

***LINN-BENTON HOUSING AUTHORITY
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2022***

LINN-BENTON HOUSING AUTHORITY
HOUSING AUTHORITY COMMISSIONERS
DECEMBER 31, 2022

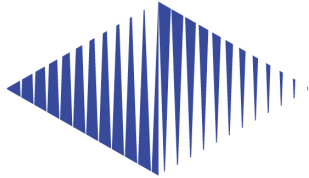
<u><i>Name and Address</i></u>	<u><i>Position</i></u>	<u><i>Term Expires</i></u>
LINN COUNTY		
Patrick Starnes	Vice-Chair	December 2024
Richard (Dick) Knowles	Member	December 2025
Richard Catlin II	Member	December 2022
Vacant	Member	Not applicable
BENTON COUNTY		
Steve Michaels	Chair	December 2024
Frederick Edwards	Member	December 2025
Ryan McCambridge	Member	December 2023
Dan Rayfield	Member	December 2022
TENANT COMMISSIONER		
Janie Tebeau	Tenant Commissioner	December 2024
ADMINISTRATION		
Donna Holt		Executive Director
Jeff Knox		Chief Financial Officer
Jennifer Sanders		Chief Operations Officer

Linn-Benton Housing Authority
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Albany, Oregon 97322
(541) 926-4497, fax (541) 926-3589

LINN-BENTON HOUSING AUTHORITY
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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Linn-Benton Housing Authority
Albany, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Linn-Benton Housing Authority (the Authority), which comprise the statement of net position as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Linn-Benton Housing Authority as of December 31, 2022, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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* 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 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 audit opinion.

Responsibilities of Management for the Financial Statements

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

Auditor's 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 OPERS Retirement Plan Pension Benefits, 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 an opinion on the financial statements as a whole. The accompanying supplementary information, as agreed with the Financial Data Schedule as submitted to HUD, is presented for purposes of additional analysis as required by the *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.


Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, 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 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 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated June 30, 2023, on our consideration of the Authority's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By 
Ryan T. Pasquarella, A Shareholder
June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

LINN-BENTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022

As management of the Linn-Benton Housing Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Housing Authority exceeded its liabilities and deferred inflows as of December 31, 2022, by \$6,850,335 (*net position*). Of this amount, \$3,879,718 (*unrestricted net position*) may be used to meet the Housing Authority's ongoing obligations to vendors, tenants, and creditors. Furthermore, \$2,682,930 is recognized as the Authority's net investment in capital assets and \$287,687 is restricted for capital replacements.
- The Authority's total net position decreased \$100,950 in 2022. The Authority had a net operating loss of \$(100,950) primarily because housing assistance payments (HAP) expense in the Emergency Housing Voucher (EHV) program exceeded HAP revenue by \$460,546. Since the EHV program had significant HAP cash reserves to use for HAP expenses in 2022, HUD provided only the minimum amount of current year funding needed to meet the HAP obligations.
- The Authority's total assets was \$11,972,970, an increase of 1.7% compared to the prior year. This increase was primarily due to the net increase in cash and investments from Section 8 operating grants, development grants, and cash flow from the Housing Authority's owned and managed properties.
- The Authority's total liabilities at the end of the current year amounted to \$5,453,663, an increase of 22% from the prior year. This significant increase was due to several factors, the largest of which was an increase of \$721,442 to the net pension liability as determined by the Schedule of Pension Amounts under GASB 68 provided by the Oregon Public Employees Retirement System (PERS). Also, unearned revenue increased \$585,207 primarily because of a \$750,000 state development grant that was not expended during the year.
- The Authority's major revenues included \$20,454,775 in housing assistance grants and \$3,237,409 in operating grants from HUD and the state for the year ended December 31, 2022, which represents approximately 95% of the total revenues of the Housing Authority. The total combined operating and housing assistance funding in 2022 of \$23,692,184 was \$999,958 less than the prior year predominantly because of the additional federal CARES Act funding of \$840,382 earned in 2021 and the state Landlord Compensation Fund (LCF) totaling \$3,082,752 received in 2021. Both the CARES Act and LCF grants were temporary additional assistance during the pandemic.
- The Authority's major expenses included \$3,911,173 in administrative expenses, an increase of 19% compared to the prior year, and \$20,918,349 in federal housing assistance payments to landlords and tenants, an increase of 15.5% in 2022. The housing assistance payments represent approximately 83% of the total expenses of the Authority.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Linn-Benton Housing Authority's basic financial statements. The Authority's basic financial statements included in this annual report are those of a special-purpose government engaged only in business-type activities and consist of three components: 1) basic financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Basic Financial Statements. The *basic financial statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

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

LINN-BENTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Authority's net position changed during the most recent 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 related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected rents and earned but unused paid time off).

The *Statement of Cash Flows* presents information about the Authority's cash receipts and cash payments during the year. This statement shows the net changes in cash resulting from operating, investing, and financing activities and reconciles operating income to net cash provided by operating activities.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Authority are classified as proprietary funds. Thus, the Authority uses *enterprise funds* to account for all such activities, which are similar in nature to those found in the private sector. The Authority's enterprise funds (business-type activities) consist of the following: the federal Section 8 programs comprising of the Housing Choice Voucher, Mainstream, Emergency Housing Voucher, and Moderate Rehabilitation programs; the Affordable Housing program, which is a local fund consisting of property management, development activities, and rental housing owned by the Authority; and New Roots Housing, a nonprofit corporation and blended component unit of the Authority, established to assist in developing low-income housing.

The proprietary fund financial statements are included in this report and are provided as *Supplementary Information*.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic and fund financial statements.

Other Information. In addition to the basic financial statements, accompanying notes, and fund financial statements, this report also presents information and schedules required by the State of Oregon and the Federal Government.

FINANCIAL ANALYSIS

Net Position. As noted previously, net position may serve over time as a useful indicator of a government's financial position. For Linn-Benton Housing Authority, assets and deferred outflows exceeded liabilities and deferred inflows by \$6,850,335 as of December 31, 2022, a decrease of 1.5% from the prior year.

A significant portion of the Authority's net position, approximately 39%, reflects its investments in capital assets, which includes land, buildings and improvements, furniture, office equipment, and vehicles, less depreciation and any related outstanding debt used to acquire those assets. The Authority uses these assets to provide housing and services to tenants and to operate the Authority's programs. Consequently, these assets are *not* likely to be available for future spending.

The Authority's *restricted net position* represents resources which cannot be used solely at the Authority's own discretion. The restrictions placed on these resources have been externally imposed by the Authority's grantors. These resources consist of \$287,687 restricted for capital replacements.

The Authority's *unrestricted net position*, which amounts to \$3,879,718, may be used to meet the Authority's ongoing obligations to vendors, tenants, and creditors.

Total assets increased \$204,624, or 1.7%, primarily because of the significant growth of the unrestricted cash balances. The unrestricted cash increased \$978,857 mostly because of the \$750,000 state development grant received, the partnership cash flow distributions totaling \$143,568 from Garden View Apartments, and the significant increase in operating grants of \$93,045 compared to the prior year.

LINN-BENTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022

Total liabilities increased \$984,208 in 2022, which is primarily attributable to the \$721,442 increase in the net pension liability and the \$585,207 increase in unearned revenue because of a \$750,000 state development grant that was not expended during the year.

Linn-Benton Housing Authority Net Position		
	<u>2022</u>	<u>2021</u>
ASSETS:		
Current assets	\$ 6,840,645	\$ 6,286,595
Net capital assets	4,401,179	4,606,922
Other noncurrent assets	<u>731,146</u>	<u>874,829</u>
Total Assets	<u>11,972,970</u>	<u>11,768,346</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows related to pension	<u>1,006,890</u>	<u>689,480</u>
LIABILITIES:		
Current liabilities	1,730,374	1,386,918
Net pension liability	1,888,993	1,167,551
Notes payable, noncurrent	1,623,121	1,717,716
Other noncurrent liabilities	<u>211,175</u>	<u>197,270</u>
Total Liabilities	<u>5,453,663</u>	<u>4,469,455</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows related to pension	<u>675,862</u>	<u>1,037,086</u>
NET POSITION:		
Net investment in capital assets	2,682,930	2,797,022
Restricted	287,687	720,132
Unrestricted	<u>3,879,718</u>	<u>3,434,131</u>
Total Net Position	<u>\$ 6,850,335</u>	<u>\$ 6,951,285</u>

Change in Net Position. Operating and housing assistance grants for the state LCF program and the federal Section 8 Housing Choice Voucher, Mainstream, EHV, and Moderate Rehabilitation programs amounted to \$23,692,184 for the year ended December 31, 2022, representing 95% of the Authority's total revenues. Of this amount, \$3,196,722 was revenue specifically for administering the Section 8 Housing Choice Voucher, Mainstream, EHV, Moderate Rehabilitation, and Family Self-Sufficiency (FSS) programs, which was an increase of 4.9% year-over-year. The LCF program generated \$40,687 in administration revenue. Furthermore, revenues specifically designated for housing assistance totaled \$20,454,775 in 2022.

