Assets, Net of Accumulated Depreciation	3,436,213	-	2,012,364	643,537	1,553,446	-	-	-	80,014	-	7,725,574
171	Notes Receivable - Non-Current, Net	10,165,603	-	-	-	-	-	-	-	-	-	10,165,603
174	Other Assets	1,011,699	-	-	-	-	-	-	-	-	-	1,011,699
176	Investments in Joint Ventures	903,814	-	-	-	-	-	-	-	-	-	903,814
180	Total Non-Current Assets	15,517,329	-	2,012,364	643,537	1,553,446	-	-	-	80,014	-	19,806,690
290	Total Assets and Deferred Outflows of Resources	\$ 18,908,475	\$ -	\$ 2,167,538	\$ 673,804	\$ 1,625,854	\$ 87,514	\$ -	\$ -	\$ 131,029	\$ -	\$ 23,594,214
312	Accounts Payable <= 90 Days	\$ 33,554	\$ -	\$ 12,487	\$ 118	\$ 8,624	\$ 41,161	\$ -	\$ -	\$ -	\$ -	\$ 95,944
321	Accrued Wage/Payroll Taxes Payable	10,453	-	48	52	2,439	8,795	-	-	20	-	21,807
322	Accrued Compensated Absences - Current Portion	34,000	-	-	800	10,000	38,000	-	-	200	-	83,000
325	Accrued Interest Payable	-	-	876	-	-	-	-	-	-	-	876
341	Tenant Security Deposits	-	-	-	1,010	40,643	-	-	-	-	-	41,653
342	Unearned Revenue	250,000	-	-	-	-	-	-	-	-	-	250,000
343	Current Portion of Long-term Debt	-	-	54,300	-	42,100	-	-	-	-	-	96,400
345	Line of Credit / Security Deposits	380,799	-	-	-	-	-	-	-	-	-	380,799
347	Due to COCC / A/P Other	1,234,546	-	(354,335)	(133,319)	-	165,100	-	-	-	-	911,992
347	Inter Program - Due To	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	1,943,352	-	(286,624)	(131,339)	103,806	253,056	-	-	220	-	1,882,471
351	Long-term Debt, Net of Current	-	-	514,686	-	294,306	-	-	-	-	-	808,992
354	Accrued Compensated Absences - Non Current	15,056	-	-	20	3,962	16,748	-	-	496	-	36,282
357	Other Post-Employment Benefits Liability	6,529	-	-	-	-	-	-	-	-	-	6,529
350	Total Non-Current Liabilities	21,585	-	514,686	20	298,268	16,748	-	-	496	-	851,803
300	Total Liabilities	1,964,937	-	228,062	(131,319)	402,074	269,804	-	-	716	-	2,734,274
508.4	Net Investment in Capital Assets	3,436,213	-	1,443,378	643,537	1,217,040	-	-	-	80,014	-	6,820,182
511.4	Restricted Net Position	1,383,783	-	52,058	-	8,649	-	-	-	-	-	1,444,490
512.4	Unrestricted Net Position	12,123,542	-	444,040	161,586	(1,909)	(182,290)	-	-	50,299	-	12,595,268
513	Total Equity - Net Assets / Position	16,943,538	-	1,939,476	805,123	1,223,780	(182,290)	-	-	130,313	-	20,859,940
600	Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 18,908,475	\$ -	\$ 2,167,538	\$ 673,804	\$ 1,625,854	\$ 87,514	\$ -	\$ -	\$ 131,029	\$ -	\$ 23,594,214

