

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

Component Unit Financial Statements
and Supplementary Information

For the Fiscal Year Ended June 30, 2025

Prepared by:

Housing Authority of Clackamas County
Finance Department

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

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
List of Principal Officials	4
<u>FINANCIAL SECTION</u>	
REPORT OF INDEPENDENT AUDITORS	7-10
MANAGEMENT'S DISCUSSION AND ANALYSIS	12-16
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position	18
Statement of Revenues, Expenses, and Changes in Net Position	19
Statement of Cash Flows	20
Notes to Basic Financial Statements	22-50
REQUIRED SUPPLEMENTARY INFORMATION:	
OPEB and Pension Information	52-54
SUPPLEMENTARY INFORMATION:	
Combining Schedule of Net Position (Financial Data Schedule)	56-59
Combining Schedule of Revenues, Expenses, and Changes in Net Position (Financial Data Schedule)	60-63
Financial Data Schedule – Combining Schedule of Net Position – Public Housing Detail	64
Financial Data Schedule – Combining Schedule of Revenues and Expenses – Public Housing Detail	65-66
Schedule of Revenues, Expenses, and Changes in Net Position for Rental Assistance Vouchers	67
Schedule of Clackamas Apartments Cash Balance	68
Schedule of Capital Fund Program	69
<u>COMPLIANCE SECTION</u>	
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 <i>Government Auditing Standards</i>	71-72
Report of Independent Auditors Required by Oregon State Regulations	74-75

INTRODUCTORY SECTION

HOUSING AUTHORITY OF CLACKAMAS COUNTY
A Component Unit of Clackamas County, Oregon

GOVERNING BODY
BOARD OF COUNTY COMMISSIONERS
CLACKAMAS COUNTY, OREGON
Public Services Building
2051 Kaen Road
Oregon City, Oregon 97045

COMMISSIONERS AS OF JUNE 30, 2025

Name	Term Expires
Craig Roberts, Chair Public Services Building	December 31, 2028
Diana Helm, Commissioner Public Services Building	December 31, 2026
Paul Savas, Commissioner Public Services Building	December 31, 2027
Martha Schrader, Commissioner Public Services Building	December 31, 2028
Ben West, Commissioner Public Services Building	December 31, 2026



ADMINISTRATIVE OFFICES
Clackamas County, Oregon
2051 Kaen Road
Oregon City, Oregon 97045

COUNTY ADMINISTRATOR
Gary Schmidt

LEGAL COUNSEL
Billy J. Williams

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the aggregate discretely presented component units of the Housing Authority of Clackamas County, Oregon (the Authority), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate discretely presented component units of the Housing Authority of Clackamas County, Oregon as of June 30, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated November 19, 2025, on our consideration of the Authority's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Ashley Osten, Principal, for
Baker Tilly US, LLP
Portland, Oregon
November 19, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

The Management of the Housing Authority of Clackamas County (the Authority) offers readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2025. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Our assets exceeded our liabilities (net position) at the close of the fiscal year by \$140,888, an increase of \$32,768 over the prior fiscal year. Of this amount, \$129,067 (unrestricted net position) may be used to meet our ongoing obligations to provide low-cost housing.
- The Authority's total assets were \$213,589, a net increase of \$35,170 from the prior fiscal year, which is primarily due to issuing \$27,643 in notes receivable. The majority of those notes receivable are for the development of low-income housing projects at Hillside Place and Vuela Palindrome Wilsonville.
- Total liabilities were \$74,685, an increase of \$3,561 from the prior fiscal year. The Authority's unearned revenue increased by \$3,829 primarily due an increase in Metro affordable housing bond program funds being unspent as of June 30, 2025. Those funds are reported as unearned revenue within liabilities until the restricted purpose of the funds is met.
- Unrestricted net position increased by \$33,197, as Metro affordable housing bond program funds were spent in 2025 across multiple projects. With restricted net position increasing by \$308, and this led to the Authority's total net position increasing by \$32,768.
- Total operating revenues were \$102,419, a significant increase of \$35,974 since last year. The increase primarily related to government grants increasing by \$35,406, of which most came from Metro's affordable housing bond program.
- Total operating expenses were \$73,160, an increase of \$19,724. With higher voucher income revenue in 2025, the Authority increased its housing assistance payments by \$13,314 in 2025.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements consist of the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and Statement of Cash Flows along with the notes to the basic financial statements. We encourage readers to consider the information presented here in conjunction with these financial statements.

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

JUNE 30, 2025

Overview of the Financial Statements (Continued)

Complementing these statements and notes is the supplementary information, which provides additional detail about the Authority's operations.

The Statement of Net Position presents information on all the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether our financial position is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position present information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows is an analysis of the change in the Authority's cash balance during the year.

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

Authority Financial Analysis

Net Position

The following provides a summary of the Authority's net position for 2025 and 2024:

	2025	2024
	\$(000's)	\$(000's)
Assets:		
Assets, excluding capital assets	\$ 200,310	\$ 164,404
Capital assets	<u>13,279</u>	<u>14,015</u>
Total assets	<u>213,589</u>	<u>178,419</u>
Deferred outflows of resources	<u>2,570</u>	<u>1,603</u>
Liabilities:		
Current liabilities	21,289	18,094
Noncurrent liabilities	<u>53,396</u>	<u>53,030</u>
Total liabilities	<u>74,685</u>	<u>71,124</u>
Deferred inflows of resources	<u>586</u>	<u>778</u>
Net position:		
Net investment in capital assets	10,113	10,850
Restricted	1,708	1,400
Unrestricted	<u>129,067</u>	<u>95,870</u>
Total net position	<u>\$ 140,888</u>	<u>\$ 108,120</u>

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

JUNE 30, 2025

Authority Financial Analysis (Continued)

As noted earlier, net position may serve over time as a useful indicator of whether a government's financial condition is improving or declining. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$140,888 at the close of the most recent fiscal year.

Seven percent of the Authority's net position, \$10,113, reflects its net investment in capital assets, primarily housing, less any related debt used to acquire those assets that are still outstanding. One percent of the Authority's net position, \$1,708, is restricted. These cash reserves are producing interest revenue. The remaining ninety-two percent is unrestricted net position of the Authority, \$129,067, which is available for future use to provide program services and the remaining debt service.

The total net position of the Authority increased by \$32,768 during the current fiscal year. Unrestricted net position increased by \$33,197, as Metro affordable housing bond program funds were spent in 2025 across multiple projects. With restricted net position remaining flat, this led to the Authority's total net position increasing by \$32,768.

There was no significant change in net investment in capital assets since the prior year.

Changes in Net Position

The following provides a summary of the Authority's change in net position for 2025 compared to 2024:

	2025	2024
	\$(000's)	
Revenues:		
Intergovernmental revenues	\$ 97,062	\$ 61,656
Rental income	3,570	3,271
Other revenue	1,787	1,518
 Total operating revenues	 102,419	 66,445
 Expenses:		
Housing assistance payments	53,176	39,862
Other operating expenses	19,984	13,574
Nonoperating expenses (revenues), net	(3,232)	(3,025)
 Total expenses	 69,928	 50,411
 Net income before contributions	 32,491	 16,034
 Capital contributions	 277	 714
 Change in net position	 32,768	 16,748
 Net position, beginning of year	 108,120	 91,372
 Net position, end of year	 \$ 140,888	 \$ 108,120

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

JUNE 30, 2025

Authority Financial Analysis (Continued)

Operating revenues increased by \$35,974 since the prior year, which was due to local governmental grants, primarily from the Metro affordable housing bond program, increasing \$29,532, and HUD voucher increasing by \$2,473. Total operating expenses increased by \$19,724 primarily due to higher HAP payments made in 2025.

Capital Asset and Debt Analysis

The Authority's dollars invested in capital assets totaled \$13,279, which was a small decrease of \$736, as there were no significant capital additions to Authority operations in 2025, and the Authority sold several scattered sites. Long-term debt totaled \$48,961, which was a small decrease of \$1,008.

Additional information relating to capital assets and long-term debt may be found in Notes 5 and 6, respectively.

Economic Factors

A majority of the Authority's programs are dependent on federal funding. The Housing Choice Voucher Program (the Program) has two primary funding components: The Housing Assistance Payment (HAP) which can only be used for rent assistance payments to landlords and the administrative fee funding to cover the costs of administering the Program. The administrative fee was federally prorated at only ~91% of fee eligibility during the fiscal year and fees are further limited to the number of vouchers leased. Because of high average per unit assistance costs, the Program fully utilizes its federal budget authority, while only able to serve 90% of available vouchers (UMAs).

The Authority continues to work toward increased caseloads with streamlined operations, but still has been forced to subsidize administrative costs with funds from local projects which do not have federal restrictions on their use. The Authority continues to receive new awards of funding and expects additional funding to cover existing HUD programs and new tenant-protected vouchers in the coming year. New awards with no increases in staffing would equate to more stable program cost coverage with increased administrative fees.

Housing inventory is limited in that rental vacancies are scarce, and landlords can raise rents with few repercussions. While Oregon limited rent increases to 10% in 2025, we continue to see fair market rent increases across the community. Additionally, the cost of living continues to be significantly higher in Oregon than the national average (more than 10%). These barriers impact participant lease up rates and time spent searching for eligible rental units.

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

JUNE 30, 2025

Economic Factors (Continued)

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

Clackamas County is receiving 21.33% of the total revenue generated by Measure 26-210 to provide services such as: rent assistance, mental health services, addiction and recovery services, employment assistance, and peer support services. The Authority is working in conjunction with Clackamas County and Clackamas County's department of Health, Housing and Human Services to implement Measure 26-210.

HACC receives grant funds from SHS through the County to expand its rent assistance programs. We are currently serving close to 900 households with regional long term rent assistance (RLRA) through the SHS program. HACC also receives Long Term Rent Assistance funds through the State of Oregon to serve up to 125 households in our community.

Hillside Park

As outlined in the Housing Authority of Clackamas County's Public Housing Repositioning Plan, the Housing Authority is repositioning and redeveloping the 100 unit public housing complex known as Hillside Park. As part of the approved Master Plan, the Housing Authority and its partners plan to redevelop the site with at least 500 new affordable units over 3 phases. The first phase of redevelop is underway with 275 affordable units being constructed in three four-story apartment buildings. Construction started in June 2024 on the first building, a 100-unit building called Blossom & Community. This building is completed and is currently being leased up. The next two buildings, Parkside Heights East (92 units) & West (83 units) are slated for completion in the spring of 2026. Phase 2 relocation is underway and construction is expected to commence in June 2026.

Scattered Sites

As outlined in the Housing Authority of Clackamas County's Public Housing Repositioning Plan, the Housing Authority is disposing of its 145-unit scattered site portfolio. To date, 4 units have been sold with an additional 4-5 units expected by the end of 2025.

Financial Contact

The financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Authority's finances and to demonstrate the Authority's accountability. If you have any questions about the report or need additional information, please contact the Housing Authority of Clackamas County at PO Box 1510, 13930 S. Gain St., Oregon City, OR 97045.