LINN-BENTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022

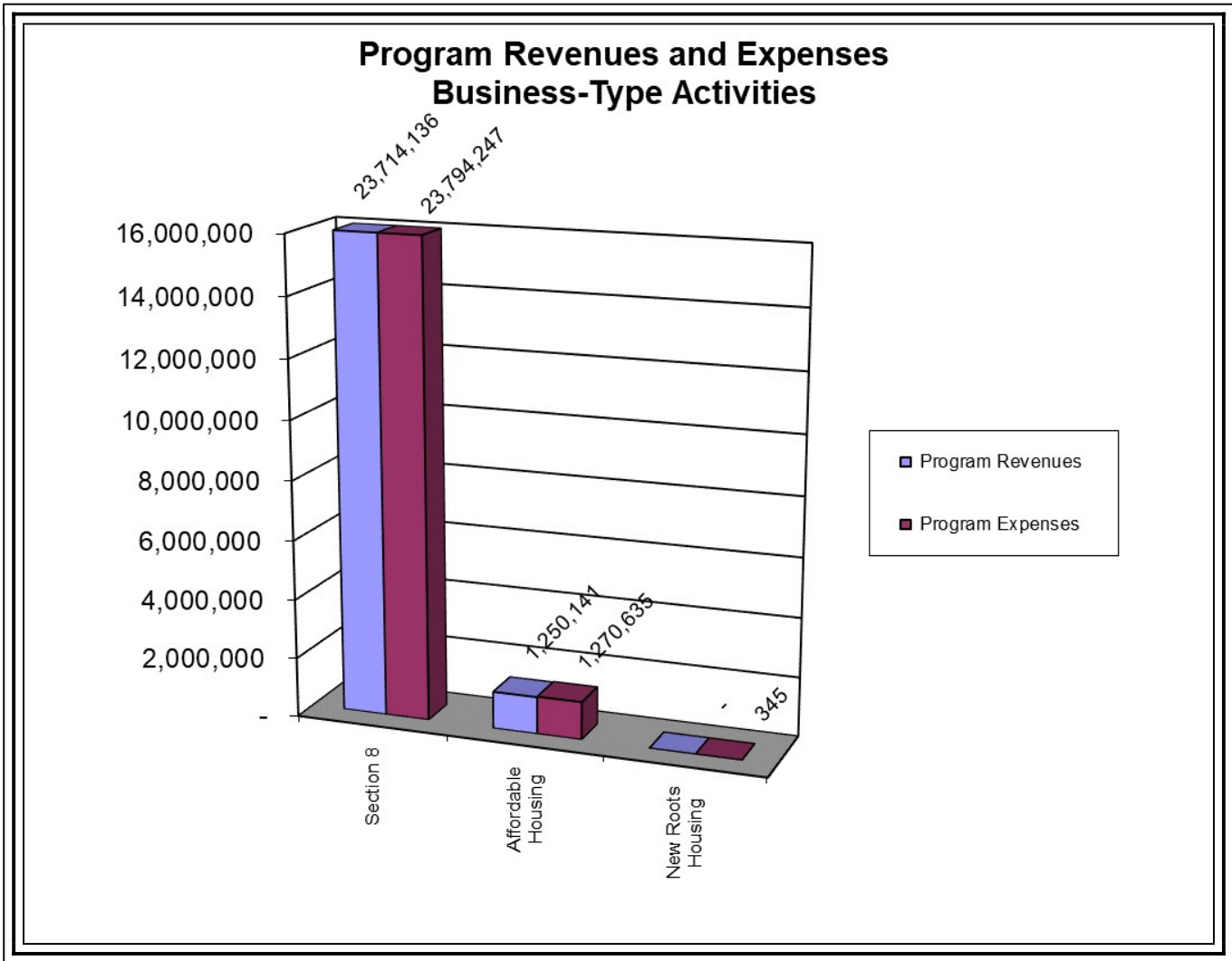
Other significant revenue sources include rental income and management fees, which amounted to \$924,426 and \$175,328, respectively. Rental income increased 2.8% year-over-year. Management fees, which are derived from property management operations and dependent on the cash flow of the properties, decreased 9.5% compared to the prior year.

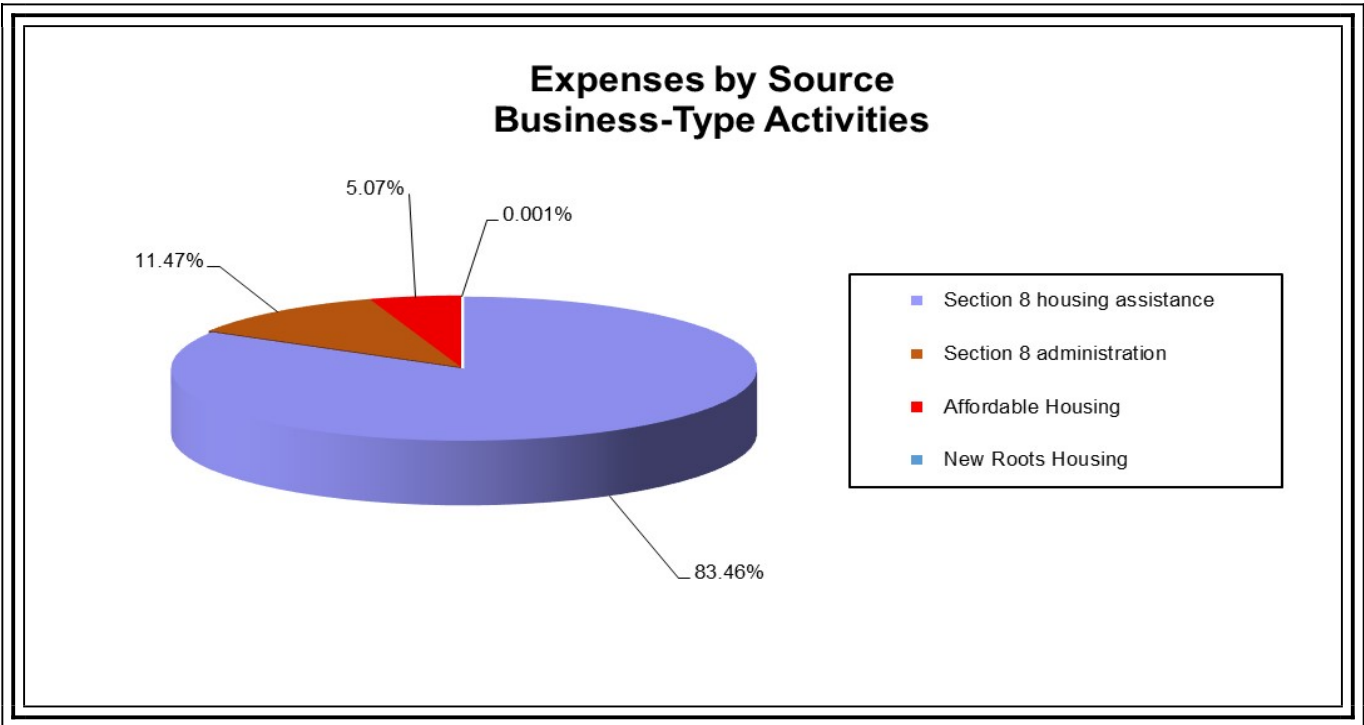
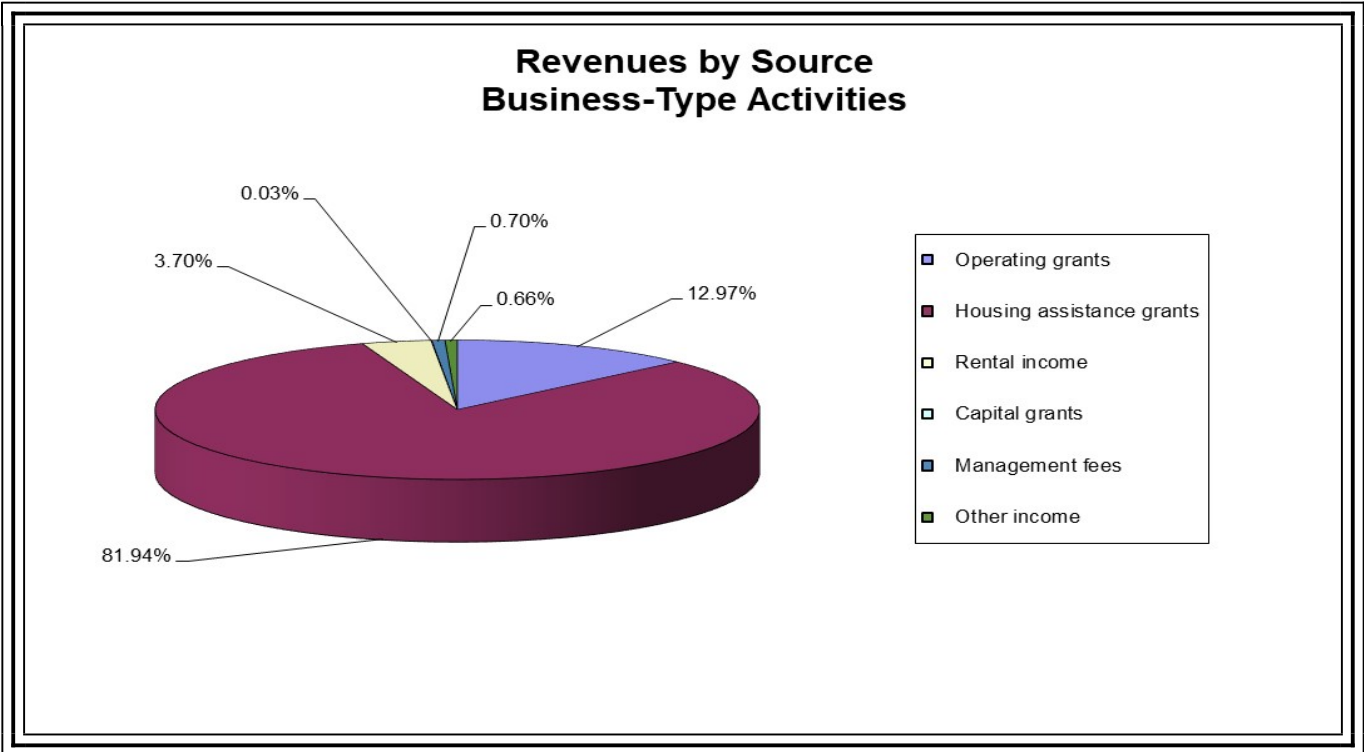
As expected, the most significant program expenses of the Authority were the Section 8 housing assistance payments and administration costs, which amounted to \$20,918,349 and \$2,875,898, respectively. The Section 8 housing assistance payments to landlords and tenants increased 15.5% year-over-year primarily because of the rising per unit costs caused by a variety of factors. Section 8 administration expenses increased 24.4% predominantly because of a 16.8% rise in payroll costs due to additional hiring, general wage increases, and the rising PERS pension expenses. Administration expenses also includes a new service fee activity expense totaling \$190,493 in the EHV program. Affordable Housing program expenses, which primarily consist of expenses derived from property management operations and development activities, totaled \$1,270,635, a significant decrease of \$2,926,400 from the previous year. This decrease is the result of the prior year LCF program rental assistance payments amounting to \$2,984,695.

Overall, the Housing Authority's entity-wide change in net position was \$(100,950) for the year ended December 31, 2022.