HOMES FOR GOOD HOUSING AGENCY

FINANCIAL DATA SCHEDULE - DETAIL FOR BUSINESS ACTIVITIES
SEPTEMBER 30, 2019

		Development & Asset Management	100 W. 13th Avenue	Heeran Center	Signpost House	Firwood	Energy Services	Emergency Housing Assistance	Pay for Success	Family Shelter House	Homes for Good Housing Agency	Total
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ 261,798	\$ 104,665	\$ 613,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 980,075
70710	Management Fee	55,179	-	-	-	-	-	-	-	-	-	55,179
70800	Other Government Grants	3,211,268	-	-	-	-	54,761	15,615	-	-	-	3,281,644
71100	Investment Income - Unrestricted	339,097	-	-	-	-	-	-	-	2,587	-	341,684
71200	Mortgage Interest Income	-	-	1,875	-	33	-	-	-	-	-	1,908
71500	Other Revenue	1,732,032	-	-	428	7,155	302,492	-	-	12,000	-	2,054,107
71600	Gain or Loss on Sale of Capital Assets	(95,255)	-	-	-	-	-	-	-	-	-	(95,255)
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	5,242,321	-	263,673	105,093	620,800	357,253	15,615	-	14,587	-	6,619,342
91100	Administrative Salaries	372,445	-	2,340	8,166	56,622	1,531	1,033	239	1,083	-	443,459
91200	Auditing Fees	6,856	-	300	-	2,856	833	-	-	-	-	10,845
91300	Management Fee	-	-	8,640	5,594	60,759	-	-	-	-	-	74,993
91400	Advertising and Marketing	790	-	-	-	8,063	64	-	-	-	-	8,917
91500	Employee Benefit Contributions	206,052	-	1,238	5,714	32,856	17,919	706	-	857	-	265,342
91600	Office Expenses	14,325	-	7,363	623	7,696	5,067	-	-	-	-	35,074
91700	Legal Expense	13,775	-	100	7,974	612	-	-	-	-	-	22,461
91800	Travel	2,669	-	-	-	55	47	-	-	-	-	2,771
91810	Overhead Allocations	93,567	-	-	-	-	38,865	-	-	-	-	132,432
91900	Other	163,694	-	130	66	13,086	10,216	3,941	-	33	-	191,166
91000	Total Operating - Administrative	874,173	-	20,111	28,137	182,605	74,542	5,680	239	1,973	-	1,187,460
92000	Asset Management Fee	-	-	-	-	10,350	-	-	-	-	-	10,350
92400	Tenant Services - Other	-	-	-	7,600	4,230	-	-	-	-	-	11,830
93100	Water	528	-	6,546	2,389	12,858	-	-	-	-	-	22,321
93200	Electricity	972	-	24,837	1,878	7,990	-	-	-	-	-	35,677
93300	Gas	-	-	6,263	908	-	-	-	-	-	-	7,171
93600	Sewer	21	-	6,985	3,325	19,991	-	-	-	-	-	30,322
93000	Total Utilities	1,521	-	44,631	8,500	40,839	-	-	-	-	-	95,491
94100	Maintenance Labor	49,907	-	2,136	-	29,633	54,429	-	-	-	-	136,105
94200	Materials and Other	1,124	-	18,381	2,819	19,152	406,393	-	-	-	-	447,869
94300	Maintenance Contracts	20,043	-	46,454	22,304	62,501	14	-	14	-	-	151,330
94500	Employee Benefit Contributions	40,162	-	1,185	-	19,792	25,678	-	-	-	-	86,817
94000	Total Maintenance	111,236	-	68,156	25,123	131,078	486,514	-	14	-	-	822,121
95200	Protective Services	-	-	-	5,532	1,651	-	-	-	-	-	7,183
96110	Property Insurance	2,258	-	2,952	1,625	10,469	640	-	42	3,417	-	21,403
96200	Other General Expenses	4,648	-	-	-	54,700	-	-	-	-	-	59,349
96400	Bad Debt Expense	174,495	-	-	-	-	-	-	-	-	-	174,495
96710	Interest Expense	19,874	-	21,689	1	12,097	-	-	-	-	-	53,661
96900	Total Operating Expenses	1,188,205	-	157,539	76,518	448,019	561,696	5,680	295	5,390	-	2,443,343
97000	Excess (Deficit)	4,054,116	-	106,134	28,575	172,781	(204,443)	9,935	(295)	9,197	-	4,175,999
97300	Housing Assistance Payments	-	-	-	-	-	-	16,375	-	-	-	16,375
97400	Depreciation Expense	-	-	63,860	19,728	66,692	-	-	-	-	-	150,280
90000	Total Expenses	1,188,205	-	221,399	96,246	514,711	561,696	22,055	295	5,390	-	2,609,998
10010	Operating Transfer In	-	-	-	-	-	-	2,740	1,440	-	-	4,180
10094	Transfers between Programs - In	(1,509,865)	(209,620)	-	-	(4,287)	-	-	-	-	(2,422,562)	(4,146,334)
10080	Special Item	-	-	-	-	(226,510)	-	-	-	-	-	(226,510)
10000	Excess (Deficiency)	\$ 2,544,251	\$ (209,620)	\$ 42,274	\$ 8,847	\$ (124,708)	\$ (204,443)	\$ (3,700)	\$ 1,145	\$ 9,197	\$ (2,422,562)	\$ (359,320)