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

JUNE 30, 2025

	Housing Authority of Clackamas County	Discretely Presented Component Units
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 10,867,017	\$ 1,782,209
Investments	3,270,753	-
Receivables, net of allowance for doubtful accounts of \$154,696	6,065,233	171,687
Accrued interest on notes receivable, net of allowance of \$1,151,177	7,082,407	-
Inventory	20,137	-
Other assets	267,369	<u>980,485</u>
Total current assets	<u>27,572,916</u>	<u>2,934,381</u>
Restricted assets:		
Cash	18,075,066	5,461,174
Investments with fiscal agent	133,860	-
Noncurrent assets:		
Notes receivable	154,527,428	-
Other assets	-	234,662
Capital assets not being depreciated	3,870,934	7,146,652
Capital assets being depreciated	9,408,153	<u>120,249,898</u>
TOTAL ASSETS	<u>213,588,357</u>	<u>136,026,767</u>
DEFERRED OUTFLOW OF RESOURCES		
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>2,570,470</u>	-
	<u>216,158,827</u>	<u>136,026,767</u>
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued expenses	2,341,581	1,214,511
Accrued interest payable	421,012	-
Due to Clackamas County	614,114	-
Tenant deposits payable from restricted assets	130,780	214,367
Unearned revenue	16,451,765	124,853
Other current liabilities payable from restricted assets	-	4,825,854
Current portion of long-term liabilities	1,329,704	<u>1,044,002</u>
Total current liabilities	<u>21,288,956</u>	<u>7,423,587</u>
Noncurrent liabilities:		
Other - notes payable	-	101,681,343
Long-term liabilities, net of current	<u>53,396,135</u>	-
TOTAL LIABILITIES	<u>74,685,092</u>	<u>109,104,930</u>
	<u>585,847</u>	-
DEFERRED INFLOW OF RESOURCES		
NET POSITION:		
Net investment in capital assets	10,112,809	24,671,205
Restricted	1,707,600	5,246,807
Unrestricted	<u>129,067,479</u>	<u>(2,996,175)</u>
TOTAL NET POSITION	<u>\$ 140,887,888</u>	<u>\$ 26,921,837</u>

See notes to basic financial statements

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Housing Authority of Clackamas County	Discretely Presented Component Units
OPERATING REVENUES:		
Rental income	\$ 3,570,112	\$ 7,605,020
HUD PHA operating grants	3,337,559	-
Voucher income	35,653,494	-
Other government grants	58,071,000	-
Other income	1,787,295	70,544
 Total operating revenues	 102,419,460	 7,675,564
OPERATING EXPENSES:		
Housing assistance payments	53,176,345	-
Administrative expenses	9,292,201	1,479,162
Tenant services	1,359,610	-
Utilities	1,141,511	1,223,538
Ordinary maintenance and operations	1,697,629	1,333,290
General expenses	376,145	432,099
Economic development	4,700,000	-
Other expenses	586,072	-
Depreciation and amortization	830,561	4,007,257
 Total operating expenses	 73,160,074	 8,475,346
OPERATING INCOME (LOSS)	 29,259,386	 (799,782)
NONOPERATING REVENUE (EXPENSE):		
Investment return	4,256,818	15,720
Interest expense	(1,637,712)	(3,894,997)
Gain on sale of capital assets	612,626	-
Other	-	(143,251)
 Total non-operating expense	 3,231,732	 (4,022,528)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	 32,491,118	 (4,822,310)
Capital contributions	 276,953	 -
CHANGE IN NET POSITION	 32,768,071	 (4,822,310)
NET POSITION, June 30, 2024	 108,119,817	 31,744,147
NET POSITION, June 30, 2025	 \$ 140,887,888	 \$ 26,921,837

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

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2025

	Housing Authority of Clackamas County
CASH FLOWS FROM OPERATING ACTIVITIES:	
Received from grants	\$ 99,741,742
Received from tenants	3,479,458
Payments to suppliers	(11,416,702)
Payments for housing subsidies	(53,176,345)
Payments to employees	(8,062,086)
Other	<u>802,401</u>
NET CASH FROM OPERATING ACTIVITIES	<u>31,368,468</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Payments received from notes	2,541,417
Purchase of notes	<u>(27,643,175)</u>
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	<u>(25,101,758)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of capital assets	(301,300)
Capital grants received	276,953
Proceeds received from sale of capital assets	819,646
Principal payments on long-term debt	(1,008,480)
Interest paid on long-term debt	<u>(1,637,712)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,850,893)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received from investments	4,901,716
Purchases of investments	<u>(3,030,588)</u>
NET CASH FROM INVESTING ACTIVITIES	<u>1,871,128</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,286,945
CASH AND CASH EQUIVALENTS, June 30, 2024	<u>22,655,138</u>
CASH AND CASH EQUIVALENTS, June 30, 2025	<u>\$ 28,942,083</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income	\$ 29,259,386
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	830,561
OPEB and pension	237,879
Change in assets and liabilities:	
Increase in receivables	(2,203,384)
Decrease in other assets	72,269
Decrease in accounts payable and accrued expenses	(1,162,737)
Increase in Due to Clackamas County	614,114
Decrease in tenant deposits	(21,187)
Increase in unearned revenue	3,828,712
Decrease in compensated absences	<u>(87,145)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 31,368,468</u>
NONCASH CAPITAL ACTIVITY	
Gain on sale of capital assets	<u>\$ 612,626</u>

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

1. REPORTING ENTITY AND DESCRIPTION OF OPERATIONS

The Housing Authority of Clackamas County (“the Authority” or “HACC”) is a municipal corporation established under Oregon Revised Statutes Chapter 456 to provide low-cost housing to individuals meeting criteria established by the U.S. Department of Housing and Urban Development (HUD). As provided by statute, the Clackamas County Board of County Commissioners (the Board) is the governing body of the Authority. HUD provides the Authority with funding for the construction of low-income housing through the purchase of notes and bonds issued by the Authority and guarantees payment of the notes and bonds through grants. In addition, HUD provides rental subsidies and administrative fees for the operation of most of the programs.

The Authority, under the criteria of the Governmental Accounting Standards Board (GASB), is considered a component unit of Clackamas County, Oregon (the County) because the Board of County Commissioners also governs the Authority. This relationship allows the County to impose its will on the Authority. The County reports the Authority as a blended component unit since the County’s H3S Department management has operational responsibility for the Authority.

The Authority is a partner in four discretely presented component unit tax credit projects:

- 1) Easton Ridge, LLC - Easton Ridge Apartments is a 264-unit apartment complex located in Clackamas, Oregon. Easton Ridge Apartments was financed with proceeds from bonds issued by the Authority and an equity contribution made by the Enterprise Development Corp on March 6, 2013. The Project’s fiscal year-end is December 31, and its fiscal year ended December 31, 2024, is included in these basic financial statements.
- 2) Pedcor Investments 2016-CLV LP - Rosewood Terrace is a 212-unit apartment complex located in Happy Valley, Oregon. Rosewood Terrace is financed with proceeds from bonds issued by the Authority and an equity contribution made by Pedcor Investments 2016-CLV LP. Rosewood Terrace’s fiscal year end is December 31, and its fiscal year ended December 31, 2024, is included as part of these basic financial statements.
- 3) Hillside Manor LP – Hillside Manor is a 100-unit apartment building in Milwaukie, Oregon. Hillside Manor is the Authority’s first conversion from Public Housing under HUD’s Rental Assistance Demonstration Program (RAD) and became effective June 1, 2020. Hillside Manor LP’s fiscal year end is December 31, and its fiscal year ended December 31, 2024, is included in these basic financial statements.
- 4) Webster Road Housing LP – Webster Road is a 48-unit apartment complex located in Gladstone, Oregon. Webster Road is financed with proceeds from various sources, including tax-exempt bonds, OHCS, Metro Housing Bond, HACC, and HOME funds. Webster Road Housing LP’s fiscal year end is December 31, and its fiscal year ended December 31, 2024, is included in these basic financial statements.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

1. REPORTING ENTITY AND DESCRIPTION OF OPERATIONS (Continued)

These projects are considered a component unit and included in the Authority because, under GASB Statement 61 guidelines, in management's professional judgment, the projects exclusion would render the financial statements misleading due to its close financial relationship to the Authority. Discrete presentation, as opposed to blended presentation, is appropriate as the projects are not fiscally dependent on the Authority. Certain information may be presented differently in these financial statements to conform to the presentation of the primary government than in those of separately issued component unit financial statements because the limited partnerships do not follow government accounting standards for reporting purposes. Complete financial statements may be obtained from the Authority at PO Box 1510, 13930 S. Gain St., Oregon City, OR 97045.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting

The basic financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the Authority receives value without giving equal value in exchange, include grants and entitlements. Revenue from grants and entitlements is recognized when earned.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenues are rental charges and grant revenue. Operating expenses include housing assistance payments, tenant services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash, Cash Equivalents and Investments

The Authority's cash and cash equivalents consist of cash on hand, deposits, and short-term investments with original maturities of three months or less. ORS 294.035 authorizes the Authority to invest in general obligations of the United States and its agencies, debt obligations of the state of Oregon, California, Idaho, and Washington and their political subdivisions, banker's acceptances, corporate indebtedness, commercial paper, repurchase agreements, time certificates of deposit, fixed or variable life insurance contracts, and the State Treasurer's Local Government Investment Pool (LGIP).

Restricted cash and investments include bond fund deposits, replacement reserves, and Public Housing disposition proceeds. Bond fund deposits are held in trust by the bond trustee and are restricted for the payment of interest and principal on the bonds. Replacement reserves are held by a trustee or the Authority and are restricted for the payment of capital expenditures deemed necessary by the Authority. Disposition proceeds are held in an escrow account and are restricted to the replacement of Public Housing or project-based Vouchers. These investments are stated at amortized cost, which approximates fair value.

Accounts Receivable

Accounts receivable represent amounts due from HUD and tenants. Based on historical information, the Authority estimates the amounts due from tenants that may be uncollectible. No allowance for doubtful accounts is considered necessary for HUD receivables. Accounts receivable subject to the allowance for doubtful accounts was \$6,075,388.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are recorded at the original or estimated original cost. Donated capital assets are recorded at their acquisition value on the date donated. The Authority defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Maintenance and repairs that do not add to the asset's value or materially extend the assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful lives (ranging from five to thirty years) of the related assets.

Unearned Revenue

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

Accrued Compensated Absences

The Authority recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, vacation leave qualifies for liability recognition in the Statement of Net Position. For sick leave, the Authority's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the Authority, and upon separation from service, no monetary obligation exists. A liability for the estimated value of sick leave that will be used by employees as time off is not included in the liability for compensated absences because the sick leave amount the Authority expects employees to use in the next reporting period is attributed first to the leave earned in the most recent reporting period.

Bond Premium, Discount, and Issuance Costs

Bond premiums and discounts are amortized on a method that approximates the effective interest method over the related bond repayment period. The unamortized bond premium is added to bonds payable. Bond issuance costs are expensed in the period incurred.

Long-Term Debt

Long-term debt consists of loans, notes, and bonds issued to finance the construction and acquisition of low-income housing.

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and, so, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and, so, will not be recognized as an inflow of resources (revenue) until then.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS), and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits Obligations

The Authority's total OPEB liability is recognized as a long-term liability in the proprietary fund statements. The OPEB liability is actuarially determined.

Budgets

The Authority does not have an annual appropriated budget for the year ended June 30, 2025. Budgets are created for each HUD grant to meet financial management and control objectives. The Authority utilizes these budgets as operational tools but is not required to and does not adopt a legally appropriated budget as defined by GASB. Therefore, budgetary comparisons are not reported in these financial statements.

Net Position

Net Investment in Capital Assets – This represents the Authority's investment in capital assets, net of depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted – This represents resources for which the Authority is legally or contractually obligated to spend in accordance with restrictions imposed by third parties.

Unrestricted – Resources used for the Authority's general operations, which are not restricted by third parties. When an expense is incurred that can be paid using either restricted or unrestricted resources, the Authority's policy first applies expense toward restricted resources.

Use of Estimates

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

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Authority considers cash and cash equivalents with remaining maturities of three months or less at the time of purchase to be cash or cash equivalents. The Authority does not consider LGIP or fiscal agent investments to be cash equivalents since the funds own investments with maturities of over three months.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of new GASB pronouncements

During the fiscal year ended June 30, 2025, the Authority implemented the following GASB pronouncements:

GASB Statement No. 101, *Compensated Absences*, Issued June 2022

The Authority implemented Statement No. 101 for the year ended June 30, 2025, and there was no effect on the Authority's financial statements due to the adoption of this standard.

GASB Statement No. 102, *Certain Risk Disclosures*, Issued December 2023

The Authority implemented Statement No. 102 for the year ended June 30, 2025, and there was no effect on the Authority's financial statements due to the adoption of this standard.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash, cash equivalents, and investments are comprised of:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Deposits	\$ 10,867,017	\$ 18,075,066	\$ 28,942,083
Investments with Fiscal Agent	-	133,860	133,860
Oregon Treasurer's Local Government Investment Pool	3,270,753	-	3,270,753
	<u>\$ 14,137,770</u>	<u>\$ 18,208,926</u>	<u>\$ 32,346,696</u>

Deposits with Financial Institutions

Custodial credit risk on deposits is the risk that in the event of a bank or credit union failure, the Authority's deposits may not be returned. The Authority does not have a formal policy addressing custodial credit risk. In order to minimize the risk, state statutes require bank and credit unions holding public funds become members of the Oregon Public Funds Collateralization Program (PFCP), a multiple institution collateral pool created by the Office of the State Treasurer. To qualify, participating banks and credit unions must pledge collateral against any public fund deposits in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank and credit union depositories, it does not guarantee that all funds are 100% protected. At June 30, 2025, the bank balance was \$28,529,311. Of the Authority's June 30, 2025, bank balance deposit, \$317,217 was covered by the FDIC and the remainder was collateralized by the PFCP.

At June 30, 2025, investments include the Oregon Treasurer's Local Government Investment Pool (LGIP). The investment in the LGIP is stated at fair value, which approximates cost and is the same as the value of its pool shares. Pool shares are not subject to leveling requirements.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

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

Investments Measured at Fair Value

Fair value measurements assume a transaction takes place in a government's principal market or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest. Fair value does not take into consideration transaction costs.

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a variety of pricing techniques, including but not limited to fundamental analytical data related to the securities, values of baskets of securities, market interest rates, matrix calculated prices, and purchase price. Level 3 fair value is determined using significant unobservable inputs.