Linn-Benton Housing Authority		
Change in Net Position		
	<u>2022</u>	<u>2021</u>
REVENUES:		
Operating grants	\$ 3,237,409	\$ 3,144,364
Housing assistance grants	20,454,775	21,547,778
Rental income	924,426	899,313
Capital grants	8,127	150,802
Development fees	-	511,402
Management fees	175,328	193,702
Other income	<u>164,212</u>	<u>132,004</u>
Total Revenues	<u>24,964,277</u>	<u>26,579,365</u>
EXPENSES:		
Section 8 housing assistance	20,918,349	18,107,996
Section 8 administration	2,875,898	2,311,468
Affordable Housing	1,270,635	4,197,035
New Roots Housing	<u>345</u>	<u>345</u>
Total Expenses	<u>25,065,227</u>	<u>24,616,844</u>
CHANGE IN NET POSITION	(100,950)	1,962,521
NET POSITION, Beginning of Year	<u>6,951,285</u>	<u>4,988,764</u>
NET POSITION, End of Year	<u>\$ 6,850,335</u>	<u>\$ 6,951,285</u>

LINN-BENTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022





LINN-BENTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Authority’s capital assets, net of accumulated depreciation, as of December 31, 2022, amounted to \$4,401,179. This investment in capital assets includes land, buildings and improvements, furniture, office equipment, and vehicles. The Authority’s net capital assets decreased \$205,743 overall for the current year because capital asset additions were less than depreciation and deletions.

Capital asset additions totaling \$29,847 included a new digital laundry card reader system for all the Authority’s properties that have laundry machines. Capital asset deletions during the year totaling \$12,237 included the disposal of obsolete and broken office equipment.

Additional information for the Authority’s capital assets can be found in the notes to the financial statements.

Linn-Benton Housing Authority Capital Assets (Net of Depreciation)		
	<u>2022</u>	<u>2021</u>
Land	\$ 844,629	\$ 844,629
Buildings and improvements	3,474,860	3,692,867
Furniture, equipment, and vehicles	<u>81,690</u>	<u>69,426</u>
 Total	 <u>\$ 4,401,179</u>	 <u>\$ 4,606,922</u>

Noncurrent Liabilities. At the end of the current year, the Authority had total noncurrent liabilities of \$3,723,289. Of this amount, \$1,623,121 represents mortgage loans payable for rental housing owned by the Authority. These loans are explained in detail in the Long-Term Debt Note of this report. Due to the requirements of GASB 68, a net pension liability of \$1,888,993 was included as of December 31, 2022, which is an increase of 61.8% year-over-year. The Authority’s other noncurrent liability is compensated absences payable totaling \$211,175.

BUDGETARY HIGHLIGHTS

The Housing Authority adopts annual operating budgets for all its programs. Although the Authority is exempt from the provisions of state budget law since it is principally funded by federal grants, the Authority is required to submit an annual operating budget to HUD for approval of its Section 8 Moderate Rehabilitation program. Furthermore, the Authority is required to submit a monthly electronic submission of financial data to HUD for its Housing Choice Voucher (HCV), Mainstream, and EHV programs. These budgets and financial reports are adopted on the basis of accounting practices prescribed by HUD, which differ in some respects from generally accepted accounting principles (GAAP). The Housing Authority adopts budgets for its property management activities in accordance with GAAP, including the properties owned by the Authority and the low-income housing tax credit projects managed by the Housing Authority.

LINN-BENTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022

On May 19, 2022, HUD issued PIH Notice 2022-14 to implement the Housing Choice Voucher program funding provisions effective January 1, 2022, resulting from the 2022 Consolidated Appropriations Act enacted by Congress on March 15, 2022. The 2022 Appropriations Act established Calendar Year (CY) 2022 HAP funding to be based on HAP costs for CY 2021, adjusted by an inflation factor, and then adjusted again by a proration factor to provide renewal funding that equals the appropriated amount adopted by Congress. The 2022 Appropriations Act directed HUD to continue to provide agencies with a fixed annual budget amount for HAP funding, including the option to apply for additional set-aside funding for certain items that have significantly impacted a Housing Authority's HAP costs. Agencies continue to be prohibited from using funds for over-leasing. The 2022 Appropriations Act also allowed HUD to offset the funding of Housing Authorities that have an excess amount of HAP reserves. Linn-Benton Housing Authority's funding offset was \$474,013 in CY 2022. The Authority's approved HAP renewal funding amount, after the effects of the offset, a proration factor of 100%, and an inflation factor of 103.1%, amounted to \$17,265,544 in CY 2022, which was a 0.76% decrease compared to the prior year funding level. Additionally, set-aside funding of \$49,473 for a retroactive proration increase was provided to the Housing Authority by adding it to the Authority's HAP reserve. Finally, the Housing Authority was awarded 16 new Housing Choice Vouchers in CY 2022, resulting in \$129,801 of additional HAP funding. The HCV program HAP revenues were less than HAP expenses in 2022, resulting in using the Authority's HAP reserve, which are held by HUD and dispersed as needed.

The 2022 Appropriations Act continued the same methodology of determining the administrative fee funding by calculating the fees based on the number of units leased each month. The total fee eligibility for all Housing Authorities was calculated monthly and then prorated to provide funding that equaled one-twelfth of the annual appropriated amount adopted by Congress. The final average proration factor for CY 2022 was 89.4% of the total eligible fee amount. For Linn-Benton Housing Authority, this funding methodology, excluding the effects of the temporary CARES Act supplemental administrative fee funding of \$400,000 received in CY 2021, resulted in a 10.4% increase in CY 2022 regular administrative fee revenue for the HCV program compared to the prior year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The need for affordable housing in Linn and Benton counties continues to be very high. The Authority currently serves over 3,000 families through a variety of affordable housing programs and there are consistently a significant number of households on the Housing Choice Voucher program waiting list. The number of people served and the level of service the Authority provides are constrained only by the amount of funds available for those services. The Housing Authority's Section 8 programs have steadily grown over the years from providing housing for 600 families in 1980 to over 2,900 families in 2022. The programs have grown significantly in recent years as the Housing Authority has been awarded 16 new HCVs, 20 new VASH vouchers, 153 new Mainstream Vouchers and 178 new Emergency Housing Vouchers. The EHV program was created to provide tenant-based rental assistance to individuals and families who are experiencing homelessness, at risk of homelessness, or fleeing domestic violence, dating violence, sexual assault, stalking, or human trafficking. After September 30, 2023, Housing Authorities may not reissue the EHV when assistance for a participant ends.

The Authority's CY 2023 operating budgets for the Moderate Rehabilitation and Affordable Housing programs have been approved by their oversight agencies, as applicable, and by the Authority's Board of Commissioners.

On April 24, 2023, HUD issued PIH Notice 2023-07 to implement the Housing Choice Voucher program funding provisions effective January 1, 2023, resulting from the 2023 Consolidated Appropriations Act enacted by Congress on December 29, 2022. The 2023 Appropriations Act established CY 2023 HAP funding to be based on HAP costs for CY 2022, adjusted by an inflation factor, and then adjusted again by a proration factor to provide renewal funding that equals the appropriated amount adopted by Congress. The 2023 Appropriations Act directed HUD to continue to provide agencies with a fixed annual budget amount for HAP funding, including the option to apply for additional set-aside funding for certain items that have significantly impacted a Housing Authority's HAP costs. Agencies are still prohibited from using funds for over-leasing. The 2023 Appropriations Act also allows HUD to offset the funding of Housing Authorities that have an excess amount of HAP reserves, which for Linn-Benton Housing Authority resulted in

LINN-BENTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022

no offset in CY 2023. The Authority's total HAP renewal funding amount, after the effects of any offset, a proration factor of 100%, and an inflation factor of 109.1%, was calculated to be \$20,066,089 for CY 2023, which is an increase of 16.2% compared to the prior year funding level.

The Housing Authority may receive additional set-aside funding for portability and VASH voucher cost increases, as well as for unforeseen circumstances due to the current trend of significant increases in HAP per unit costs. It is anticipated that the CY 2023 HAP revenues and current HAP reserve will not be enough to cover 100% of the HAP expenses, resulting in the application for additional shortfall funding. HUD provides a specific process for seeking shortfall funding with a variety of strategies to prevent terminating participants from the program due to insufficient funds.

The 2023 Appropriations Act continued the same methodology as prior years for determining administrative fee funding for CY 2023. For Linn-Benton Housing Authority, the estimated administrative fee funding, based on a projected 97.0% lease-up rate for the year and HUD's estimated average proration factor of 89.0%, amounts to \$2,664,427, which is an increase of approximately 8.0% compared to the actual funded amount in 2022.

The Authority's current Section 8 budget, which includes the HCV, Mainstream, EHV, and Moderate Rehabilitation programs, estimates that the total resources available to provide housing services will be approximately \$26.4 million in 2023. The Housing Authority Board of Commissioners, acting on management's recommendations, has successfully approved the CY 2023 Section 8 budgets with a strategy of investing in assets that will improve operations, using HAP and administrative reserves as needed to operate the program efficiently, and continuing to follow policies and procedures that control HAP and administrative costs.

Other significant factors that were considered in preparation of the Authority's budgets for calendar year 2023 were the following:

- Included all projected increases in salaries and benefits.
- Included all projected expenses for major capital improvements.
- Projected an annual lease-up rate of 97.0% overall for Housing Choice vouchers.
- Projected a general inflation rate of 5% to 7%.
- Estimated management fees based on projected available cash flow.
- Allocated indirect costs based on a program's number of units available compared to the total number of units that the Authority manages or owns.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those that are interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Linn-Benton Housing Authority, 1250 Queen Avenue Southeast, Albany, Oregon 97322.

BASIC FINANCIAL STATEMENTS

LINN-BENTON HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS

Current Assets

Unrestricted cash and investments	\$ 5,017,583
Restricted cash and investments	1,031,498
Accounts receivable, net	734,859
Due from partnerships	53,499
Prepaid expenses	3,206

Total Current Assets 6,840,645

Noncurrent Assets

Investment in partnerships	1,825
Notes receivable	728,456
Non-depreciable capital assets	844,629
Depreciable capital assets, net of depreciation	3,556,550
Intangible assets, net of amortization	865

Total Noncurrent Assets 5,132,325

Total Assets 11,972,970

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pension	1,006,890
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Total Assets and Deferred Outflows of Resources \$ 12,979,860

LIABILITIES**Current Liabilities**

Accounts payable	\$	136,839
Security deposits		59,532
Compensated absences, current		9,132
Unearned revenue		999,557
Interest payable		4,872
Long-term debt, current		95,128
Other current liabilities		425,314

Total Current Liabilities 1,730,374

Noncurrent Liabilities

Compensated absences, net		211,175
Net pension liability		1,888,993
Long-term debt, net		1,623,121

Total Noncurrent Liabilities 3,723,289

Total Liabilities 5,453,663

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pension		675,862
-------------------------------------	--	---------

NET POSITION

Net investment in capital assets		2,682,930
Restricted for capital replacement		287,687
Unrestricted		3,879,718

Total Net Position 6,850,335

Total Liabilities, Deferred Inflows of Resources, and Net Position \$ 12,979,860

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

LINN-BENTON HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022

OPERATING REVENUES

Operating grants	\$ 3,237,409
Housing assistance grants	20,454,775
Rental income	924,426
Capital grants	8,127
Management fees	175,328
Other income	163,867

<i>Total Operating Revenues</i>	24,963,932
---------------------------------	------------

OPERATING EXPENSES

Administration	3,911,173
Depreciation and amortization	235,678
Housing assistance payments	20,918,349

<i>Total Operating Expenses</i>	25,065,200
---------------------------------	------------

NET OPERATING INCOME (LOSS)	(101,268)
------------------------------------	------------------

NONOPERATING REVENUES (EXPENSES)

Interest income	345
Investment gain/(loss)	(27)

<i>Total Nonoperating Revenues</i>	318
------------------------------------	-----

CHANGE IN NET POSITION	(100,950)
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NET POSITION, beginning of year	6,951,285
--	------------------

NET POSITION, end of year	\$ 6,850,335
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The accompanying notes are an integral part of these financial statements.