HOMES FOR GOOD HOUSING AGENCY

**SCHEDULE OF CAPITAL FUND PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

1. The Actual Modernization Costs on Modernization Project No. OR16P006501-15 is as follows:

	Funds Approved	Funds Expended	Excess of Funds Approved	Funds Advanced	Funds Expended	Excess of Funds Advanced
Operations	\$ 168,000	\$ 168,000	\$ -	\$ 168,000	\$ 168,000	\$ -
Management improvement	16,673	16,673	-	16,673	16,673	-
Administration	89,400	89,400	-	89,400	89,400	-
Audit	2,000	2,000	-	2,000	2,000	-
Fees and costs	35,011	35,011	-	35,011	16,801	18,210
Site improvements	11,953	11,953	-	11,953	11,953	-
Dwelling structures	569,767	569,767	-	569,767	587,977	(18,210)
Dwelling equipment	-	-	-	-	-	-
Non-dwelling structures	1,871	1,871	-	1,871	1,871	-
Contingency	-	-	-	-	-	-
	<u>\$ 894,675</u>	<u>\$ 894,675</u>	<u>\$ -</u>	<u>\$ 894,675</u>	<u>\$ 894,675</u>	<u>\$ -</u>

2. All modernization work in conjunction with this Capital Fund Program has been completed.
3. All modernization costs or liabilities incurred by Homes for Good regarding this project have been fully paid.
4. There are no undercharged mechanics, laborers, contractors or material-men's liens against such modernization work on the file in any public office where the same should be filed to be valid against such modernization work.
5. The time in which liens could be filed has expired.
6. There were no excess funds approved or advanced.

HOMES FOR GOOD HOUSING AGENCY

**SCHEDULE OF CAPITAL FUND PROGRAM (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

1. The Actual Modernization Costs on Modernization Project No. OR16P006501-16 is as follows:

	Funds Approved	Funds Expended	Excess of Funds Approved	Funds Advanced	Funds Expended	Excess of Funds Advanced
Operations	\$ 168,000	\$ 168,000	\$ -	\$ 168,000	\$ 168,000	\$ -
Management improvement	16,550	16,550	-	16,550	16,550	-
Administration	95,124	95,124	-	95,124	95,124	-
Audit	2,000	2,000	-	2,000	2,000	-
Fees and costs	20,506	20,506	-	20,506	20,506	-
Site improvements	7,362	7,362	-	7,362	7,362	-
Dwelling structures	594,117	594,117	-	605,617	594,117	11,500
Dwelling equipment	-	-	-	-	-	-
Non-dwelling structures	36,159	36,159	-	36,159	36,159	-
Contingency	11,500	11,500	-	-	11,500	(11,500)
	<u>\$ 951,318</u>	<u>\$ 951,318</u>	<u>\$ -</u>	<u>\$ 951,318</u>	<u>\$ 951,318</u>	<u>\$ -</u>

2. All modernization work in conjunction with this Capital Fund Program has been completed.
3. All modernization costs or liabilities incurred by Homes for Good regarding this project have been fully paid.
4. There are no undercharged mechanics, laborers, contractors or material-men's liens against such modernization work on the file in any public office where the same should be filed to be valid against such modernization work.
5. The time in which liens could be filed has expired.
6. There were no excess funds approved or advanced.

DISCLOSURES AND COMMENTS REQUIRED
BY STATE MINIMUM STANDARDS

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 Audit Standards

Board of Commissioners of
Homes For Good Housing Agency
Eugene, Oregon

We have audited the basic financial statements of Homes For Good Housing Agency (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, 2019, and have issued our report thereon dated August 24, 2020. 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, The Oaks-At-14th LLC, Munsel Park Limited Partnership, Turtle Creek Apartments Limited Partnership, Bascom Village II LLC and Richardson Bridge LLC, the aggregate discretely presented component units, as described in our report of the Agency's financial statements. The financial statements of New Winds Apartments Limited Partnership, The Oaks-At-14th LLC, Turtle Creek Apartments Limited Partnership, Bascom Village II LLC and Richardson Bridge LLC, were not audited in accordance with *Government Auditing Standards*, and the financial statements of the aggregate discretely presented component units were not audited in accordance with the 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) 162-10-0000 to 162-10-0330, 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.

Public Contracts and Purchasing

We noted one instance where the Agency's procurement policies and procedures specific to the Board approval requirement, the completion of a coversheet, the contract signature routing process and the contract execution was not followed. The Board retroactively approved the contract on July 10, 2020.

Extension of Time to the Deliver the Audit Report

The Agency's request for an extension of time to deliver the audit report was not granted. As a result, the audit report was not filed with the Oregon Secretary of State within 180 days of the Agency's fiscal year end.

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.