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

The Authority's investment policy limits investment maturities to three years as a means of managing its exposure to fair value losses arising from increasing interest rates. For purposes of this schedule, 100% of the amounts in Oregon's local government investment pool are considered to be less than 3 years to maturity.

Maturity	Minimum %	Actual %
Less than 1,080 days	100%	100%

Credit Risk

Oregon Revised Statutes limit the types of investments that the Authority may have. The Authority is in compliance with these statutes at June 30, 2025. The Authority is also in compliance with its investment policy. The Authority follows the County's credit risk policy which minimizes credit risk by limiting exposure to poor credits and concentrating the investments in the safest types of securities; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the Authority will do business; diversifying the investment portfolio so that potential losses on individual securities will be minimized; and actively monitoring the investment portfolio holdings for ratings changes, changing economic/market conditions, etc.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

Custodial Credit Risk

Custodial risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments that are in the possession of an outside party. At June 30, 2025, none of the Authority's investments are subject to custodial credit risk.

4. NOTES RECEIVABLE

The notes receivable balance at June 30, 2025, is \$154,527,428, and the related accrued interest receivable balance, net of an allowance of \$1,151,177, at June 30, 2025, is \$7,082,407. This balance resulted from the Easton Ridge asset sale to Easton Ridge, LLC, amounts related to Pedcor/Rosewood Station construction, the conversion of Hillside Manor from Public Housing to a Low-Income Housing Tax Credit (LIHTC) property, construction of the Webster Road Project, and Metro bonds loaned for projects, which include: Fuller Road Station Apartments, Good Shepherd Village, Las Flores Maple Apartments, Marylhurst Commons, Hillside Park Buildings (HSP Bldg), and Vuela Palindrome Wilsonville.

The Authority accrues interest on these notes and records an allowance against accrued interest when the collectability of interest is based on the operating results of the property, subject to priority liens. Notes and interest receivable as of June 30, 2025, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Notes receivable:</u>				
Easton Ridge LLC, notes receivable	\$ 14,242,042	\$ -	\$ (311,482)	\$ 13,930,560
Easton Ridge LLC, mortgage loan receivable	12,235,000	-	-	12,235,000
Rosewood Station Disposition, notes receivable	1,605,000	-	-	1,605,000
Rosewood Station, notes receivable	31,621,576	-	(529,935)	31,091,641
Hillside Manor LLC, sponsor loan #1	5,676,008	-	-	5,676,008
Hillside Manor LLC, seller loan	5,747,500	-	-	5,747,500
Webster Road LLC, Metro bond	2,939,209	-	-	2,939,209
Webster Road LLC, HACC seller loan	1,770,056	-	-	1,770,056
Webster Road LLC, HOME Note	400,000	-	-	400,000
Las Flores Maple Apartments	15,903,000	-	-	15,903,000
Fuller Road Station	8,570,000	-	-	8,570,000
Good Shepherd	18,330,000	-	-	18,330,000
Marylhurst Commons	2,850,000	150,000	-	3,000,000
Loan Receivable HSP Bldg C - Metro Bond	5,836,279	6,047,811	-	11,884,090
Loan Receivable HSP Bldg A&B - Metro Bond	-	13,845,364	-	13,845,364
Vuela Palindrome Wilsonville - Metro Bond	-	7,600,000	-	7,600,000
Loan Receivable HSP Bldg A & B	1,100,000	-	(1,100,000)	-
Loan Receivable HSP Bldg C	600,000	-	(600,000)	-
Total notes receivable	129,425,670	27,643,175	(2,541,417)	154,527,428

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

YEAR ENDED JUNE 30, 2025

4. NOTES RECEIVABLE (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Accrued interest:</u>				
Easton Ridge LLC, accrued interest mortgage loan	4,320,319	510,283	(509,565)	4,321,037
Rosewood Station Disposition, accrued interest	161,465	44,713	-	206,178
Hillside Manor LLC, accrued interest seller note	291,865	69,453	-	361,318
Hillside Manor LLC, accrued interest sponsor note	200,003	56,760	(14,293)	242,470
Webster Road LLC, accrued interest Metro bond	308,361	65,032	(121,040)	252,353
Webster Road LLC, accrued interest HACC seller loan	114,556	39,200	-	153,756
Las Flores Maple Apartments, accrued interest	1,154,660	641,154	-	1,795,814
Fuller Road Station, accrued interest	212,110	85,653	-	297,763
Good Shepherd, accrued interest	297,777	186,551	-	484,328
Marylhurst Commons, accrued interest	51,144	29,490	-	80,634
Vuela Palindrome Wilsonville - Metro Bond Interest	-	37,933	-	37,933
Total accrued interest	7,112,260	1,766,222	(644,898)	8,233,584
Total notes receivable and accrued interest	<u>\$ 136,537,930</u>	<u>\$ 29,409,397</u>	<u>\$ (3,186,315)</u>	<u>\$ 162,761,012</u>

	Gross Notes and Interest Receivable	Uncollectible Allowance Rate	Uncollectible Allowance	Notes and Interest Receivable, net
<u>Notes receivable:</u>				
Easton Ridge LLC, notes receivable	\$ 13,930,560	0.00%	\$ -	\$ 13,930,560
Easton Ridge LLC, mortgage loan receivable	12,235,000	0.00%	-	12,235,000
Rosewood Station Disposition, notes receivable	1,605,000	0.00%	-	1,605,000
Rosewood Station, notes receivable	31,091,641	0.00%	-	31,091,641
Hillside Manor LLC, sponsor loan #1	5,676,008	0.00%	-	5,676,008
Hillside Manor LLC, seller loan	5,747,500	0.00%	-	5,747,500
Webster Road LLC, Metro bond	2,939,209	0.00%	-	2,939,209
Webster Road LLC, HACC seller loan	1,770,056	0.00%	-	1,770,056
Webster Road LLC, HOME Note	400,000	0.00%	-	400,000
Las Flores Maple Apartments	15,903,000	0.00%	-	15,903,000
Fuller Road Station	8,570,000	0.00%	-	8,570,000
Good Shepherd	18,330,000	0.00%	-	18,330,000
Marylhurst Commons	3,000,000	0.00%	-	3,000,000
Loan Receivable HSP Bldg C - Metro Bond	11,884,090	0.00%	-	11,884,090
Loan Receivable HSP Bldg A&B - Metro Bond	13,845,364	0.00%	-	13,845,364
Vuela Palindrome Wilsonville - Metro Bond	7,600,000	0.00%	-	7,600,000
	154,527,428		-	154,527,428

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

4. NOTES RECEIVABLE (Continued)

	Gross Notes and Interest Receivable	Uncollectible Allowance Rate	Uncollectible Allowance	Notes and Interest Receivable, net
<u>Accrued interest:</u>				
Easton Ridge LLC, accrued interest mortgage loan	4,321,037	26.64%	1,151,177	3,169,860
Rosewood Station Disposition, accrued interest	206,178	0.00%	-	206,178
Hillside Manor LLC, accrued interest seller note	361,318	0.00%	-	361,318
Hillside Manor LLC, accrued interest sponsor note	242,470	0.00%	-	242,470
Webster Road LLC, accrued interest Metro bond	252,353	0.00%	-	252,353
Webster Road LLC, accrued interest HACC seller loan	153,756	0.00%	-	153,756
Las Flores Maple Apartments, accrued interest	1,795,814	0.00%	-	1,795,814
Fuller Road Station, accrued interest	297,763	0.00%	-	297,763
Good Shepherd, accrued interest	484,328	0.00%	-	484,328
Marylhurst Commons, accrued interest	80,634	0.00%	-	80,634
Vuela Palindrome Wilsonville - Metro Bond Interest	37,933	0.00%	-	37,933
	8,233,584		1,151,177	7,082,407
Total notes receivable and accrued interest, net	<u>\$ 162,761,012</u>		<u>\$ 1,151,177</u>	<u>\$ 161,609,835</u>

The Authority loaned \$16,603,341 of proceeds from its 2013 Series A Bond financing to Easton Ridge, LLC. Easton Ridge, LLC has agreed to pay the Authority amounts equal to the principal and interest requirements on the 35-year 2013 Series A Bonds of \$862,600 per year. Principal payments totaled \$311,482 in 2025. The County has provided a contingent loan agreement in the event earnings from the project and the principal and interest reserve fund are not sufficient to pay required annual amounts. The Authority has a mortgage loan to the Project in the amount of \$12,235,000 as part of the sale agreement. The mortgage earns 3.1% interest on the outstanding balance. The mortgage repayment is contingent on available excess revenue of the project and does not have specific payment amounts or repayment time terms.

Rosewood Station was constructed, initially funded with a loan from the Authority of disposition funds in the amount of \$1,605,000 accruing simple interest at 3.0%. As of June 30, 2025 Rosewood Station had drawn down \$33,432,754 for construction which is included in the note receivable balance, and \$529,935 was repaid during fiscal year 2025.

Hillside Manor was converted from Public Housing through a sale to Hillside Manor Limited Partnership. Hillside Manor LLC is a single member LLC owned by HACC as the general partner in the partnership. Upon sale Hillside Manor Limited Partnership has issued:

- 1) Sponsor Loan #1 of \$5,676,008 with 1% simple interest, and 2) Seller Loan of \$5,747,500 with interest compounded annually of 1.15%, and the note is due on December 31, 2070. As of June 30, 2025, the construction loans had drawn down to \$14,531,861 which is included in the note receivable balances.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

4. NOTES RECEIVABLE (Continued)

Webster Road was constructed with a loan from the Authority of Metro Housing Bond funds in the amount of \$2,939,209, accruing interest at 2.08% compounded annually, a seller note in the amount of \$1,770,056, accruing interest at 2.08% compounded annually, and a HOME note of \$400,000, which is a 0.0% interest deferred payment loan, with a maturity date of 55 years from the effective date.

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

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

Good Shepherd Village - Metro Bond Project under construction that is partially funded by Metro Project Housing Bond funds, issued a loan from first Regional Affordable Housing bond fund NOFA, and the entire \$18,330,000 was drawn down for the project accruing interest of 1.0% per annum compounding annually.

Marylhurst Commons - Metro Bond Project under construction that is partially funded by Metro Project Housing Bond funds, issued as a loan from HACC. The entire \$3,000,000 of Metro Bond funds was drawn down for the project with simple interest accruing at a rate of 1.0%.

Hillside Park Building A & B - Metro Bond Project under construction, issued as a loan from HACC. The entire \$13,845,366 of Metro Bond funds was draw down for the project.

Hillside Park Building C - Metro Bond Project under construction, issued as a loan from HACC. The entire \$11,884,090 of Metro Bond funds was draw down for the project.

Hillside Park Building A & B - This property is still in development. In the prior year, \$1,100,000 was borrowed as a short term note with 0.0% interest, and it was fully repaid during 2025.

Hillside Park Building C - This property is still in development. \$600,000 was borrowed as a short term note with 0.0% interest, and it was fully repaid during 2025.

Vuela Palindrome Wilsonville - Metro Bond Project under construction, issued as a loan from HACC. The entire \$7,600,000 of Metro Bond funds was draw down for the project with simple interest accruing at a rate of 1.0%.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

5. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital Assets not being depreciated:				
Land	\$ 3,898,984	\$ -	\$ (28,050)	\$ 3,870,934
Construction in progress	111,825	-	(111,825)	-
Total capital assets not being depreciated	4,010,809	-	(139,875)	3,870,934
Capital Assets being depreciated:				
Buildings and improvements	42,502,898	301,300	(228,544)	42,575,654
Furniture and equipment	930,655	-	(17,750)	912,905
Total Capital Assets being depreciated:	43,433,553	301,300	(246,294)	43,488,559
Less Accumulated depreciation:				
Buildings and improvements	(32,725,260)	(819,745)	179,149	(33,365,856)
Furniture and equipment	(703,734)	(10,816)	-	(714,550)
Total Accumulated depreciation	(33,428,994)	(830,561)	179,149	(34,080,406)
Total capital assets being depreciated, net	10,004,559	(529,261)	(67,145)	9,408,153
Total Capital Assets, net	\$ 14,015,368	\$ (529,261)	\$ (207,020)	\$ 13,279,087

Depreciation expense for the Authority was \$830,561 for the year ended June 30, 2025.

6. LONG-TERM LIABILITIES

The Authority's long-term debt is comprised of mortgage notes, loans, and bonds. Mortgage notes payable were incurred to purchase low income housing and are payable from rents received and the net cash flows from operations.

Loans payable totaling \$12,724 include amounts due to Farmers Home Administration and the State of Oregon for the purchase, construction, repair, and improvement of property. Under terms of the agreements with the State of Oregon, a certain portion of the loans are forgiven yearly as long as the Authority operates the facilities as low-income housing. If the Authority ceases to operate these facilities as low-income housing, the loans become payable when the Authority sells the property.