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LINN-BENTON HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from rents	\$ 901,022
Receipts from grants	23,586,517
Receipts from management fees and partnership fees	206,702
Receipts from other sources	212,588
Payments to vendors and others for goods and services	(1,147,199)
Payments to lenders for interest on long-term debt	(60,133)
Payments to tenants for housing assistance	(20,913,769)
Payments to employees for services	(2,592,886)

Net Cash Provided By (Used in) Operating Activities 192,842

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Purchases of capital assets	(29,847)
Repayment of long-term debt	(91,651)

*Net Cash Provided by (Used in) Capital and Related
Financing Activities* (121,498)

CASH FLOWS FROM INVESTING ACTIVITIES

Collections from notes receivable	143,568
Interest and dividends received	345

Net Cash Provided By (Used in) Investing Activities 143,913

NET CHANGE IN CASH AND INVESTMENTS

215,257

CASH AND INVESTMENTS, beginning of year

5,833,824

CASH AND INVESTMENTS, end of year

\$ 6,049,081

CASH AND INVESTMENTS

Unrestricted cash and investments	\$ 5,017,583
Restricted cash and investments	1,031,498

Total \$ 6,049,081

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY (USED IN) OPERATING ACTIVITIES:**

Net operating income	\$	(101,268)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		235,678
(Increase)/decrease in accounts receivable		542,688
(Increase)/decrease in prepaid expenses		9,461
Increase/(decrease) in accounts payable		(1,165,802)
Increase/(decrease) in security deposits payable		401
Increase/(decrease) in compensated absences payable		14,830
Increase/(decrease) in unearned revenue		585,207
Increase/(decrease) in interest payable		(242)
Increase/(decrease) in other liabilities		29,081
Increase/(decrease) in net pension liability and related deferrals		42,808
		<hr/>
<i>Total adjustments</i>		294,110
		<hr/>
<i>Net Cash Provided By (Used in) Operating Activities</i>	\$	192,842
		<hr/> <hr/>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Linn-Benton Housing Authority (the Authority) was formed under the general laws of the State of Oregon to provide affordable housing to individuals meeting criteria established by the US Department of Housing and Urban Development (HUD). The governing body is an independent board of nine Housing Authority Commissioners, serving staggered four-year terms. Four Housing Authority Commissioners are appointed by the Linn County Board of Commissioners and four Housing Authority Commissioners are appointed by the Benton County Board of Commissioners. The ninth member of the Housing Authority Board of Commissioners, the Resident Commissioner, is selected by the eight members previously appointed. The Executive Director is hired and supervised by the Board of Commissioners. The daily operations of the Authority are under the supervision of the Executive Director.

The Authority is an independent entity. The Authority's Board of Commissioners has the decision-making authority, the responsibility to significantly influence operations, and has primary accountability for fiscal matters. All significant activities over which the Authority exercises financial accountability have been included in the financial statements. Evaluation of the reporting entity is in accordance with Statement No. 61 of the Governmental Accounting Standards Board (GASB).

New Roots Housing is a 501 (c)(3) non-profit corporation that was set-up to assist in developing low-income housing. New Roots Housing's governing body is largely the same as the Authority and because they have no employees, the Authority's management is responsible for New Roots Housing operations. New Roots Housing is blended with the Authority by including them in the appropriate statements and schedules of this report.

Government-wide Financial Statements

The government-wide financial statements, which are presented as *basic financial statements*, report information on all of the activities of the Authority. The effect of interfund activity has been removed from these statements.

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

The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the most recent 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 related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected rents and earned but unused vacation leave).

The *statement of cash flows* presents information about the Authority's cash receipts and cash payments during the year. This statement shows the net changes in cash resulting from operating, investing, and financing activities and reconciles operating income to net cash provided by operating activities.

The Authority engaged only in business-type activities during the current year. Thus, the Authority uses enterprise accounting to account for all such activities, which are similar in nature to those found in the private sector. The Authority's enterprise activities, which are reported as separate columns in the combining financial schedules, consist of the following:

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Housing Choice Voucher Program

The Housing Choice Voucher Program is a Section 8 Department of Housing and Urban Development (HUD) program which includes two separately funded programs: The Housing Choice Voucher (HCV) Program and the Family Self-Sufficiency (FSS) Program. The HCV program provides rent subsidy payments to private landlords for low-income families who locate their own rental units and negotiate the monthly rent. The Authority receives revenues (administrative fees) from HUD to administer the HCV program. The FSS program provides additional educational opportunities to FSS participants with the goal of increasing their self-sufficiency. The Authority receives operating grants from HUD to pay for the payroll costs related to the operation of the FSS program.

Mainstream Voucher Program

The Mainstream Voucher Program is a Section 8 HUD program that provides tenant-based vouchers to non-elderly persons with disabilities, defined as any family that includes a person with disabilities who is at least 18 years old and not yet 62 years old at the effective date of the HAP contract. The program is administered in the same way as the Housing Choice Voucher Program.

Emergency Housing Voucher Program

The Emergency Housing Voucher (EHV) Program is a Section 8 HUD program that provides tenant-based rental assistance to individuals and families who are experiencing homelessness, at risk of homelessness, or fleeing domestic violence, dating violence, sexual assault, stalking, or human trafficking. After September 30, 2023, the Housing Authority may not reissue the EHV when assistance for a participant ends.

Moderate Rehabilitation Program

The Moderate Rehabilitation Program is a Section 8 HUD program that is designed to rehabilitate substandard rental units by providing rental income to owners that will repay rehabilitation costs, meet operating expenses and allow for a reasonable profit, and to provide rental subsidies to low-income families living in the rehabilitation units.

Affordable Housing Program

This program accounts for all other activities of Linn-Benton Housing Authority. These other activities primarily consist of rental of housing units and development activities. Revenues include rental income, partnership fees, and management fees earned from property management activities. The Authority's Board of Commissioners controls the use of available funds.

New Roots Housing

New Roots Housing is a 501 (c)(3) non-profit corporation that was established to develop low-income housing. The initial start-up funds for New Roots Housing were provided by the Authority.

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

The management staff prepares a budget for each program and for the total operation of the Authority after coordination, consultation, and receipt of approvals of service levels from the various grantor agencies, as applicable. A consolidated budget is submitted to the Housing Authority Board of Commissioners for approval, modification, and adoption. The Authority is not subject to Oregon Local Budget Law under ORS 294.316(8).

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise operations distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise's principal ongoing operations. The principal operating revenues of the Authority are housing assistance and administrative grants from HUD and rental income. Operating expenses include housing assistance payments to landlords on behalf of tenants, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's practice to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Cash and Investments

Cash and investments reported on the statement of net position consists of checking accounts, savings accounts, petty cash, and investments in certain securities issued by the United States government that have a weighted average maturity of twelve months or less. All cash and investments are stated at market value.

The restricted cash and investments represent reserves for housing assistance payments, tenant deposits, escrow loan deposits, operating reserves, and capital replacement reserves.

Receivables

Receivables are recorded in accordance with the policies enumerated in the paragraphs above. An estimated allowance for doubtful accounts has been established for certain accounts receivable totaling \$72. Therefore, accounts receivable are presented in the statement of net position at net realizable value.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022 are recorded as prepaid expenses.

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Capital Assets

Capital assets reported on the statement of net position include land, buildings, vehicles, furniture, and equipment. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The capitalization threshold is \$5,000.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The Authority records depreciation using the straight-line method over estimated useful lives; buildings and improvements from 10 to 40 years, furniture and equipment from 3 to 10 years, and vehicles for 5 years. The Authority does not own any infrastructure assets.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Compensated Absences

Vested or accumulated Paid Time Off (PTO) is recorded as an expense and a liability as the benefits accrue to employees.

Other Liabilities

Other liabilities consist of Family Self-Sufficiency (FSS) escrow accounts held on behalf of program participants and various other payroll related accruals.

Deferred Outflows/Inflows 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, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority reports deferred outflow of resources related to pensions for contributions made after the June 30, 2022 measurement date.

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, represents an acquisition that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category. The Authority reports deferred inflows of resources related to pensions for changes in projected earnings versus actual earnings and contribution versus proportionate share of contributions.

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Net Pension Liability

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

Income Taxes

The Authority is exempt from federal income taxes under Internal Revenue Code Section 115.

Property Taxes

The Authority is exempt from taxes for all real and personal property, including property held under lease or lease purchase agreements under ORS 456.220 and ORS 446.225 of the Oregon law.

Net Position

In the financial statements, net position consists of net investment in capital assets, restricted net position and unrestricted net position. The restricted net position consists of assets restricted by funding agencies for replacement of capital assets. Unrestricted resources are used for all expenses not designated for a restricted purpose.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements

In June 2017, the Government Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. GASB Statement No. 87 (GASB 87) increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. GASB 87 replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset.

GASB 87 defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. GASB 87 applies to all contracts meeting this definition of a lease, unless specifically excluded.

The Authority evaluated their remaining lease obligations under GASB 87 and determined the leases to be immaterial for the year ended December 31, 2022.