For Moss Adams LLP
Eugene, Oregon
August 24, 2020

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
Homes For Good Housing Agency
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 Homes For Good Housing Agency (the Agency), a component unit of Lane County, Oregon, and its aggregate discretely presented component units, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated August 24, 2020. Our report includes a reference to other auditors who audited the financial statements of Hawthorn-At-29th LLC, New Winds Apartments Limited Partnership, Roosevelt Crossing Limited Partnership, The Oaks-At-14th LLC, Munsel Park Limited Partnership, Turtle Creek Apartments Limited Partnership, Bascom Village II LLC and Richardson Bridge LLC, the aggregate discretely presented component units, as described in our report on the Agency's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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
August 24, 2020

Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Board of Commissioners of
Homes for Good Housing Agency
Eugene, Oregon

Report on Compliance for Each Major Federal Program

We have audited Homes for Good Housing Agency's (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 each of Agency's major federal programs for the year ended September 30, 2019. The Agency's major federal programs are 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 each of the Agency's major federal programs 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 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 each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each 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 each of its major federal programs for the year ended September 30, 2019.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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
August 24, 2020

HOMES FOR GOOD HOUSING AGENCY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Federal Grantor/Program Title	Federal CFDA Number	Subgrant ID Number	2019 Expenditures	Amounts Provided to Subipients
U.S. Department of Housing and Urban Development:				
Direct Programs:				
Housing Choice Vouchers	14.871	N/A	\$ 20,341,752	
Public Housing	14.850	N/A	1,857,491	
Public Housing Capital Fund	14.872	N/A	1,097,230	
Shelter Plus Care	14.238	N/A	569,754	
Resident Opportunity and Support Services- Service Coordinators	14.870	N/A	388,142	
Continuum of Care Program	14.267	N/A	365,661	
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	68,385	
Fourteen Pines	14.103	N/A	290,769	
			359,154	
Passed through Oregon Housing and Community Services Dept.- Section 8 New Construction and Substantial Rehabilitation - Abbie Lane Apartments	14.U02	Unknown	181,414	
Passed through State of Oregon: HOME Investment Partnership Program Camas Apartments	14.239	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	
Market District Commons		19-02168	583,111	
Market District Commons		Interim	255,402	
			4,261,519	
			5,566,563	
			32,854,032	
Total Department of Housing and Urban Development			32,854,032	

Federal Grantor/Program Title	Federal CFDA Number	Subgrant ID Number	2019 Expenditures	Amounts Provided to Subrecipients
U.S. Department of Agriculture				
Direct Programs:				
Rural Rental Housing Loans - Camas Apartments	10.415	N/A	\$ 397,830	
Rural Rental Housing Loans - Norsemen Village	10.415	N/A	<u>1,761,312</u>	
			<u>2,159,142</u>	
Rural Rental Assistance Payments - Camas Apartments	10.427	N/A	98,859	
Rural Rental Assistance Payments - Norsemen Village	10.427	N/A	<u>163,207</u>	
			<u>262,066</u>	
Total Department of Agriculture			<u><u>2,421,208</u></u>	
U.S. Department of Energy				
Passed through Lane County, Oregon:				
Weatherization Assistance for Low Income Persons	81.042	25765	212,294	
Bonneville Power Administration	81.042	25765	<u>351,153</u>	
Total Department of Energy			<u><u>563,447</u></u>	
U.S. Department of Health and Human Services				
Passed through Lane County, Oregon-				
Low Income Home Energy Assistance	93.568	25765	<u>495,613</u>	
U.S. Department of Veterans Affairs				
VA Homeless Providers Grant and Per Deim Program	64.024	N/A	<u>167,195</u>	<u>167,195</u>
Total expenditures of federal awards			<u><u>\$ 36,501,495</u></u>	<u><u>\$ 167,195</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

HOMES FOR GOOD HOUSING AGENCY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 1–BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Homes for Good Housing Agency (“Homes for Good” or “Agency”), 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 the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Homes for Good.

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. The Agency has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3–LOAN PROGRAMS

Homes for Good has received loans funded by programs of U.S. Department of Agriculture and the U.S. Department of Housing and Urban Development. The loans are included in the federal expenditures presented in the Schedule of Expenditures of Federal Awards. The balance of the loans outstanding at September 30, 2019 consists of the following:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance</u>
10.415	Rural Rental Housing Loans	<u>\$2,119,085</u>
14.239	HOME Investment Partnership Program	<u>\$5,566,563</u>
14.U01	Low Income Housing Preservation and Resident Homeownership Act of 1990 Capital Grant	<u>\$2,126,871</u>

**HOMES FOR GOOD HOUSING AGENCY
(A COMPONENT UNIT OF LANE COUNTY, OREGON)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

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

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

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

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
14.850	Public and Indian Housing	<i>Unmodified</i>
14.871	Housing Voucher Cluster	<i>Unmodified</i>
14.872	Public Housing Capital Fund (CFP)	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs: \$ 1,095,045

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