Clayton Mohr Commons is 24 units of veteran housing and has a mortgage of \$2,415,448 bearing an interest rate of 5.5%, and a loan balance of \$2,112,296 as of June 30, 2025. Principal and interest are due monthly based on a 30-year amortization. The mortgage has a 20-year term and is due in July 2040.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

6. LONG-TERM LIABILITIES (Continued)

The Authority has received deferred payment loans from Clackamas County for various residential rehabs of low-income properties. If the loans are defaulted by failing to conform to any covenants or conditions of the agreements, all principal and interest and all other amounts are due immediately. The loans payable to Clackamas County of \$1,813,533 were obtained to construct and purchase low-income housing units. \$1,757,078 of this balance is noninterest-bearing and requires no payments as long as the Authority operates the facility as low-income housing.

The Authority issued 2013 Series A revenue bonds in the original amount of \$16,550,000 to finance the rehabilitation of the Easton Ridge Apartments (the Project). The Series A bonds have maturities and/or mandatory redemption dates ranging from September 1, 2015, to September 1, 2049, and bear interest ranging from 1.75% to 4.0%. Interest payments are due on March 1 and September 1 of each year until the entire principal balance is retired and all accrued interest is paid. The Project's assets, all net operating income, and certain other revenues of the Authority, are pledged as collateral, in an amount equal to the sum of outstanding principal and interest, or \$21,607,350. The pledge will remain in effect until the revenue bonds are paid in full. As of June 30, 2025, pledged debt service was \$863,975 for the coming year. The Authority received pledged interest in the amount of \$543,975 for 2013 Series A bond interest at June 30, 2025. Pursuant to the bond documents, the Authority is subject to certain restrictive covenants related to the use of bond proceeds and other funds provided by operations of the Project. The contingent loan agreement with the County requires Easton Ridge, LLC to maintain a 1.10 to 1.00 debt service coverage once the project achieves stabilization. The operating agreement requires that in order to eliminate the operating deficit contribution requirement, the Authority establish and collect rents sufficient to produce a required debt service coverage on the Series A bonds of at least 1.20 to 1.00 for two consecutive years, beginning at least three years after project stabilization. A failure to maintain the above ratios does not constitute a default. Amount outstanding on the 2013 Series A revenue bonds was \$13,930,561 as of June 30, 2025.

Rosewood Station construction continued with draws against the construction bonds up until the fiscal year ended June 30, 2022. These bonds bear interest at 2.25%, per annum through April 1, 2022. Commencing May 1, 2021, the interest rate is the Secured Overnight Financing Rate (SOFR) plus 0.75% provided the rate shall never be less than 3.00% or greater than 8.00%, per annum. Amount outstanding at June 30, 2025, was \$31,091,641, and the bonds mature April 2061.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

6. LONG-TERM LIABILITIES (Continued)

Changes in long-term debt are as follows:

	Beginning Balance		Additions		Reductions		Ending Balance
Loans Payable (Interest 0% to 1%)	\$ 25,134		\$ -		\$ (12,410)		\$ 12,724
Clayton Mohr Commons Mortgage Notes Payable (Interest 2% to 11%)		2,150,391		-	(38,095)		2,112,296
Loans Payable to Clackamas County		1,930,090		-	(116,557)		1,813,533
Rosewood Station Construction Bonds		31,621,576		-	(529,935)		31,091,641
2013 Easton Ridge A Bonds Payable (Interest 1.75% to 4.0%)		14,205,000		-	(310,000)		13,895,000
Bond Premium		37,044		-	(1,483)		35,561
		<u>14,242,044</u>		<u>-</u>	<u>(311,483)</u>		<u>13,930,561</u>
Total	<u>\$ 49,969,235</u>		<u>\$ -</u>		<u>\$ (1,008,480)</u>		<u>\$ 48,960,755</u>

Future maturities are as follows:

Fiscal Year	Loans Payable	Clayton Mohr Commons Mortgage Notes Payable	Loan Payable to Clackamas County	2018 A Rosewood Bonds Payable	2013 A Easton Ridge Bonds Payable	Total	Interest
2026	\$ 9,850	\$ 40,243	\$ -	\$ 543,337	\$ 320,000	\$ 913,430	\$ 1,578,643
2027	2,874	42,513	-	557,077	335,000	937,464	1,546,343
2028	-	44,912	-	571,164	345,000	961,076	1,513,298
2029	-	47,445	-	585,608	360,000	993,053	1,480,231
2030	-	50,121	-	600,417	375,000	1,025,538	1,446,921
2031-2035	-	296,342	-	3,237,668	2,075,000	5,609,010	6,696,209
2036-2040	-	389,898	-	3,668,282	2,500,000	6,558,180	5,646,820
2041-2045	-	1,200,822	-	4,156,167	3,030,000	8,386,989	4,128,283
2046-2050	-	-	-	4,708,942	4,590,561	9,299,503	2,739,050
2051-2055	-	-	-	5,335,237	-	5,335,237	1,484,296
2056-2060	-	-	-	6,044,829	-	6,044,829	632,785
2061-2065	-	-	-	1,082,913	-	1,082,913	14,937
Undetermined	-	-	<u>1,813,533</u>	<u>-</u>	<u>-</u>	<u>1,813,533</u>	<u>-</u>
	<u>\$ 12,724</u>	<u>\$ 2,112,296</u>		<u>\$ 1,813,533</u>	<u>\$ 31,091,641</u>	<u>\$ 13,930,561</u>	<u>\$ 48,960,755</u>
							\$ 28,907,816

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

6. LONG-TERM LIABILITIES (Continued)

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

Changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 503,418	\$ -	\$ (87,144) *	\$ 416,274	\$ 416,274
Total OPEB Liability	234,317	-	(6,928)	227,389	-
Net Pension Liability	3,717,389	1,404,032	-	5,121,421	-
Loans & Notes Payable	4,105,615	-	(167,062)	3,938,553	50,093
Bonds Payable	45,863,620	-	(841,418)	45,022,202	863,337
Total	\$ 54,424,359	\$ 1,404,032	\$ (1,102,552)	\$ 54,725,839	\$ 1,329,704

* net decrease in the liability for compensated absences

7. PENSION PLAN

General Information about the Pension Plan

Name of the pension plan: The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan.

Plan description: Employees of the Authority are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. OPERS issues a publicly available financial report that can be obtained at <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-ACFR.pdf>.

Benefits provided under Chapter 238-Tier One / Tier Two

Pension Benefits: The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

7. PENSION PLAN (Continued)

of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60.

The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

1. *Death Benefits.* Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- Member was employed by a OPERS employer at the time of death,
- Member died within 120 days after termination of OPERS-covered employment,
- Member died as a result of injury sustained while employed in a OPERS-covered job, or
- Member was on an official leave of absence from an OPERS-covered job at the time of death.

2. *Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

3. *Benefit Changes After Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

Benefits provided under Chapter 238A-OPSRP Pension Program (OPSRP DB).

This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

7. PENSION PLAN (Continued)

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

2. *Death Benefits.* Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

3. *Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

4. *Benefit Changes After Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

Contributions:

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2021, actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2025, were \$730,502.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

7. PENSION PLAN (Continued)

Actuarial Valuations:

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, published July 24, 2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Active members:</i> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

7. PENSION PLAN (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2022 Experience Study, which reviewed experience for the four-year period ending on December 31, 2022.

Discount Rate:

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion Date Projection:

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

7. PENSION PLAN (Continued)

Based on these circumstances, it is PERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net. position is always projected to be sufficient to cover benefit payments and administrative expenses.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

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

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

7. PENSION PLAN (Continued)

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	Rate 1% Decrease (5.90%)	Discount Rate (6.90%)	Rate 1% Increase (7.90%)
Proportionate share of the net pension liability	\$8,078,834	\$5,121,421	\$2,644,444

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the Authority reported a liability of \$5,121,421 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022, and rolled forward to June 30, 2024.

The Authority's proportion of the net pension liability was based on the Authority's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers.

Rates of every employer have at least two major components:

1. Normal Cost Rate: The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.
2. UAL Rate: If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is simply the Unfunded Actuarial Liability (UAL) itself. The UAL represents the portion of the projected long-term contribution effort related to past service.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

7. PENSION PLAN (Continued)

Looking at both rate components, the projected long-term contribution effort is just the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings.

The UAL has Tier 1/Tier 2 and OPSRP pieces. The Tier 1/Tier 2 piece is based on the employer's Tier 1/Tier 2 pooling arrangement. If an employer participates in one of the two large Tier 1/Tier 2 rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier 1/Tier 2 UAL is just their pro-rata share of their pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. For example, if the employer's payroll is one percent of the pool's total payroll, the employer will be allocated one percent of the pool's UAL. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier 1/Tier 2 pooling arrangement, who are referred to as "Independent Employers", have their Tier 1/Tier 2 UAL tracked separately in the actuarial valuation.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

Since many governments in Oregon have sold pension obligation bonds and deposited the proceeds with OPERS (referred to as side accounts or transitional liability or surplus), adjustments are required. After each employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's side account, transitional liability/surplus, and pre-SLGRP liability/surplus (if any). This is done as those balances increase/decrease the employer's projected long-term contribution effort because side accounts are effectively pre-paid contributions.

At June 30, 2025, the Authority's proportion was 0.02304 percent, which was a increase of 0.0032 percent since June 30, 2024.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS**YEAR ENDED JUNE 30, 2025****7. PENSION PLAN (Continued)**

For the year ended June 30, 2025, the Authority recognized pension expense of \$966,185. On June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 303,397	\$ 12,223
Changes of assumptions	514,909	660
Net difference between projected and actual earnings on investments	325,353	-
Changes in proportionate share	423,780	295,267
Differences between employer contributions and proportionate share of system contributions	265,812	140,207
Total (prior to post-measurement date contributions)	<u>1,833,251</u>	<u>448,357</u>
Contributions made subsequent to measurement date	730,502	-
Total Deferred Outflows/Inflows of Resources	<u>\$2,563,753</u>	<u>448,357</u>
Net Deferred Outflows/(Inflows) of Resources		<u><u>\$2,115,396</u></u>

\$730,502 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post- measurement date contributions)
Fiscal Year 2026	\$ 74,850
Fiscal Year 2027	628,125
Fiscal Year 2028	365,058
Fiscal Year 2029	252,488
Fiscal Year 2030	64,373
Total	<u>\$ 1,384,894</u>

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

7. PENSION PLAN (Continued)

Defined Contribution Plan

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, and 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

The Authority has chosen to pay the employees' contributions to the plan. 6 percent of covered payroll is paid for general service employees and 9 percent of covered payroll is paid for firefighters and police officers. Contributions for the year were \$224,232.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. General Information about the OPEB Plan

Plan name: Retiree Implicit Medical Benefit Plan

Plan description: The Authority administers a single-employer defined benefit healthcare plan per the requirements of a collective bargaining agreement. Per Oregon State law, the plan provides the opportunity for post-retirement healthcare insurance for eligible retirees and their spouses through the Authority's group health insurance plans which cover both active and retired participants. The Authority does not pay any portion of the retiree's healthcare insurance; however, the retired employee receives an implicit benefit of a lower healthcare premium which is spread among the cost of active employee premiums.

The Authority has not established a trust fund to supplement the costs for the other post-employment benefit (OPEB) liability related to this implicit benefit. The Authority pays none of the premium of health insurance coverage for retirees from age 58 to age 65. The Authority's regular healthcare benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

The Authority's annual OPEB cost is calculated based on an amount actuarially determined in accordance with the guidance of GASB Statement No. 75. The Authority is included in the Clackamas County Actuarial Valuation report.

Total OPEB Liability

The Authority's total OPEB liability of \$227,389 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Discount rate	5.20%
Salary increases	3.00%
General inflation rate	2.50%

The discount rate was based on the Fidelity High Grade 20 Year General Obligation Municipal Bond Index.

The demographic actuarial assumptions used in the valuation are based on the experience study issued July 2023 of the Oregon Public Employees Retirement System, except for the different basis used to project future mortality improvements.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS**YEAR ENDED JUNE 30, 2025****8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Mortality rates were based on the MacLeod Watts Scale 2022.

Changes in the Total OPEB Liability and related ratios

		Total OPEB Liability
Balance at 6/30/24		\$ 234,317
Changes during year		
Service cost		18,190
Interest		9,678
Changes in assumptions		(17,316)
Benefit payments		(17,480)
Balance at 6/30/25		\$ 227,389

Total OPEB liability as a percentage of covered employee payroll was 7.01%.

Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate. The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate. The discount rate used for the fiscal year end 2025 is 5.20%. Healthcare cost trend rate was assumed to start at 6.50% (effective January 2025) and arrive an ultimate rate of 3.90% for years 2075 and later. The impact of a 1% increase or decrease in these assumptions is shown in the chart below:

Change in Discount Rate	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	\$241,362	\$227,389	\$214,268

Change in Healthcare Cost Trend Rate	1% Decrease In Current Trend	Current Trend	1% Increase In Current Trend
Total OPEB Liability	\$209,079	\$227,389	\$248,566

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS**YEAR ENDED JUNE 30, 2025****8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)****Deferred Inflows and Outflows as of Fiscal Year End and Expected Future Recognition**

The table below shows deferred resources as of the fiscal year end June 30, 2025.

HACC Members Implicit	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 6,717	\$ 37,871
Differences Between Expected and Actual Experience	-	99,619
Total	\$ 6,717	\$ 137,490

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

For the fiscal year ending June 30	Deferred Outflow/(Inflow) of Resources
2026	\$ (20,017)
2027	(19,907)
2028	(19,902)
2029	(20,621)
2030	(19,195)
Thereafter	(31,131)
Total	\$ (130,773)

B. Retirement Health Insurance Account (RHIA)

Due to the immaterial nature of GASB Statement No. 75 as it relates to the Authority's exposure under the Oregon Public Employees Retirement System (OPERS) RHIA, the Authority has chosen not to disclose RHIA under this GASB Statement.

The Authority contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees.

Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA resides with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

For fiscal year 2025, participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The Authority's contributions to RHIA for the year ended June 30, 2025, was \$2, which equaled the required contribution for the year.

9. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. The Authority does not engage in risk financing activities where the risk is retained (self-insurance) by the Authority. For the past three years, insurance coverage has been sufficient to cover any losses.

10. COMMITMENTS

The Authority has no significant construction or legal commitments under contracts at June 30, 2025.

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

11. DISCRETELY PRESENTED COMPONENT UNITS

Combining financial information for the discretely presented component units at December 31, 2024, are as follows:

	Easton Ridge LLC	Pedcor Investments 2016-CLV LP	Hillside Manor LP	Webster Road Housing LP	Total
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 945,237	\$ 110,621	\$ 214,578	\$ 511,773	\$ 1,782,209
Accounts receivable	97,083	4,705	28,659	24,303	154,750
Grants receivable	-	-	-	16,937	16,937
Other assets	310,949	391,452	168,296	109,788	980,485
Total current assets	1,353,269	506,778	411,533	662,801	2,934,381
Restricted assets:					
Cash	3,824,887	755,648	511,972	368,667	5,461,174
Noncurrent assets:					
Other assets	-	223,259	11,403	-	234,662
Capital assets not being depreciated					
depreciated	3,229,376	3,917,276	-	-	7,146,652
Capital assets being depreciated	24,733,010	53,600,152	25,069,874	16,846,862	120,249,898
TOTAL ASSETS	33,140,542	59,003,113	26,004,782	17,878,330	136,026,767
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	96,433	938,589	128,169	51,320	1,214,511
Tenant deposits payable from restricted assets	125,413	76,528	12,426	-	214,367
Unearned revenue	56,696	3,283	14,577	50,297	124,853
Other current liabilities payable	4,783,567	-	-	42,287	4,825,854
Current portion of long-term debt	320,000	536,594	129,734	57,674	1,044,002
Total current liabilities	5,382,109	1,554,994	284,906	201,578	7,423,587
Other - notes payable	25,567,923	42,801,178	20,348,257	12,963,985	101,681,343
TOTAL LIABILITIES	30,950,032	44,356,172	20,633,163	13,165,563	109,104,930
NET POSITION:					
Net investment in capital assets	2,074,463	14,179,656	4,591,883	3,825,203	24,671,205
Restricted	3,699,474	679,120	499,546	368,667	5,246,807
Unrestricted	(3,583,427)	(211,835)	280,190	518,897	(2,996,175)
TOTAL NET POSITION	\$ 2,190,510	\$ 14,646,941	\$ 5,371,619	\$ 4,712,767	\$ 26,921,837

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

11. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

	Easton Ridge LLC	Pedcor Investments 2016-CLV LP	Hillside Manor LP	Webster Road Housing LP	Total
OPERATING REVENUES:					
Rental income	\$ 3,137,642	\$ 2,568,919	\$ 1,109,026	\$ 789,433	\$ 7,605,020
Other income	29,796	16,226	23,982	540	70,544
Total operating revenues	3,167,438	2,585,145	1,133,008	789,973	7,675,564
OPERATING EXPENSES:					
Administrative expenses	638,633	420,071	253,017	167,441	1,479,162
Utilities	561,097	279,831	313,036	69,574	1,223,538
Ordinary maintenance and operations	496,054	373,989	268,809	194,438	1,333,290
General expenses	172,074	131,806	102,349	25,870	432,099
Depreciation and amortization	930,730	1,726,531	799,649	550,347	4,007,257
Total operating expenses	2,798,588	2,932,228	1,736,860	1,007,670	8,475,346
OPERATING INCOME (LOSS)	368,850	(347,083)	(603,852)	(217,697)	(799,782)
NONOPERATING REVENUE (EXPENSE):					
Interest income	6,667	-	49	9,004	15,720
Interest expense	(1,082,137)	(2,177,593)	(310,917)	(324,350)	(3,894,997)
Other	(6,921)	(95,303)	(24,388)	(16,639)	(143,251)
Total nonoperating revenue (expense)	(1,082,391)	(2,272,896)	(335,256)	(331,985)	(4,022,528)
CHANGE IN NET POSITION	(713,541)	(2,619,979)	(939,108)	(549,682)	(4,822,310)
NET POSITION at beginning of the year	2,904,051	17,266,920	6,310,727	5,262,449	31,744,147
NET POSITION at end of the year	\$ 2,190,510	\$ 14,646,941	\$ 5,371,619	\$ 4,712,767	\$ 26,921,837

12. SUBSEQUENT EVENTS

Clackamas Heights - As outlined in the Housing Authority of Clackamas County's Public Housing Repositioning Plan, the Authority is repositioning and redeveloping the 99-unit public housing complex known as Clackamas Heights. On October 22, 2025, the Authority closed on the financing for the Clackamas Heights Redevelopment Project. Upon completion, the project will include 200 new mixed-finance affordable housing units. Construction began in November 2025, with completion expected in late 2027. The project is supported by federal, state, local, and private funding sources as follows:

Low Income Tax Credit Equity	\$ 38,533,818
State LIFT Funding	36,000,000
Tax Exempt Permanent Loan	19,300,000
Metro Affordable Housing Bonds	17,000,000
County HOME Funds	3,500,000
Sponsor Loan	3,500,000
Deferred Development Fee	8,660,000
Total Development Cost	\$ 126,493,818

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

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

Total OPEB Liability	FY 2025	FY 2024	FY 2023	FY 2022
Service Cost	\$ 18,190	\$ 16,343	\$ 17,262	\$ 21,997
Interest	9,678	10,532	10,173	5,624
Differences between expected and actual experience	-	(39,461)	(18,853)	-
Changes of assumptions	(17,316)	(4,260)	134	(30,861)
Benefit payments	(17,480)	(10,691)	(10,602)	(7,849)
Total OPEB Liability - Beginning	234,317	261,854	263,740	274,829
Total OPEB Liability - Ending (a)	<u>\$ 227,389</u>	<u>\$ 234,317</u>	<u>\$ 261,854</u>	<u>\$ 263,740</u>
 Plan fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ -	\$ -
Net investment income	-	-	-	-
Benefit payments	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - Beginning	-	-	-	-
Plan fiduciary net position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Total OPEB liability - ending (a)-(b)	<u>\$ 227,389</u>	<u>\$ 234,317</u>	<u>\$ 261,854</u>	<u>\$ 263,740</u>
 Covered-employee payroll	<u>\$ 3,245,174</u>	<u>\$ 3,031,898</u>	<u>\$ 2,449,738</u>	<u>\$ 3,416,860</u>
 Total OPEB liability as a percentage of covered-employee payroll	7.01%	7.73%	10.69%	7.72%
 Total OPEB Liability	FY 2021	FY 2020	FY 2019	FY 2018
Service Cost	\$ 21,929	\$ 19,623	\$ 14,746	\$ 14,498
Interest	9,053	10,893	12,563	12,408
Differences between expected and actual experience	(99,869)	-	(22,343)	-
Changes of assumptions	(525)	8,095	20,023	(1,150)
Benefit payments	(6,711)	(32,128)	(25,641)	(29,342)
Total OPEB Liability - Beginning	350,952	344,469	345,121	348,707
Total OPEB Liability - Ending (a)	<u>\$ 274,829</u>	<u>\$ 350,952</u>	<u>\$ 344,469</u>	<u>\$ 345,121</u>
 Plan fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ -	\$ 29,342
Net investment income	-	-	-	-
Benefit payments	-	-	-	(29,342)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - Beginning	-	-	-	-
Plan fiduciary net position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Total OPEB liability - ending (a)-(b)	<u>\$ 274,829</u>	<u>\$ 350,952</u>	<u>\$ 344,469</u>	<u>\$ 345,121</u>
 Covered-employee payroll	<u>\$ 3,002,516</u>	<u>\$ 2,774,135</u>	<u>\$ 2,458,570</u>	<u>\$ 2,164,052</u>
 Total OPEB liability as a percentage of covered-employee payroll	9.15%	12.65%	14.01%	15.95%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the Authority is showing seven year presentation.

There are no trust assets for this plan.

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

Schedule of Authority's Pension Contributions

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Contractually required contribution	\$ 730,502	\$ 660,071	\$ 721,169	\$ 588,815	\$ 636,600
Contributions to the contractually required contribution	<u>(730,502)</u>	<u>(660,071)</u>	<u>(721,169)</u>	<u>(588,815)</u>	<u>(636,600)</u>
	<u><u>\$ -</u></u>				
Authority's covered payroll	\$ 4,798,000	\$ 3,983,000	\$ 3,409,000	\$ 3,296,000	\$ 2,934,000
Contribution as a percentage of covered payroll	15.2%	16.6%	21.2%	17.9%	21.7%
	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Contractually required contribution	\$ 623,700	\$ 416,000	\$ 446,991	\$ 348,000	\$ 309,000
Contributions to the contractually required contribution	<u>(623,700)</u>	<u>(416,000)</u>	<u>(446,991)</u>	<u>(348,000)</u>	<u>(309,000)</u>
	<u><u>\$ -</u></u>				
Authority's covered payroll	\$ 2,442,000	\$ 2,459,000	\$ 2,450,000	\$ 2,353,000	\$ 2,058,000
Contribution as a percentage of covered payroll	25.5%	16.9%	18.2%	14.8%	15.0%

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

Schedule of Authority's Proportionate Share of Net Pension Liability

	<u>FY2025</u>	<u>FY2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>
Authority's proportion of the net pension liability (asset)	0.02304119%	0.01984652%	0.02218325%	0.02219643%	0.02384254%
Authority's proportionate share of the net pension liability (asset)	\$ 5,121,421	\$ 3,717,389	\$ 3,396,701	\$ 2,656,131	\$ 5,203,262
Authority's covered payroll	\$ 3,983,000	\$ 3,409,000	\$ 3,296,000	\$ 2,934,000	\$ 2,442,000
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	128.6%	109.0%	103.1%	90.5%	213.1%
Plan fiduciary net position as a percentage of the total pension liability	79.3%	81.7%	84.5%	75.8%	75.8%
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
Authority's proportion of the net pension liability (asset)	0.02242230%	0.02415869%	0.02640814%	0.02813710%	0.03017175%
Authority's proportionate share of the net pension liability (asset)	\$ 3,878,521	\$ 3,659,723	\$ 3,559,827	\$ 4,224,032	\$ 1,732,299
Authority's covered payroll	\$ 2,459,000	\$ 2,450,000	\$ 2,353,000	\$ 2,058,000	\$ 2,142,000
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	157.7%	149.4%	151.3%	205.2%	80.9%
Plan fiduciary net position as a percentage of the total pension liability	80.2%	82.1%	81.1%	80.5%	91.9%

SUPPLEMENTARY INFORMATION

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

COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)