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

CASH AND INVESTMENTS

The balances at December 31, 2022, by major types of cash and investment accounts are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash on hand	\$ 838	\$ 838
Deposits with financial institutions		
Insured FDIC	347,665	347,665
Uninsured, collateral held by depository institutions (demand deposits)	5,700,578	5,700,578
	<u>\$ 6,049,081</u>	<u>\$ 6,049,081</u>
Unrestricted cash and investments	\$ 5,017,583	\$ 5,017,583
Restricted cash and investments	1,031,498	1,031,498
	<u>\$ 6,049,081</u>	<u>\$ 6,049,081</u>

Bank deposits are insured by federal depository insurance up to legal limits; the remaining balance is secured by mortgage-backed securities that are held by the pledging banks' custodian acting as agent for the Authority in the Authority's name.

At year end, the book balance of the Authority's total bank deposits was \$6,048,243 and the bank balance was \$6,133,280. The difference is due to transactions in process.

At December 31, 2022, the Authority held deposits in escrow for families completing the Family Self-Sufficiency Program in the amount of \$369,241. The Authority also held tenant security deposits and capital replacement reserves in the amount of \$59,532 and \$287,689, respectively.

Investments

The Housing Authority is required to invest all local funds in accordance with State regulations. State statutes authorize the Authority to invest in obligations of the U.S. Treasury, certificates of deposit, U.S. Government Agency Securities, instrumentalities of the U.S. Government-sponsored corporations, commercial paper, banker's acceptances, and repurchase agreements.

The Housing Authority is required to invest all Section 8 funds in accordance with HUD regulations. Such investments are restricted to those that are backed by the full faith and credit of, or a guarantee of principal and interest by, the U.S. Government, a Government agency, or issued by a Government-sponsored agency. Furthermore, investments of Section 8 funds must be capable of being liquidated on one day's notice and must be limited to securities maturing in periods of up to one year. All of the investments held by the Authority are US agency securities.

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

CASH AND INVESTMENTS (Continued)

Interest Rate Risk

In accordance with its investment policy, the Authority manages its exposure to declines in fair values by limiting the maturity of its investments to twelve months or less, except those reserved for capital projects.

Credit Risk

The Authority's policy, in accordance with Oregon statutes and HUD regulations, does not limit investments in U.S. government securities.

Concentration of Credit Risk

Investment in U.S. government securities is not limited.

Custodial Credit Risk

This is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Authority's investments are held in safekeeping by the financial institutions' trust department in the Authority's name.

CAPITAL ASSETS

The following schedule summarizes the capital asset activity:

	<i>Balance</i> <i>1/1/2022</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>12/31/2022</i>
<i>Non-Depreciable Assets</i>				
Land	\$ 844,629	\$ -	\$ -	\$ 844,629
<i>Depreciable Assets</i>				
Buildings and improvements	7,957,480	-	-	7,957,480
Furniture, equipment and vehicles	503,830	29,847	(12,237)	521,440
Less accumulated depreciation				
Buildings and improvements	(4,264,613)	(218,007)	-	(4,482,620)
Furniture, equipment and vehicles	(434,404)	(17,583)	12,237	(439,750)
<i>Net Depreciable Assets</i>	<u>3,762,293</u>	<u>(205,743)</u>	<u>-</u>	<u>3,556,550</u>
<i>Net Capital Assets</i>	<u>\$ 4,606,922</u>	<u>\$ (205,743)</u>	<u>\$ -</u>	<u>\$ 4,401,179</u>

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

CAPITAL ASSETS (Continued)

The following schedule summarizes the depreciation expense by activity:

Depreciation Expense

Section 8 Programs	\$ 50,751
Affordable Housing Programs	184,839
	<hr/>
<i>Total Depreciation Expense</i>	<u><u>\$ 235,590</u></u>

NOTES RECEIVABLE

Noncurrent notes receivable consists of a noninterest bearing rehabilitation loan that will be paid when the property is sold and two notes receivable for development grants loaned to Garden View Apartments in the amounts of \$5,809 and \$722,647, respectively.

LONG-TERM DEBT

For the year ended December 31, 2022, the following schedule summarizes the Authority's transactions related to its long-term debt:

	<i>Balance January 1, 2022</i>	<i>Principal Paid/ Adjustments</i>	<i>Balance December 31, 2022</i>	<i>Next Year Requirement</i>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Business-type Activities</i>				
Cottage Creek	\$ 105,302	\$ (13,648)	\$ 91,654	\$ 13,765
Clayton Meadows	1,183,955	(38,806)	1,145,149	40,744
Camas Commons	520,643	(39,197)	481,446	40,619
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 1,809,900</u>	<u>\$ (91,651)</u>	1,718,249	<u>\$ 95,128</u>
Less: Principal maturities in the next year			<hr/> (95,128)	
Notes Payable, less current maturities			<u>\$ 1,623,121</u>	

Notes from Direct Borrowings – Business Type Activities

Cottage Creek Loan: Originally borrowed \$175,000 and \$199,405 for a total of \$374,405 at 1.75% and 7.35% per annum interest rate, respectively in June 1999 from Oregon Housing and Community Services. The loan was modified in 2016, a total of \$51,624 was forgiven and the per annum interest rates are now 1.75% and 0.00%, respectively. Repayment is due in monthly principal and interest payments of \$625 for the first loan and \$585 for the second loan. Loans mature in June 2029. The note is secured by real property and in the event of default, the note becomes immediately due and payable.

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

LONG-TERM DEBT (Continued)

Clayton Meadows Loan: Originally borrowed \$1,325,917 at 3.46% per annum interest rate from First Interstate Bank in November 2017. Repayment is due in monthly principal and interest payments of \$6,648. The loan matures in November 2027 with a final balloon payment of \$926,572. The note is secured by real property and in the event of default, the note becomes immediately due and payable.

Camas Commons Loan: Originally borrowed \$2,082,010 and \$16,622 for a total of \$2,098,632 at 3.59% and 7.59% per annum interest rate, respectively from US Bank in June 2001. Repayment is due in monthly principal and interest payments of \$9,454 for the first loan and \$117 for the second loan, with the final payments due December 1, 2032. The notes are secured by real property and in the event of default, the notes become immediately due and payable.

The above schedule shows transactions related to Camas Commons' long-term debt at 50% of the actual balances in order to represent the Authority's 50% ownership interest.

Future maturities of debt are as follows:

<u>Year Ended</u> <u>December 31,</u>	
2023	\$ 95,128
2024	98,154
2025	101,335
2026	104,607
2027	1,034,565
2028-2032	284,460
	<hr/>
<i>Total</i>	<u>\$ 1,718,249</u>

OTHER NONCURRENT LIABILITIES

	<u>Balance</u> <u>January 1,</u> <u>2022</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Balance</u> <u>December 31, 2022</u>		
			<u>Total</u>	<u>Current</u>	<u>Noncurrent</u>
Compensated absences - consists of accumulated paid time off.	<u>\$ 205,477</u>	<u>\$ 14,830</u>	<u>\$ 220,307</u>	<u>\$ 9,132</u>	<u>\$ 211,175</u>

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

PENSION PLAN

Plan Description

The Oregon Public Employees Retirement System (PERS) is a cost-sharing multiple employer defined benefit plan. Qualified employees of the Authority are provided with pensions through OPERS. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS issues a publicly available financial report that can be obtained at

http://www.oregon.gov/pers/pages/section/financial_reports/financials.aspx.

Benefits provided under ORS Chapter 238 – Tier One/ Tier Two

The PERS 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 (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 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. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 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.

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

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 PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

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 0.15 percent on annual benefits above \$60,000.

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

PENSION PLAN (Continued)

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

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

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.

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.

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 0.15 percent on annual benefits above \$60,000.

Contribution Requirements

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. 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, 2020 actuarial valuation. The Authority's contribution rates in effect at December 31, 2022 were 16.61 percent for Tier One/Two members and 13.35 percent for OPSRP general service members. The Authority's contributions for the year ended December 31, 2022 were \$224,727, excluding amounts to fund employer-specific liabilities.

Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The total contributed by the Authority on behalf of employees for the year ended December 31, 2022 was \$101,488.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows

At December 31, 2022, the Authority has a liability of \$1,888,993 (total liability including 100% of Camas Commons was \$1,905,382) for its proportionate share of the OPERS net pension liability. The net pension liability was measured by OPERS as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Authority's proportion was 0.0124%, which is changed from its proportion measured as of June 30, 2021 of 0.0099%.

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

PENSION PLAN (Continued)

The net pension liability and related deferred outflows/inflows related to the portion of Camas Commons Limited Partnership not owned by the Authority has been eliminated from the basic financial statements. The full amounts reported by PERS are shown in the notes to the financial statements and required supplementary information.

For the year ended December 31, 2022, the Authority recognized pension expense of \$326,215. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ 92,491	\$ 11,882
Changes in assumptions	298,965	2,731
Net difference between projected and actual earnings on investments	-	340,645
Changes in proportionate share	449,054	51,179
Differences between employer contributions and proportionate share of system contributions	-	275,289
Contributions subsequent to measurement date	175,258	-
Total	1,015,768	681,726
Less: 50% of Camas Commons	8,878	5,864
LBHA Total	<u>\$ 1,006,890</u>	<u>\$ 675,862</u>

Deferred outflows of resources related to pensions of \$175,258 resulting from the Authority's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension asset or an increase in the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows/(inflows) of resources related to pensions will be recognized in the pension expense as follows:

<i>Year Ending December 31,</i>	
2023	\$ 44,525
2024	16,251
2025	(109,422)
2026	189,310
2027	18,119
Total	<u>\$ 158,784</u>

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

PENSION PLAN (Continued)

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set by OPERS using the projected unit credit 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.