JUNE 30, 2025

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Pedcor Rosewood Station	Hillside Manor LLC	Webster Road LLC
ASSETS:									
CURRENT ASSETS:									
Cash - unrestricted	\$ 405,390	\$ -	\$ 2,895,590	\$ 3,968,155	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,715,762	-	-	358,353	-	1,128,308	-	-	-
Accounts receivable:									
HUD other programs	-	-	48	-	130,592	-	-	-	-
Other governments	-	-	-	-	-	-	-	-	-
Miscellaneous	34,501	-	-	1,421,319	-	-	10,769	1,233,775	480,712
Tenants - rent/misc	229,208	20,765	568,920	-	-	-	-	-	-
Tenants - fraud	-	-	41,283	-	-	-	-	-	-
Allowance for doubtful accounts:									
Rents	(4,312)	-	(142,230)	-	-	-	-	-	-
Other	-	-	(10,321)	-	-	-	-	-	-
Fraud recovery	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	206,178	2,696,471	-	4,321,037	-	603,787	406,109
Allowance for Accrued Interest	-	-	-	-	-	(1,151,175)	-	-	-
	259,397	20,765	663,878	4,117,790	130,592	3,169,862	10,769	1,837,562	886,821
Prepaid expenses and other assets	30,155	6,120	170,532	30,268	-	100	-	-	-
Inventory	-	-	87,630	-	-	-	-	-	-
Allowance for obsolete inventory	922	-	(68,415)	-	-	-	-	-	-
Due from other funds	60,000	-	-	842,338	-	-	-	-	-
TOTAL CURRENT ASSETS	2,471,626	26,885	3,749,215	9,316,904	130,592	4,298,270	10,769	1,837,562	886,821
RESTRICTED CASH AND INVESTMENTS:									
Other than security deposits	44,169	127,295	149,325	16,669,570	-	431,544	-	-	-
Security deposits	14,864	3,461	89,606	-	-	-	-	-	-
	59,033	130,756	238,931	16,669,570	-	431,544	-	-	-
NONCURRENT ASSETS:									
Notes receivable	-	-	1,605,000	79,132,453	-	26,165,561	31,091,641	11,423,508	5,109,265
Capital Assets:									
Land	827,388	78,500	2,494,498	-	-	-	-	-	-
Buildings and improvements	3,697,375	1,258,733	23,478,715	-	1,835,886	-	-	-	-
Furniture and equipment - dwellings	-	12,000	-	-	-	-	-	-	-
Furniture and equipment - administration	176,037	-	546,395	37,316	27,150	-	-	-	-
Site improvements	-	-	4,691,641	-	367,178	-	-	-	-
Accumulated depreciation	(3,392,285)	(1,177,470)	(26,795,097)	(37,316)	(341,971)	-	-	-	-
Total Capital Assets	1,308,516	171,763	4,416,152	-	1,888,243	-	-	-	-
TOTAL ASSETS	3,839,175	329,404	10,009,298	105,118,927	2,018,835	30,895,375	31,102,410	13,261,070	5,996,086
DEFERRED OUTFLOWS OF RESOURCES									
TOTAL ASSETS and DEFERRED OUTFLOWS OF RESOURCES	3,908,321	359,478	10,586,625	105,344,357	2,018,835	30,895,375	31,102,410	13,261,070	5,996,086

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

COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)

JUNE 30, 2025

Rental Assistance Vouchers SF-0018V	Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program (ROSS)	Continuum of Care	Metro Supportive Housing Program	State Funded Vouchers	Eliminations	Total
\$ 1,628,560	\$ 964,990	\$ (917)	\$ 18,115	\$ 2,464	\$ (8,038)	\$ (151,728)	\$ 1,144,436	\$ -	\$ -	\$ 10,867,017
-	-	-	-	66,493	-	-	1,837	-	-	3,270,753
-	-	-	-	-	8,038	136,455	-	-	(130,592)	144,541
302,261	-	386	-	32,427	-	-	639,409	773,292	-	1,412,701
110,502	14,088	-	14,435	-	-	120	12,636	13	-	970,687
99,265	-	-	-	-	-	2,114	33,188	-	-	175,850
-	-	-	-	-	-	-	-	-	-	(146,542)
-	-	-	-	-	-	-	-	-	-	(10,321)
-	2,167	-	-	-	-	-	-	-	-	2,167
-	-	-	-	-	-	-	-	-	-	8,233,582
-	-	-	-	-	-	-	-	-	-	(1,151,175)
512,028	16,255	386	14,435	32,427	8,038	138,689	685,233	773,305	(130,592)	13,147,640
13,860	-	-	10,916	-	-	-	4,410	1,008	-	267,369
-	-	-	-	-	-	-	-	-	-	87,630
-	-	-	-	-	-	-	-	-	-	(67,493)
-	-	-	-	-	-	-	-	-	-	(902,338)
2,154,448	981,245	(531)	43,466	101,384	-	(13,039)	1,835,916	774,313	(1,032,930)	27,572,916
447,769	172	159	148,295	56,768	-	-	-	-	-	18,075,066
-	-	-	9,308	16,621	-	-	-	-	-	133,860
447,769	172	159	157,603	73,389	-	-	-	-	-	18,208,926
-	-	-	-	-	-	-	-	-	-	154,527,428
-	-	-	380,548	90,000	-	-	-	-	-	3,870,934
-	-	-	5,897,826	1,348,300	-	-	-	-	-	37,516,835
-	-	-	-	20,069	-	-	-	-	-	32,069
57,702	-	-	29,999	6,237	-	-	-	-	-	880,836
-	-	-	-	-	-	-	-	-	-	5,058,819
(57,702)	-	-	(903,959)	(1,374,606)	-	-	-	-	-	(34,080,406)
-	-	-	5,404,414	90,000	-	-	-	-	-	13,279,087
2,602,217	981,417	(372)	5,605,483	264,773	-	(13,039)	1,835,916	774,313	(1,032,930)	213,588,357
679,889	75,572	-	-	-	-	-	782,452	130,580	-	2,570,470
3,282,106	1,056,989	(372)	5,605,483	264,773	-	(13,039)	2,618,368	904,893	(1,032,930)	216,158,827

(Continued)

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)

JUNE 30, 2025

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Pedcor Rosewood Station	Hillside Manor LLC	Webster Road LLC
LIABILITIES:									
CURRENT LIABILITIES:									
Accounts payable	\$ 28,916	\$ 4,483	\$ 126,875	\$ 59,033	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	67,656	138,045	-	-	-	-	-
Accrued compensated absences	354,712	-	61,562	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	421,012	-	-	-
Accounts payable HUD PHA programs	-	-	211,183	-	-	-	-	-	-
Tenant security deposits	16,264	3,142	103,664	-	-	-	-	-	-
Unearned revenue	20,085	871	47,268	16,370,546	-	-	-	-	-
Current portion of long-term debt	5,813	4,037	-	-	-	320,000	543,337	-	-
Other current liabilities	207,286	198,655	301,938	7,119	-	-	-	-	-
Accrued liabilities	-	-	99,354	-	130,592	-	-	-	-
Due Clackamas County	8,168	3,500	68,105	91,810	-	-	-	-	-
TOTAL CURRENT LIABILITIES	641,244	214,688	1,087,605	16,666,553	130,592	741,012	543,337	-	-
NONCURRENT LIABILITIES:									
Long-term debt, net of current portion	2,874	-	-	-	-	13,610,561	30,548,304	-	-
Long-term debt, payable to Clackamas County	221,861	540,000	-	-	-	-	-	-	400,000
Accrued compensated absences - noncurrent	-	-	-	-	-	-	-	-	-
Net pension and total OPEB liabilities	143,883	62,581	1,201,343	469,091	-	-	-	-	-
TOTAL NONCURRENT LIABILITIES	368,618	602,581	1,201,343	469,091	-	13,610,561	30,548,304	-	400,000
TOTAL LIABILITIES	1,009,862	817,269	2,288,948	17,135,644	130,592	14,351,573	31,091,641	-	400,000
DEFERRED INFLOWS OF RESOURCES									
NET POSITION:									
Net investment in capital assets	1,077,968	-	4,416,152	-	1,888,243	-	-	-	-
Restricted	42,769	127,614	135,267	299,024	-	431,544	-	-	-
Unrestricted	1,761,963	(592,259)	3,614,678	87,858,310	-	16,112,258	10,769	13,261,070	5,596,086
TOTAL NET POSITION	\$ 2,882,700	\$ (464,645)	\$ 8,166,097	\$ 88,157,334	\$ 1,888,243	16,543,802	10,769	13,261,070	- 5,596,086

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

COMBINING SCHEDULE OF NET POSITION (FINANCIAL DATA SCHEDULE)

JUNE 30, 2025

Rental Assistance Vouchers SF-0018V	Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program	Continuum of Care	Metro Supportive Housing Program	State Funded Vouchers	Eliminations	Total
\$ (27,163) 132,511	\$ (2,022) -	\$ - -	\$ 16,566 -	\$ 37,030 -	\$ - -	\$ (5,841) -	\$ 9,125 94,605	\$ (5,914) 19,062	\$ - -	\$ 241,087 451,879
-	-	-	-	-	-	-	-	-	-	416,274
-	-	-	-	-	-	-	-	-	-	421,012
-	-	-	-	-	-	-	-	-	-	211,183
1,798	-	-	5,912	-	-	-	-	-	-	130,780
2,248	21	-	8,214	-	-	690	1,822	-	-	16,451,765
-	-	-	40,243	-	-	-	-	-	-	913,430
578,345	28,069	14,034	261,523	28,256	-	827	18,100	589,591	(902,338)	1,331,405
-	-	-	-	6,674	-	-	-	-	(130,592)	106,028
182,761	19,713	-	-	-	-	-	203,456	36,601	-	614,114
870,500	45,781	14,034	332,458	71,960	-	(4,324)	327,108	639,340	(1,032,930)	21,288,957
-	-	-	2,072,053	-	-	-	-	-	-	46,233,792
-	-	-	651,672	-	-	-	-	-	-	1,813,533
1,414,760	157,255	-	-	-	-	-	1,628,177	271,720	-	5,348,810
1,414,760	157,255	-	2,723,725	-	-	-	1,628,177	271,720	-	53,396,135
2,285,260	203,036	14,034	3,056,183	71,960	-	(4,324)	1,955,285	911,060	(1,032,930)	74,685,092
154,957	17,224	-	-	-	-	-	178,333	29,761	-	585,847
-	-	-	2,640,446	90,000	-	-	-	-	-	10,112,809
445,971	172	159	151,691	73,389	-	-	-	-	-	1,707,600
395,918	836,557	(14,565)	(242,837)	29,424	-	(8,715)	484,750	(35,928)	-	129,067,479
- \$ 841,889	\$ 836,729	\$ (14,406)	\$ 2,549,300	\$ 192,813	\$ -	\$ (8,715)	\$ 484,750	\$ (35,928)	\$ -	\$ 140,887,888

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

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION (FINANCIAL DATA SCHEDULE)**

YEAR ENDED JUNE 30, 2025

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Pedcor Rosewood Station	Hillside Manor LLC
REVENUES:								
Tenant rental revenue	\$ 627,141	\$ 103,257	\$ 1,858,646	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant revenue - other	8,145	23,584	42,252	-	-	-	-	-
Total Tenant Revenue	635,286	126,841	1,900,898	-	-	-	-	-
HUD PHA operating grants	-	-	2,342,777	-	1,033,748	-	-	-
HUD PHA capital grants	-	-	-	-	166,028	-	-	-
Mgmt fee	-	-	-	333,338	-	-	5,464	-
Asset mgmt fee	-	-	-	46,910	-	-	-	-
Bookkeeping fee	-	-	-	33,945	-	-	-	-
Other fees	-	-	-	154,768	-	-	-	-
Other government grants	27,523	-	-	33,809,967	-	-	-	-
Voucher income	-	404	-	-	-	-	-	-
Investment income	70,598	31	44,713	1,025,506	-	1,119,686	941,394	125,830
Fraud recovery	-	-	-	-	-	-	-	-
Other revenue	421,943	21,791	2,367	239,602	-	100	-	20,737
Investment income restricted	-	-	738,513	175,601	-	-	-	-
TOTAL REVENUES	1,155,350	-	149,067	-	5,029,268	35,819,637	-	1,199,776
OPERATING EXPENSES:								
Administrative:								
Salaries	25,738	2,902	239,672	912,375	-	-	-	-
Employee benefit contributions	112,609	1,547	152,391	64,408	-	-	-	-
Audit fees	1,362	413	8,035	8,832	6,000	-	-	-
Management fees	-	-	336,128	-	154,768	-	-	-
Bookkeeping fee	-	-	31,155	-	-	-	-	-
Office expense	9,185	4,770	83,021	77,988	-	-	-	-
Legal expense	-	-	101	13,412	-	-	-	-
Travel expense	412	94	8,119	4,847	-	-	-	-
Asset mgmt fee	-	-	46,910	-	-	-	-	-
Other	22,585	4,629	116,373	501,816	-	-	-	-
Tenant Services:								
Salaries	-	-	42,347	-	-	-	-	-
Relocation costs	-	-	3,584	-	403,647	-	-	-
Employee benefit contributions	-	-	25,673	-	-	-	-	-
Other expenses	-	-	6,488	-	-	-	-	-
Utilities:								
Water	13,322	8,104	227,333	-	-	-	-	-
Electricity	4,905	8,814	35,266	10,450	-	-	-	-
Gas	1,180	-	3,853	1,777	-	-	-	-
Sewer	33,688	14,035	440,340	-	-	-	-	-
Trash	13,751	3,280	192,692	1,039	-	-	-	-
Ordinary Maintenance and Operations:								
Labor	51,713	40,897	583,829	13,056	-	-	-	-
Employee benefit contributions	26,484	28,437	222,586	6,045	-	-	-	-
Materials	10,491	5,783	106,848	349	-	-	-	-
Contract costs	90,880	43,161	71,358	878	83,314	-	-	-
Protective Services:								
Contract costs	4	486	22,688	4,104	-	-	-	-
General Expenses:								
Property insurance	33,682	7,610	202,023	-	-	-	-	-
Liability insurance	3,410	1,055	28,128	8,199	-	-	-	-
Workers' compensation	1,619	4	4,496	6,137	-	-	-	-
All other insurance	2,219	-	15,610	-	-	-	-	-
Other expenses	321	-	111,160	4,701,146	-	-	-	-
Payment in lieu of taxes	-	-	115,256	-	-	-	-	-
Bad debt - other	-	-	-	-	-	-	-	-
Interest expense	972	105	-	-	-	559,471	941,394	-
TOTAL OPERATING EXPENSES	460,532	176,126	3,483,463	6,336,858	647,729	559,471	941,394	-
INCOME (LOSS) BEFORE OTHER EXPENSES	694,818	(27,059)	1,545,805	29,482,779	552,047	560,315	5,464	146,567