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation rate	2.40 percent
Investment 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 <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

LINN-BENTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2022

PENSION PLAN (Continued)

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.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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	Target	20-Year Annualized Geometric Mean
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	(2.50)	1.76
Assumed Inflation - Mean		2.40 %

LINN-BENTON HOUSING AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED DECEMBER 31, 2022

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 6.9%, as well as what Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 3,379,030	\$ 1,905,382	\$ 672,006

RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters. The Authority purchases insurance to minimize its exposure to these risks. No significant reductions in the levels of insurance coverage have been made in the fiscal year audited. No settlements have exceeded insurance coverage for each of the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

LINN-BENTON HOUSING AUTHORITY
SCHEDULES OF OPERS RETIREMENT PLAN PENSION BENEFITS
YEAR ENDED DECEMBER 31, 2022

Schedule of the Authority's Proportionate Share of the Net Pension Liability (Asset)
Oregon Public Employees Retirement System
Last Ten Fiscal Years

	Authority's Proportion of Net Pension Liability (Asset)	Authority's Proportionate Share of Net Pension Liability (Asset)	Authority's Covered Payroll	Authority's Proportionate Share of NPL (A) as % of Payroll	Plan Fiduciary Net Position as % of Total Pension Liability
2022	0.0124%	\$ 1,905,382	\$ 1,356,074	140.5%	84.5%
2021	0.0099%	1,180,147	1,435,936	82.2%	87.6%
2020	0.0101%	2,213,565	1,250,649	177.0%	75.8%
2019	0.0086%	1,491,896	1,219,094	122.4%	80.2%
2018	0.0092%	1,394,665	1,146,762	121.6%	82.1%
2017	0.0105%	1,412,221	1,178,958	119.8%	83.1%
2016	0.0104%	1,561,628	1,172,027	133.2%	80.5%
2015	0.0097%	557,232	1,076,323	51.8%	91.9%
2014	0.0065%	(147,660)	999,886	-14.8%	103.6%
2013	0.0065%	332,434	1,033,087	32.2%	92.0%

Schedule of the Authority's Contributions
Oregon Public Employees Retirement System
Last Ten Fiscal Years

	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	Authority's Covered Payroll	Contributions as % of Payroll
2022	\$ 224,727	\$ (224,727)	\$ -	\$ 1,735,243	12.95%
2021	227,455	(227,455)	-	1,356,074	16.77%
2020	172,136	(172,136)	-	1,435,936	11.99%
2019	141,583	(141,583)	-	1,250,649	11.32%
2018	123,559	(123,559)	-	1,219,094	10.14%
2017	93,910	(93,910)	-	1,146,762	8.19%
2016	88,993	(88,993)	-	1,178,958	7.55%
2015	71,928	(71,928)	-	1,172,027	6.14%
2014	64,242	(64,242)	-	1,076,323	5.97%
2013	66,788	(66,788)	-	999,886	6.68%

SUPPLEMENTARY INFORMATION

LINN-BENTON HOUSING AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2022

	<u>Section 8</u>	<u>Affordable Housing</u>
ASSETS		
Current Assets		
Unrestricted cash and investments	\$ 1,889,980	\$ 3,110,981
Restricted cash and investments	616,330	415,168
Accounts receivable, net	666,373	68,486
Due from partnerships	-	53,499
Due from other funds	-	291,033
Prepaid expenses	495	2,711
<i>Total Current Assets</i>	<u>3,173,178</u>	<u>3,941,878</u>
Noncurrent Assets		
Investment in partnerships	-	1,825
Notes receivable	-	728,456
Intangible assets, net of amortization	-	865
Non-depreciable capital assets	-	844,629
Depreciable capital assets	1,347,773	7,131,147
Accumulated depreciation	(378,503)	(4,543,867)
<i>Total Noncurrent Assets</i>	<u>969,270</u>	<u>4,163,055</u>
<i>Total Assets</i>	<u>4,142,448</u>	<u>8,104,933</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	<u>847,159</u>	<u>159,731</u>
<i>Total Assets and Deferred Outflows of Resources</i>	<u>\$ 4,989,607</u>	<u>\$ 8,264,664</u>

<i>New Roots</i>		
<u><i>Housing</i></u>	<u><i>Eliminations</i></u>	<u><i>Total</i></u>
\$ 16,622	\$ -	\$ 5,017,583
-	-	1,031,498
-	-	734,859
-	-	53,499
-	(291,033)	-
-	-	3,206
<hr/>		
16,622	(291,033)	6,840,645
-	-	1,825
-	-	728,456
-	-	865
-	-	844,629
-	-	8,478,920
-	-	(4,922,370)
<hr/>		
-	-	5,132,325
<hr/>		
16,622	(291,033)	11,972,970
<hr/>		
-	-	1,006,890
<hr/>		
<u>\$ 16,622</u>	<u>\$ (291,033)</u>	<u>\$ 12,979,860</u>

LINN-BENTON HOUSING AUTHORITY
COMBINING SCHEDULE OF NET POSITION (Continued)
DECEMBER 31, 2022

	<u>Section 8</u>	<u>Affordable Housing</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 66,186	\$ 70,653
Due to other funds	251,242	39,791
Security deposits payable	-	59,532
Compensated absences payable, current	8,387	745
Interest payable	-	4,872
Notes payable, current	-	95,128
Unearned revenue	227,331	772,226
Other current liabilities	355,908	69,406
	<hr/>	<hr/>
<i>Total Current Liabilities</i>	909,054	1,112,353
	<hr/>	<hr/>
Noncurrent Liabilities		
Compensated absences payable	190,217	20,958
Notes payable	-	1,623,121
Net pension liability	1,590,559	298,434
	<hr/>	<hr/>
<i>Total Noncurrent Liabilities</i>	1,780,776	1,942,513
	<hr/>	<hr/>
<i>Total Liabilities</i>	2,689,830	3,054,866
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	569,085	106,777
	<hr/>	<hr/>
NET POSITION		
Net investment in capital assets	969,270	1,713,660
Restricted for:		
Capital replacement	-	287,687
Unrestricted	761,422	3,101,674
	<hr/>	<hr/>
<i>Total Net Position</i>	1,730,692	5,103,021
	<hr/>	<hr/>
<i>Total Liabilities, Deferred Inflows, and Net Position</i>	\$ 4,989,607	\$ 8,264,664
	<hr/> <hr/>	<hr/> <hr/>

<i>New Roots Housing</i>	<i>Eliminations</i>	<i>Total</i>
\$ -	\$ -	\$ 136,839
-	(291,033)	-
-	-	59,532
-	-	9,132
-	-	4,872
-	-	95,128
-	-	999,557
-	-	425,314
-	(291,033)	1,730,374
-	-	211,175
-	-	1,623,121
-	-	1,888,993
-	-	3,723,289
-	(291,033)	5,453,663
-	-	675,862
-	-	2,682,930
-	-	287,687
16,622	-	3,879,718
16,622	-	6,850,335
\$ 16,622	\$ (291,033)	\$ 12,979,860

LINN-BENTON HOUSING AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
YEAR ENDED DECEMBER 31, 2022

	<u>Section 8</u>	<u>Affordable Housing</u>
OPERATING REVENUES		
HUD administrative revenue	\$ 3,196,722	\$ -
HUD housing assistance revenue	20,454,775	-
Rental income	-	924,426
LCF administration grants	-	40,687
Capital grants	-	8,127
Partnership management fees	-	57,823
Property management fees	-	133,110
Other income	62,639	101,228
	<hr/>	<hr/>
<i>Total Operating Revenues</i>	23,714,136	1,265,401
OPERATING EXPENSES		
Salaries	1,335,853	297,531
Employee benefits	728,978	114,354
Payroll taxes	107,824	23,176
Property management fees	-	56,016
Partnership management fees	-	6,000
Tenant services	-	2,217
Computer expenses	77,287	6,491
Legal fees	826	1,879
Property and liability insurance	20,098	56,199
Workers' compensation insurance	5,623	2,473
Office and general supplies	26,088	3,708
Phone, internet and cable TV	25,001	14,833
Postage	18,145	657
Board expenses	1,058	36
Membership dues and subscriptions	14,440	1,157
Training	5,014	2,904
Travel	552	1,711
Audit fees	32,875	1,625
Administrative services	22,306	2,814
Copier equipment lease	16,679	579
Advertising/AFFH	773	577
Bank fees	160	1,697
Portability-Out administration fees	29,623	-
Portability-In HAP	46,752	-
Contracted services	15,698	-
Utilities	13,308	159,789
Maintenance and repairs	22,362	251,072

<i>New Roots</i>			
<i>Housing</i>	<i>Eliminations</i>	<i>Total</i>	
\$ -	\$ -	\$ 3,196,722	
-	-	20,454,775	
-	-	924,426	
-	-	40,687	
-	-	8,127	
-	(15,605)	42,218	
-	-	133,110	
-	-	163,867	
-	(15,605)	24,963,932	
-	-	1,633,384	
-	-	843,332	
-	-	131,000	
-	-	56,016	
-	-	6,000	
-	-	2,217	
-	-	83,778	
-	-	2,705	
-	-	76,297	
-	-	8,096	
-	-	29,796	
-	-	39,834	
-	-	18,802	
-	-	1,094	
50	-	15,647	
-	-	7,918	
-	-	2,263	
275	-	34,775	
-	-	25,120	
-	-	17,258	
-	-	1,350	
-	-	1,857	
-	-	29,623	
-	-	46,752	
-	-	15,698	
-	-	173,097	
-	-	273,434	

LINN-BENTON HOUSING AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (Continued)
YEAR ENDED DECEMBER 31, 2022

	<u>Section 8</u>	<u>Affordable Housing</u>
OPERATING EXPENSES (Continued)		
Vehicle expense	\$ 2,984	\$ -
Employee motivation	7,283	495
Alarm monitoring	949	2,041
State tax credit fees	-	5,746
Taxes	-	-
FSS expenses	1,897	-
Professional development	17	-
Interest expense	-	59,891
Bad debt expense	1,582	2,343
Service fee activities	190,493	-
Sundry	13,345	2,725
Capital expenses	39,274	2,945
Depreciation expense	50,751	184,839
Amortization expense	-	88
Housing assistance payments	20,918,349	-
	<hr/>	<hr/>
<i>Total Operating Expenses</i>	23,794,247	1,270,608
	<hr/>	<hr/>
NET OPERATING INCOME/(LOSS)	(80,111)	(5,207)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES)		
Interest income	-	345
Investment gain/(loss) in partnerships	-	(27)
Distributions to partners	-	(15,605)
	<hr/>	<hr/>
CHANGE IN NET POSITION	(80,111)	(20,494)
	<hr/>	<hr/>
NET POSITION, Beginning of year	1,810,803	5,123,515
	<hr/>	<hr/>
NET POSITION, End of year	\$ 1,730,692	\$ 5,103,021
	<hr/> <hr/>	<hr/> <hr/>

<i>New Roots Housing</i>	<i>Eliminations</i>	<i>Total</i>
\$ -	\$ -	\$ 2,984
-	-	7,778
-	-	2,990
-	-	5,746
20	-	20
-	-	1,897
-	-	17
-	-	59,891
-	-	3,925
-	-	190,493
-	-	16,070
-	-	42,219
-	-	235,590
-	-	88
-	-	20,918,349
345	-	25,065,200
(345)	(15,605)	(101,268)
-	-	345
-	-	(27)
-	15,605	-
(345)	-	(100,950)
16,967	-	6,951,285
\$ 16,622	\$ -	\$ 6,850,335

LINN-BENTON HOUSING AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

Section 8

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from rents	\$ -
Receipts from grants	22,836,517
Receipts from management fees and partnership fees	-
Receipts from other sources	64,221
Payments to vendors and others for goods and services	(996,883)
Payments to lenders for interest on long-term debt	-
Payments to tenants for housing assistance	(20,913,769)
Payments to employees for services	(2,161,043)

Net Cash Provided By (Used In) Operating Activities (1,170,957)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	-
Repayment of long-term debt	-

Net Cash Provided By (Used In) Capital and Related Financing Activities -

CASH FLOWS FROM INVESTING ACTIVITIES

Collections from notes receivable	-
Partnership distributions	-
Interest and dividend received	-

Net Cash Provided By (Used in) Investing Activities -

NET CHANGE IN CASH AND INVESTMENTS (1,170,957)

CASH AND INVESTMENTS, beginning of year 3,677,267

CASH AND INVESTMENTS, end of year \$ 2,506,310

<i>Affordable Housing</i>	<i>New Roots Housing</i>	<i>Eliminations</i>	<i>Totals</i>
\$ 901,022	\$ -	\$ -	\$ 901,022
750,000	-	-	23,586,517
222,307	-	(15,605)	206,702
148,367	-	-	212,588
(149,676)	(640)	-	(1,147,199)
(60,133)	-	-	(60,133)
-	-	-	(20,913,769)
(431,843)	-	-	(2,592,886)
1,380,044	(640)	(15,605)	192,842
(29,847)	-	-	(29,847)
(91,651)	-	-	(91,651)
(121,498)	-	-	(121,498)
143,568	-	-	143,568
(15,605)	-	15,605	-
345	-	-	345
128,308	-	15,605	143,913
1,386,854	(640)	-	215,257
2,139,295	17,262	-	5,833,824
<u>\$ 3,526,149</u>	<u>\$ 16,622</u>	<u>\$ -</u>	<u>\$ 6,049,081</u>

LINN-BENTON HOUSING AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS (Continued)
YEAR ENDED DECEMBER 31, 2022

Section 8

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY (USED IN) OPERATING ACTIVITIES**

Net operating income/(loss)	\$ (80,111)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	50,751
(Increase)/decrease in accounts receivable	(414,292)
(Increase)/decrease in prepaid expenses	7,424
Increase/(decrease) in accounts payable	(703,295)
Increase/(decrease) in security deposits payable	-
Increase/(decrease) in compensated absences payable	11,612
Increase/(decrease) in unearned revenue	(83,568)
Increase/(decrease) in interest payable	-
Increase/(decrease) in other liabilities	9,602
Increase/(decrease) in net pension liability and related deferrals	30,920
Total adjustments	<u>(1,090,846)</u>
<i>Net Cash Provided By (Used in) Operating Activities</i>	<u><u>\$ (1,170,957)</u></u>

<i>Affordable Housing</i>	<i>New Roots Housing</i>	<i>Eliminations</i>	<i>Totals</i>
\$ (5,207)	\$ (345)	\$ (15,605)	\$ (101,268)
184,927	-	-	235,678
532,886	-	424,094	542,688
2,037	-	-	9,461
(38,118)	(295)	(424,094)	(1,165,802)
401	-	-	401
3,218	-	-	14,830
668,775	-	-	585,207
(242)	-	-	(242)
19,479	-	-	29,081
11,888	-	-	42,808
1,385,251	(295)	-	294,110
<u>\$ 1,380,044</u>	<u>\$ (640)</u>	<u>\$ (15,605)</u>	<u>\$ 192,842</u>

LINN-BENTON HOUSING AUTHORITY
SCHEDULE OF NET POSITION - SECTION 8
DECEMBER 31, 2022

	<i>Housing Choice Voucher</i>	<i>Mainstream</i>	<i>Emergency Housing Voucher</i>	<i>Moderate Rehabilitation</i>	<i>Total</i>
ASSETS					
Current Assets					
Unrestricted cash and investments	\$ 1,750,482	\$ 17,482	\$ 62,390	\$ 59,626	\$ 1,889,980
Restricted cash and investments	342,759	29,775	227,331	16,465	616,330
Accounts receivable, net	535,610	20,233	110,530	-	666,373
Prepaid expenses	495	-	-	-	495
<i>Total Current Assets</i>	<u>2,629,346</u>	<u>67,490</u>	<u>400,251</u>	<u>76,091</u>	<u>3,173,178</u>
Noncurrent Assets					
Depreciable capital assets	1,331,310	-	-	16,463	1,347,773
Accumulated depreciation	(369,978)	-	-	(8,525)	(378,503)
<i>Total Noncurrent Assets</i>	<u>961,332</u>	<u>-</u>	<u>-</u>	<u>7,938</u>	<u>969,270</u>
<i>Total Assets</i>	<u>3,590,678</u>	<u>67,490</u>	<u>400,251</u>	<u>84,029</u>	<u>4,142,448</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	755,013	45,046	40,185	6,915	847,159
<i>Total Assets and Deferred Outflows of Resources</i>	<u>\$ 4,345,691</u>	<u>\$ 112,536</u>	<u>\$ 440,436</u>	<u>\$ 90,944</u>	<u>\$ 4,989,607</u>
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 17,168	\$ 31,395	\$ 1,158	\$ 16,465	\$ 66,186
Due to other funds	227,833	10,113	11,645	1,651	251,242
Compensated absences payable, current	7,404	401	507	75	8,387
Tenant FSS escrow accounts	342,759	-	-	-	342,759
Unearned revenue	-	-	227,331	-	227,331
Other current liabilities	12,944	171	28	6	13,149
<i>Total Current Liabilities</i>	<u>608,108</u>	<u>42,080</u>	<u>240,669</u>	<u>18,197</u>	<u>909,054</u>
Noncurrent Liabilities					
Compensated absences payable	168,761	9,601	10,031	1,824	190,217
Net pension liability	1,417,039	85,084	75,341	13,095	1,590,559
<i>Total Noncurrent Liabilities</i>	<u>1,585,800</u>	<u>94,685</u>	<u>85,372</u>	<u>14,919</u>	<u>1,780,776</u>
<i>Total Liabilities</i>	<u>2,193,908</u>	<u>136,765</u>	<u>326,041</u>	<u>33,116</u>	<u>2,689,830</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	507,002	30,442	26,956	4,685	569,085
NET POSITION					
Net investment in capital assets	961,332	-	-	7,938	969,270
Unrestricted	683,449	(54,671)	87,439	45,205	761,422
<i>Total Net Position</i>	<u>1,644,781</u>	<u>(54,671)</u>	<u>87,439</u>	<u>53,143</u>	<u>1,730,692</u>
<i>Total Liabilities, Deferred Inflows, and Net Position</i>	<u>\$ 4,345,691</u>	<u>\$ 112,536</u>	<u>\$ 440,436</u>	<u>\$ 90,944</u>	<u>\$ 4,989,607</u>

LINN-BENTON HOUSING AUTHORITY

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – SECTION 8
YEAR ENDED DECEMBER 31, 2022**

	<i>Housing Choice Voucher</i>	<i>Mainstream</i>	<i>Emergency Housing Voucher</i>	<i>Moderate Rehabilitation</i>	<i>Total</i>
OPERATING REVENUES					
HUD administrative revenues					
Administration fees	\$ 2,467,730	\$ 123,919	\$ 126,422	\$ 41,908	\$ 2,759,979
FSS grant	186,024	-	-	-	186,024
Other fees	-	-	250,318	401	250,719
<i>Total HUD Administrative Revenues</i>	<u>2,653,754</u>	<u>123,919</u>	<u>376,740</u>	<u>42,309</u>	<u>3,196,722</u>
HUD housing assistance revenue	18,387,302	1,008,812	880,185	178,476	20,454,775
Other income	59,657	-	2,982	-	62,639
<i>Total Operating Revenues</i>	<u>21,100,713</u>	<u>1,132,731</u>	<u>1,259,907</u>	<u>220,785</u>	<u>23,714,136</u>
OPERATING EXPENSES					
Administrative expenses					
Salaries	1,187,528	62,309	76,603	9,413	1,335,853
Employee benefits	574,822	68,772	79,975	5,409	728,978
Payroll taxes	95,867	4,964	6,239	754	107,824
Computer expenses	62,301	3,254	3,785	7,947	77,287
Legal fees	619	86	101	20	826
Property and liability insurance	17,274	1,052	1,224	548	20,098
Workers' compensation insurance	4,967	270	345	41	5,623
Office and general supplies	23,114	1,243	1,446	285	26,088
Phone and internet services	21,344	1,300	2,059	298	25,001
Postage	15,788	985	1,146	226	18,145
Board expenses	924	56	65	13	1,058
Membership dues and subscriptions	12,564	784	912	180	14,440
Training	4,432	243	283	56	5,014
Travel	513	16	19	4	552
Audit fees	28,693	1,748	2,033	401	32,875
Administrative services	19,531	1,160	1,349	266	22,306
Copier equipment lease	14,528	899	1,046	206	16,679
Advertising/AFFH	689	35	41	8	773
Bank fees	160	-	-	-	160
Portability-Out administration fees	29,623	-	-	-	29,623
Portability-In HAP	46,752	-	-	-	46,752
Contracted services	13,635	862	1,003	198	15,698
Employee motivation	6,366	383	446	88	7,283
Alarm monitoring	853	40	47	9	949
FSS expenses	1,897	-	-	-	1,897
Professional development	15	1	1	-	17
Utilities	11,608	710	827	163	13,308
Maintenance and repairs	19,554	1,174	1,364	270	22,362
Vehicle expense	2,599	161	187	37	2,984
Bad debt expense	1,582	-	-	-	1,582
Service fee activities	-	-	190,493	-	190,493
Sundry	13,326	8	9	2	13,345
Capital expenses	39,274	-	-	-	39,274
Depreciation expense	47,458	-	-	3,293	50,751
<i>Total Administrative Expenses</i>	<u>2,320,200</u>	<u>152,515</u>	<u>373,048</u>	<u>30,135</u>	<u>2,875,898</u>
Housing assistance payments	18,390,330	1,008,812	1,340,731	178,476	20,918,349
<i>Total Operating Expenses</i>	<u>20,710,530</u>	<u>1,161,327</u>	<u>1,713,779</u>	<u>208,611</u>	<u>23,794,247</u>
CHANGE IN NET POSITION	390,183	(28,596)	(453,872)	12,174	(80,111)
NET POSITION, Beginning of year	1,254,598	(26,075)	541,311	40,969	1,810,803
NET POSITION, End of year	<u>\$ 1,644,781</u>	<u>\$ (54,671)</u>	<u>\$ 87,439</u>	<u>\$ 53,143</u>	<u>\$ 1,730,692</u>