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

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION (FINANCIAL DATA SCHEDULE)**

YEAR ENDED JUNE 30, 2025

Webster Road LLC	Rental Assistance Vouchers SF-0018V		Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program (ROSS)	Continuum of Care	Metro Supportive Housing Program	State Funded Vouchers	Eliminations	Total		
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	\$		
			70,702	1,199	505,124	297,024			33,038			2,886,068		
			70,702	1,199	505,124	297,024			33,038			3,570,112		
			-	-	-	-	71,959	-	-	-		3,448,484		
11,139			-	-	-	-	-	-	-	-	(333,337)	16,604		
			-	-	-	-	-	-	-	-	(46,910)			
			-	-	-	-	-	-	-	-	(31,155)	2,790		
			-	-	-	-	-	-	-	-	(154,768)			
			30,950,601	3,416,719	668,161		617,609	22,735,561	1,497,949			58,071,000		
						3,136						35,653,494		
			35,656	9,271	711	-						3,330,894		
			1,618,570	-	-	9,779						45,638		
			5,621	6,189	-	-						2,334,889		
			11,139	32,681,150	3,433,378	668,872	505,124	309,939	71,959	617,609	22,768,599	1,497,949	(566,170)	
												107,565,857		
			1,303,932	69,619	50,782	11,592	15,561	64,489	39,808	1,149,172	211,429	-	4,097,071	
			1,042,824	117,518	30,840	1,589	6,257	-	-	1,075,800	285,434	-	2,891,217	
			21,026	1,431	1,431	-	-	-	-	24,004	4,318	-	76,852	
			-	-	25,077	22,275	-	-	-	-	-	(488,105)	50,143	
			232,298	14,675	6,614	11,703	9,438	-	-	176,877	34,369	-	660,938	
			3,398	214	214	-	-	-	-	728	-	-	18,067	
			20,429	1,191	1,075	1,082	969	184	-	13,531	7,424	-	59,357	
			339,402	25,935	4,627	3,577	8,135	7,286	6,778	344,646	52,767	-	1,438,556	
			-	-	-	-	-	-	-	134,564	-	-	176,911	
			-	-	-	-	-	-	-	75,540	-	-	407,231	
			487	14	-	-	-	-	63,995	603,271	-	-	101,213	
			-	-	-	-	-	-	-	-	-	-	674,255	
			511	35	35	11,504	10,450	-	-	5,462	652	-	305,108	
			-	-	-	-	-	-	-	1,229	281	-	88,084	
			-	-	21,840	-	-	-	-	-	-	-	8,320	
			-	-	7,198	12,136	-	-	-	-	-	-	509,903	
			-	-	-	20,425	32,880	-	-	12,289	2,420	-	757,509	
			2,300	130	107	10,627	45,903	-	-	5,120	1,440	-	290,112	
			2,736	178	14	36,920	132,235	-	-	5,796	-	-	188,334	
			80	6	5	7,555	-	-	-	899	-	-	461,674	
			-	-	-	-	-	-	-	-	-	-	35,827	
			11,714	782	530	15,605	17,488	-	-	5,529	334	-	243,315	
			2,983	178	128	-	937	-	-	2,802	218	-	92,774	
			1,624	109	84	-	-	-	-	908	-	-	19,502	
			14,816	61	61	-	1,299	-	-	4,288	-	-	20,554	
			-	-	-	-	-	-	-	-	-	-	4,833,152	
			-	-	-	45	-	-	-	-	-	-	115,256	
16,808			-	-	118,962	-	-	-	-	-	-	-	45	
			16,808	3,000,560	232,076	96,547	317,180	360,433	71,959	110,581	3,642,455	601,086	(566,170)	20,489,088
			(5,669)	29,680,590	3,201,302	572,325	187,944	(50,494)	-	507,028	19,126,144	896,863	-	87,076,769

(Continued)

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

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION (FINANCIAL DATA SCHEDULE)**

YEAR ENDED JUNE 30, 2025

	State and Local Projects	Clackamas Apartments	Low Rent Public Housing SF 274	Central Office Program	Capital Grant Program	Easton Ridge LLC	Pedcor Rosewood Station	Hillside Manor LLC
OTHER EXPENSES:								
Housing assistance payments	-	-	-	-	-	-	-	-
Housing assistance payments - port-in	-	-	-	-	-	-	-	-
Depreciation and amortization	96,521	26,180	366,511	-	140,469	-	-	-
FSS escrow payments	-	-	56,376	-	-	-	-	-
TOTAL OTHER EXPENSES	96,521	26,180	422,887	-	140,469	-	-	-
NET INCOME (LOSS)	598,297	(53,239)	1,122,918	29,482,779	411,578	560,315	5,464	146,567
OPERATING TRANSFER	(181,494)	(43,506)	386,919	2,200,946	(386,919)	(1,793,787)	-	(306,247)
INCREASE (DECREASE) IN NET POSITION	416,803	(96,745)	1,509,837	31,683,725	24,659	(1,233,472)	5,464	(159,680)
NET POSITION, June 30, 2024	2,465,897	(367,900)	6,656,260	56,473,609	1,863,584	17,777,274	5,305	13,420,750
NET POSITION, June 30, 2025	\$ 2,882,700	\$ (464,645)	\$ 8,166,097	\$ 88,157,334	\$ 1,888,243	\$ 16,543,802	\$ 10,769	\$ 13,261,070
OTHER INFORMATION:								
Debt principal payment	\$ 4,412	\$ 7,998	\$ -	\$ -	\$ -	\$ 310,000	\$ 529,935	\$ -

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

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION (FINANCIAL DATA SCHEDULE)**

YEAR ENDED JUNE 30, 2025

Webster Road LLC	Rental Assistance Vouchers SF-0018V	Mainstream Vouchers	Emergency Housing Vouchers	Clayton Mohr Commons	Arbor Terrace Apartments	Resident Self Sufficiency Program	Continuum of Care	Metro Supportive Housing Program	State Funded Vouchers	Eliminations	Total
-	28,282,517	2,947,172	578,045	-	-	-	518,239	18,361,482	932,791	-	51,620,246
-	1,556,099	-	-	-	-	-	-	-	-	-	1,556,099
-	-	-	-	200,880	-	-	-	-	-	-	830,561
-	220,706	19,500	5,210	-	-	-	-	-	-	-	301,792
-	30,059,322	2,966,672	583,255	200,880	-	-	518,239	18,361,482	932,791	-	54,308,698
(5,669)	(378,732)	234,630	(10,930)	(12,936)	(50,494)	-	(11,211)	764,662	(35,928)	-	32,768,071
(549,034)	673,122	-	-	-	-	-	-	-	-	-	-
(554,703)	294,390	234,630	(10,930)	(12,936)	(50,494)	-	(11,211)	764,662	(35,928)	-	32,768,071
6,150,789	547,499	602,099	(3,476)	2,562,236	243,307	-	2,496	(279,912)	-	-	108,119,817
\$ 5,596,086	\$ 841,889	\$ 836,729	\$ (14,406)	\$ 2,549,300	\$ 192,813	\$ -	\$ (8,715)	\$ 484,750	\$ (35,928)	\$ -	\$ 140,887,888
\$ -	\$ -	\$ -	\$ -	\$ 59,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 911,780

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

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF NET POSITION - PUBLIC HOUSING DETAIL

JUNE 30, 2025

	AMP 1	AMP 2	AMP 3	AMP 4	Total Low Rent Public Housing and Capital Grant Program
ASSETS:					
CURRENT ASSETS:					
Cash:					
Cash - unrestricted	\$ 133,610	\$ 1,325,176	\$ 1,194,272	\$ 242,532	\$ 2,895,590
Cash - security deposits	18,475	36,441	9,419	25,271	89,606
Total Cash	152,085	1,361,617	1,203,691	267,803	2,985,196
Accounts Receivable:					
Tenants	65,527	321,668	74,034	107,690	568,919
Miscellaneous	84,853	85,561	-	1,508	171,922
Allowance for doubtful accounts:					
Tenants	(16,382)	(80,417)	(18,509)	(26,923)	(142,231)
Miscellaneous	(9,129)	(1,192)	-	-	(10,321)
Accrued interest receivable	-	206,178	-	-	206,178
Total Accounts Receivable	124,869	531,798	55,525	82,275	794,467
Prepaid expenses and other assets	39,708	76,428	14,472	39,924	170,532
Inventory	87,630	-	-	-	87,630
Allowance for obsolete inventories	(68,415)	-	-	-	(68,415)
TOTAL CURRENT ASSETS	335,877	1,969,843	1,273,688	390,002	3,969,410
RESTRICTED CASH AND INVESTMENTS	1,416	114,869	8,384	24,657	149,326
NONCURRENT ASSETS:					
Notes receivable	-	1,605,000	-	-	1,605,000
Capital Assets:					
Land	19,541	2,397,492	10,772	66,693	2,494,498
Buildings and improvements	5,105,795	14,602,271	2,407,918	3,198,618	25,314,602
Furniture and equipment - administration	429,313	62,451	27,121	54,659	573,544
Site and leasehold improvements	783,911	1,705,702	1,271,525	1,297,681	5,058,819
Accumulated depreciation	(5,902,934)	(13,546,931)	(3,536,302)	(4,150,902)	(27,137,069)
TOTAL NONCURRENT ASSETS	435,626	5,220,985	181,034	466,749	6,304,394
TOTAL ASSETS	772,919	8,910,697	1,463,106	881,408	12,028,130
DEFERRED OUTFLOWS OF RESOURCES	146,517	214,634	68,117	148,059	577,327
TOTAL ASSETS and DEFERRED OUTFLOWS OF RESOURCES	919,436	9,125,331	1,531,223	1,029,467	12,605,457
LIABILITIES:					
CURRENT LIABILITIES:					
Accounts payable	42,572	39,303	7,083	41,616	130,574
Accrued wages	23,813	77,592	8,948	18,865	129,218
Accounts payable HUD PHA programs	155,705	49,278	-	6,199	211,182
Tenant security deposits	21,140	41,209	11,265	30,050	103,664
Unearned revenue	23,347	12,776	1,812	9,335	47,270
Accrued liabilities	89,275	290,398	17,996	198,618	596,287
TOTAL CURRENT LIABILITIES	355,852	510,556	47,104	304,683	1,218,195
NONCURRENT LIABILITIES:					
Net pension and total OPEB liabilities	304,882	440,736	154,705	301,020	1,201,343
TOTAL NONCURRENT LIABILITIES	304,882	440,736	154,705	301,020	1,201,343
TOTAL LIABILITIES	660,734	951,292	201,809	605,703	2,419,538
DEFERRED INFLOWS OF RESOURCES	33,393	45,357	23,361	29,469	131,580
NET POSITION:					
Net investment in capital assets	435,626	5,220,985	181,034	466,749	6,304,394
Restricted	(1,249)	110,101	6,538	19,878	135,268
Unrestricted	(209,068)	2,797,596	1,118,481	(92,332)	3,614,677
TOTAL NET POSITION	\$ 225,309	\$ 8,128,682	\$ 1,306,053	\$ 394,295	\$ 10,054,339

HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF REVENUES AND EXPENSES - PUBLIC HOUSING DETAIL

YEAR ENDED JUNE 30, 2025

	AMP 1 :: 501			AMP 2 :: 502			AMP 3 :: 503		
	Operating	Capital Fund	Total	Operating	Capital Fund	Total	Operating	Capital Fund	Total
REVENUES:									
Tenant rental revenue	\$ 368,954	\$ -	\$ 368,954	\$ 984,018	\$ -	\$ 984,018	\$ 166,451	\$ -	\$ 166,451
Tenant revenue - other	13,075	-	13,075	15,086	-	15,086	611	-	611
HUD PHA grants	496,488	370,357	866,845	642,424	444,329	1,086,753	601,916	64,600	666,516
HUD PHA capital grants	-	-	-	-	124,776	124,776	-	-	-
Investment income	-	-	-	44,713	-	44,713	-	-	-
Investment income restricted	416	-	416	728,106	-	728,106	8,240	-	8,240
Fraud recovery	(538)	-	(538)	1,400	-	1,400	-	-	-
TOTAL REVENUE	878,395	370,357	1,248,752	2,415,747	569,105	2,984,852	777,218	64,600	841,818
EXPENSES:									
Administrative:									
Administrative salaries	49,915	-	49,915	115,256	-	115,256	29,137	-	29,137
Auditing fees	2,043	1,523	3,566	2,985	2,231	5,216	949	708	1,657
Employee benefit contributions	35,894	-	35,894	64,161	-	64,161	19,514	-	19,514
Office expense	18,735	-	18,735	26,977	-	26,977	16,978	-	16,978
Legal expense	24	-	24	26	-	26	25	-	25
Travel expense	1,873	-	1,873	2,473	-	2,473	1,851	-	1,851
Other	27,927	-	27,927	40,293	-	40,293	16,412	-	16,412
	136,411	1,523	137,934	252,171	2,231	254,402	84,866	708	85,574
Tenant services:									
Salaries	10,712	-	10,712	15,692	-	15,692	5,121	-	5,121
Relocation costs	-	168,229	168,229	854	235,416	236,270	-	-	-
Employee benefit contributions	6,493	-	6,493	9,512	-	9,512	3,108	-	3,108
Other expenses	1,844	-	1,844	1,043	-	1,043	2,051	-	2,051
	19,049	168,229	187,278	27,101	235,416	262,517	10,280	-	10,280
Utilities:									
Water	58,903	-	58,903	101,862	-	101,862	10,910	-	10,910
Electricity	16,566	-	16,566	2,265	-	2,265	4,226	-	4,226
Gas	1,101	-	1,101	1,464	-	1,464	-	-	-
Sewer/Other utilities	123,430	-	123,430	169,448	-	169,448	28,858	-	28,858
	200,000	-	200,000	275,039	-	275,039	43,994	-	43,994
Ordinary maintenance and operations:									
Labor	133,584	-	133,584	247,015	-	247,015	49,046	-	49,046
Materials	24,744	-	24,744	34,790	-	34,790	19,559	-	19,559
Contracts	61,018	-	61,018	102,696	68,386	171,082	39,578	-	39,578
Employee benefits	80,973	-	80,973	122,433	-	122,433	(29,251)	-	(29,251)
	300,319	-	300,319	506,934	68,386	575,320	78,932	-	78,932
Protective services:									
Contract costs	7,504	-	7,504	22	-	22	7,690	-	7,690
General:									
Property insurance	46,175	-	46,175	93,257	-	93,257	16,280	-	16,280
Liability insurance	6,186	-	6,186	9,840	-	9,840	5,374	-	5,374
Workers' compensation	1,823	-	1,823	6,167	-	6,167	(2,420)	-	(2,420)
All other insurance	3,614	-	3,614	5,188	-	5,188	3,122	-	3,122
Other	26,131	-	26,131	45,181	-	45,181	9,724	-	9,724
Payments in lieu of taxes	24,252	-	24,252	68,608	-	68,608	7,975	-	7,975
Management fee	84,735	39,287	124,022	125,284	57,542	182,826	40,262	18,255	58,517
Accounting fee	7,860	-	7,860	11,610	-	11,610	3,728	-	3,728
Asset management fee	12,000	-	12,000	17,390	-	17,390	5,520	-	5,520
	212,776	39,287	252,063	382,525	57,542	440,067	89,565	18,255	107,820
Other:									
FSS escrow payments	(2,716)	-	(2,716)	46,975	-	46,975	2,070	-	2,070
Depreciation expense	43,862	12,822	56,684	248,488	98,711	347,199	23,910	3,309	27,219
	41,146	12,822	53,968	295,463	98,711	394,174	25,980	3,309	29,289
TOTAL EXPENSES:	917,205	221,861	1,139,066	1,739,255	462,286	2,201,541	341,307	22,272	363,579
EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER OPERATING EXPENSES	(38,810)	148,496	109,686	676,492	106,819	783,311	435,911	42,328	478,239
OTHER FINANCING SOURCES (USES):									
Operating transfers in	86,272	-	86,272	126,358	-	126,358	87,144	-	87,144
Operating transfers out	-	(98,218)	(98,218)	-	(143,853)	(143,853)	-	(45,637)	(45,637)
	86,272	(98,218)	(11,946)	126,358	(143,853)	(17,495)	87,144	(45,637)	41,507
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	\$ 47,462	\$ 50,278	\$ 97,740	\$ 802,850	\$ (37,034)	\$ 765,816	\$ 523,055	\$ (3,309)	\$ 519,746

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

FINANCIAL DATA SCHEDULE - COMBINING SCHEDULE OF REVENUES AND EXPENSES - PUBLIC HOUSING DETAIL

YEAR ENDED JUNE 30, 2025				Low Rent Public Housing and Capital Grant Program Total	
	Operating	AMP 4 :: 504 Capital Fund	Total		
\$	339,225	\$ -	\$ 339,225	\$ 1,858,648	
	13,480	\$ -	\$ 13,480	42,252	
	601,949	154,460	756,409	3,376,523	
		41,252	41,252	166,028	
				44,713	
	1,750	\$ -	\$ 1,750	738,512	
	1,505	\$ -	\$ 1,505	2,367	
	<hr/> 957,909	<hr/> 195,712	<hr/> 1,153,621	<hr/> 6,229,043	
	45,364	\$ -	\$ 45,364	239,672	
	2,058	1,538	3,596	14,035	
	32,822	\$ -	\$ 32,822	152,391	
	20,330	\$ -	\$ 20,330	83,020	
	26	\$ -	\$ 26	101	
	1,921	\$ -	\$ 1,921	8,118	
	31,742	\$ -	\$ 31,742	116,374	
	<hr/> 134,263	<hr/> 1,538	<hr/> 135,801	<hr/> 613,711	
	10,822	\$ -	\$ 10,822	42,347	
	2,730	\$ -	\$ 2,730	407,229	
	6,560	\$ -	\$ 6,560	25,673	
	1,550	\$ -	\$ 1,550	6,488	
	<hr/> 21,662	<hr/> -	<hr/> 21,662	<hr/> 481,737	
	55,658	\$ -	\$ 55,658	227,333	
	12,209	\$ -	\$ 12,209	35,266	
	1,288	\$ -	\$ 1,288	3,853	
	118,603	\$ -	\$ 118,603	440,339	
	<hr/> 187,758	<hr/> -	<hr/> 187,758	<hr/> 706,791	
	154,184	\$ -	\$ 154,184	583,829	
	27,754	\$ -	\$ 27,754	106,847	
	60,759	14,928	75,687	347,365	
	48,436	\$ -	\$ 48,436	222,591	
	<hr/> 291,133	<hr/> 14,928	<hr/> 306,061	<hr/> 1,260,632	
	7,472	\$ -	\$ 7,472	22,688	
	46,311	\$ -	\$ 46,311	202,023	
	6,728	\$ -	\$ 6,728	28,128	
	(1,075)	\$ -	\$ (1,075)	4,495	
	3,686	\$ -	\$ 3,686	15,610	
	30,124	\$ -	\$ 30,124	111,160	
	14,421	\$ -	\$ 14,421	115,256	
	85,846	39,684	125,530	490,895	
	7,957	\$ -	\$ 7,957	31,155	
	12,000	\$ -	\$ 12,000	46,910	
	<hr/> 205,998	<hr/> 39,684	<hr/> 245,682	<hr/> 1,045,632	
	10,047	\$ -	\$ 10,047	56,376	
	50,251	25,628	75,879	506,981	
	<hr/> 60,298	<hr/> 25,628	<hr/> 85,926	<hr/> 563,357	
	<hr/> 908,584	<hr/> 81,778	<hr/> 990,362	<hr/> 4,694,548	
	49,325	113,934	163,259	1,534,495	
	87,144	\$ -	\$ 87,144	386,918	
	<hr/> -	<hr/> (99,210)	<hr/> (99,210)	<hr/> (386,918)	
	<hr/> 87,144	<hr/> (99,210)	<hr/> (12,066)	<hr/> -	
\$	<hr/> 136,469	<hr/> 14,724	<hr/> \$ 151,193	<hr/> \$ 1,534,495	

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

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 NET POSITION FOR RENTAL ASSISTANCE VOUCHERS**

YEAR ENDED JUNE 30, 2025

REVENUES:

HUD administrative fee	\$ 2,274,046
Fraud revenue (half of \$35,656 in RNP)	53,178
Other	<u>1,822,202</u>
	<u>4,149,426</u>

Total revenues

EXPENSES:

Administrative salaries	1,303,932
Employee benefits	1,042,824
Other administrative costs	858,188
Insurance	16,321
Other general (Port-In)	<u>1,556,099</u>
	<u>4,777,364</u>

Total expenses

EXCESS OF REVENUES OVER EXPENSES

(627,938)

TRANSFERS:

Operating transfer within the Authority	673,122
	<u>(35,439)</u>

UNRESTRICTED NET POSITION, June 30, 2024

\$ 9,745

UNRESTRICTED NET POSITION, June 30, 2025

HAP REVENUE:

HUD Housing Assistance Payments revenue	\$ 28,478,545
Fraud revenue (half of \$35,656 in RNP)	<u>53,178</u>
	<u>28,531,723</u>

Total HAP revenue

HAP EXPENSES

28,282,517

EXCESS OF EXPENSES OVER REVENUES

249,206

RESTRICTED NET POSITION, June 30, 2024

582,938

RESTRICTED NET POSITION, June 30, 2025

\$ 832,144

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

SCHEDULE OF CLACKAMAS APARTMENTS CASH BALANCE

JUNE 30, 2025

Cash:

Cash and cash equivalents - unrestricted	\$	-
Cash and cash equivalents - restricted		<u>130,756</u>
Total		<u>130,756</u>

Less current obligations:

Trust deed interest payable (15 days of interest)	7
Accounts payable (due within 30 days)	7,982
Accrued expenses	198,655
Tenant/resident security deposits	3,142
Unearned revenue	<u>871</u>
Total current obligations	<u>210,657</u>

Current obligations in excess of cash balance	\$ <u>(79,901)</u>
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HOUSING AUTHORITY OF CLACKAMAS COUNTY

(A component unit of Clackamas County, Oregon)

SCHEDULE OF CAPITAL FUND PROGRAM

YEAR ENDED JUNE 30, 2025

	Capital Fund Program Grant Approved	Capital Fund Program Grant Expended
Public Housing Capital Fund 2020	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Public Housing Capital Fund 2021	<u>\$ 52,637</u>	<u>\$ 52,637</u>
Public Housing Capital Fund 2022	<u>\$ 790,856</u>	<u>\$ 790,856</u>
Public Housing Capital Fund 2023	<u>\$ 164,255</u>	<u>\$ 164,255</u>
Public Housing Capital Fund 2024	<u>\$ 164,255</u>	<u>\$ 164,255</u>

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the aggregate discretely presented component units of the Housing Authority of Clackamas County, Oregon (the Authority), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 19, 2025. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units as described in our report on the Authority's financial statements. The financial statements of Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the aggregate discretely presented component units or that are reported on separately by those auditors who audited the financial statements of Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Baker Tilly US, LLP

Portland, Oregon

November 19, 2025

REPORT OF INDEPENDENT AUDITORS REQUIRED BY
OREGON STATE REGULATIONS

Report of Independent Auditors Required by Oregon State Regulations

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities and the aggregate discretely presented component units of the Housing Authority of Clackamas County, Oregon (the Authority), a component unit of Clackamas County, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 19, 2025. We did not audit the financial statements of Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, or Webster Road Housing LP which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP, are based solely on the report of the other auditors.

Compliance

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

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

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

Internal Control Over Financial Reporting

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

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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



Ashley Osten, Principal, for
Baker Tilly US, LLP
Portland, Oregon
November 19, 2025