LINN-BENTON HOUSING AUTHORITY
SCHEDULE OF NET POSITION – AFFORDABLE HOUSING
DECEMBER 31, 2022

	<u>General Administration</u>	<u>Cottage Creek</u>	<u>Burkhart</u>	<u>Cypress Gardens</u>
ASSETS				
Current Assets				
Unrestricted cash and investments	\$ 2,226,645	\$ 122,750	\$ 84,661	\$ 122,856
Capital replacement reserve	-	21,011	48,265	29,045
Operating cash reserve	-	-	-	-
OAHTC fees cash escrow	-	-	-	-
Tenant security deposits	-	6,487	3,480	2,996
Accounts receivable, net	-	2,828	4,400	598
Due from partnerships	53,499	-	-	-
Due from other funds	291,033	-	-	-
Prepaid expenses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Current Assets</i>	2,571,177	153,076	140,806	155,495
	<hr/>	<hr/>	<hr/>	<hr/>
Noncurrent Assets				
Investment in partnerships	1,825	-	-	-
Notes receivable	728,456	-	-	-
Intangible assets, net of amortization	-	-	-	-
Non-depreciable capital assets	34,560	162,742	24,877	40,000
Depreciable capital assets	257,207	1,195,402	246,073	481,668
Accumulated depreciation	(227,857)	(721,354)	(238,496)	(236,698)
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<i>Total Noncurrent Assets</i>	794,191	636,790	32,454	284,970
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<i>Total Assets</i>	3,365,368	789,866	173,260	440,465
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DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	111,883	1,481	3,662	1,322
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<i>Total Assets and Deferred Outflows of Resources</i>	\$ 3,477,251	\$ 791,347	\$ 176,922	\$ 441,787
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<i>Springer House</i>	<i>Pioneer Court</i>	<i>Riverside Park</i>	<i>Thomas Creek</i>	<i>Clayton Meadows</i>	<i>Camas Commons</i>	<i>Total</i>
\$ 71,875	\$ 101,599	\$ 84,827	\$ 229,601	\$ 40,485	\$ 25,682	\$ 3,110,981
5,414	27,417	40,260	25,475	53,960	36,840	287,687
-	-	-	-	27,515	38,818	66,333
-	-	-	-	700	916	1,616
-	1,090	1,730	2,755	23,131	17,863	59,532
-	25	-	1,013	40,542	19,080	68,486
-	-	-	-	-	-	53,499
-	-	-	-	-	-	291,033
-	-	-	2,711	-	-	2,711
<u>77,289</u>	<u>130,131</u>	<u>126,817</u>	<u>261,555</u>	<u>186,333</u>	<u>139,199</u>	<u>3,941,878</u>
-	-	-	-	-	-	1,825
-	-	-	-	-	-	728,456
-	-	-	-	-	865	865
10,000	12,000	21,450	12,500	284,000	242,500	844,629
61,714	155,447	161,804	129,681	1,056,326	3,385,825	7,131,147
(55,598)	(146,042)	(159,014)	(118,065)	(186,064)	(2,454,679)	(4,543,867)
<u>16,116</u>	<u>21,405</u>	<u>24,240</u>	<u>24,116</u>	<u>1,154,262</u>	<u>1,174,511</u>	<u>4,163,055</u>
<u>93,405</u>	<u>151,536</u>	<u>151,057</u>	<u>285,671</u>	<u>1,340,595</u>	<u>1,313,710</u>	<u>8,104,933</u>
<u>21</u>	<u>832</u>	<u>1,506</u>	<u>2,014</u>	<u>28,131</u>	<u>8,879</u>	<u>159,731</u>
<u>\$ 93,426</u>	<u>\$ 152,368</u>	<u>\$ 152,563</u>	<u>\$ 287,685</u>	<u>\$ 1,368,726</u>	<u>\$ 1,322,589</u>	<u>\$ 8,264,664</u>

LINN-BENTON HOUSING AUTHORITY**SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (Continued)**

DECEMBER 31, 2022

	<u>General Administration</u>	<u>Cottage Creek</u>	<u>Burkhart</u>	<u>Cypress Gardens</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 49,895	\$ 3,277	\$ 1,784	\$ 1,143
Due to other funds	-	5,221	4,250	2,766
Security deposits payable	-	6,487	3,480	2,996
Compensated absences payable, current	745	-	-	-
Unearned revenue	750,080	20,854	1,292	-
Interest payable	-	-	-	-
Notes payable, current	-	13,765	-	-
Other current liabilities	51,539	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Current Liabilities</i>	852,259	49,604	10,806	6,905
	<hr/>	<hr/>	<hr/>	<hr/>
Noncurrent Liabilities				
Net pension liability	209,845	2,482	6,805	2,471
Compensated absences payable	20,958	-	-	-
Notes payable	-	77,889	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Noncurrent Liabilities</i>	230,803	80,371	6,805	2,471
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<i>Total Liabilities</i>	1,083,062	129,975	17,611	9,376
	<hr/>	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	75,080	888	2,435	884
	<hr/>	<hr/>	<hr/>	<hr/>
NET POSITION				
Net investment in capital assets	63,910	545,136	32,454	284,970
Restricted for capital replacement	-	21,011	48,265	29,045
Unrestricted	2,255,199	94,337	76,157	117,512
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<i>Total Net Position</i>	2,319,109	660,484	156,876	431,527
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<i>Total Liabilities, Deferred Inflows, and Net Position</i>	\$ 3,477,251	\$ 791,347	\$ 176,922	\$ 441,787
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<i>Springer House</i>	<i>Pioneer Court</i>	<i>Riverside Park</i>	<i>Thomas Creek</i>	<i>Clayton Meadows</i>	<i>Camas Commons</i>	<i>Total</i>
\$ -	\$ 564	\$ 420	\$ 1,182	\$ 9,716	\$ 2,672	\$ 70,653
321	1,271	1,465	2,212	10,945	11,340	39,791
-	1,090	1,730	2,755	23,131	17,863	59,532
-	-	-	-	-	-	745
-	-	-	-	-	-	772,226
-	-	-	-	3,415	1,457	4,872
-	-	-	-	40,744	40,619	95,128
-	-	447	-	314	17,106	69,406
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321	2,925	4,062	6,149	88,265	91,057	1,112,353
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35	1,419	2,944	3,563	52,480	16,390	298,434
-	-	-	-	-	-	20,958
-	-	-	-	1,104,405	440,827	1,623,121
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35	1,419	2,944	3,563	1,156,885	457,217	1,942,513
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356	4,344	7,006	9,712	1,245,150	548,274	3,054,866
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13	508	1,053	1,275	18,777	5,864	106,777
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16,116	21,405	24,240	24,116	9,113	692,200	1,713,660
5,414	27,417	40,260	25,475	53,960	36,840	287,687
71,527	98,694	80,004	227,107	41,726	39,411	3,101,674
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93,057	147,516	144,504	276,698	104,799	768,451	5,103,021
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 93,426	\$ 152,368	\$ 152,563	\$ 287,685	\$ 1,368,726	\$ 1,322,589	\$ 8,264,664
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LINN-BENTON HOUSING AUTHORITY**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – AFFORDABLE HOUSING
YEAR ENDED DECEMBER 31, 2022**

	<u>General Administration</u>	<u>Cottage Creek</u>	<u>Burkhart</u>	<u>Cypress Gardens</u>
OPERATING REVENUES				
Rental income	\$ -	\$ 87,934	\$ 46,483	\$ 38,868
Laundry income	-	-	-	837
Tenant charges	-	261	1,244	550
Self-sufficiency program income	12,285	-	-	-
Garage income	-	-	-	-
Capital grants	-	8,127	-	-
Other income	50	65	5,015	1,227
Landlord Compensation Fund:				
Administration grants	40,687	-	-	-
Partnership management fees	57,823	-	-	-
Property management fees:				
Cottage Creek	6,300	-	-	-
Burkhart	4,295	-	-	-
Cypress Gardens	3,780	-	-	-
Springer House	2,160	-	-	-
Pioneer Court	2,914	-	-	-
Riverside Park	3,090	-	-	-
Thomas Creek	6,484	-	-	-
Garden View	32,502	-	-	-
Camas Commons	39,047	-	-	-
Clayton Meadows	7,470	-	-	-
River View Place	25,068	-	-	-
<i>Total Operating Revenues</i>	<u>243,955</u>	<u>96,387</u>	<u>52,742</u>	<u>41,482</u>

<i>Springer House</i>	<i>Pioneer Court</i>	<i>Riverside Park</i>	<i>Thomas Creek</i>	<i>Clayton Meadows</i>	<i>Camas Commons</i>	<i>Total</i>
\$ 24,000	\$ 30,540	\$ 33,943	\$ 70,102	\$ 345,109	\$ 247,447	\$ 924,426
-	-	-	1,919	8,277	758	11,791
-	25	390	25	50	1,080	3,625
-	-	-	-	-	-	12,285
-	-	-	-	4,700	-	4,700
-	-	-	-	-	-	8,127
-	1,236	2,206	1,439	57,564	25	68,827
-	-	-	-	-	-	40,687
-	-	-	-	-	-	57,823
-	-	-	-	-	-	6,300
-	-	-	-	-	-	4,295
-	-	-	-	-	-	3,780
-	-	-	-	-	-	2,160
-	-	-	-	-	-	2,914
-	-	-	-	-	-	3,090
-	-	-	-	-	-	6,484
-	-	-	-	-	-	32,502
-	-	-	-	-	-	39,047
-	-	-	-	-	-	7,470
-	-	-	-	-	-	25,068
24,000	31,801	36,539	73,485	415,700	249,310	1,265,401

LINN-BENTON HOUSING AUTHORITY**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – AFFORDABLE HOUSING***(Continued)***YEAR ENDED DECEMBER 31, 2022**

	<u>General Administration</u>	<u>Cottage Creek</u>	<u>Burkhart</u>	<u>Cypress Gardens</u>
OPERATING EXPENSES				
Salaries	\$ 187,619	\$ 2,451	\$ 7,696	\$ 2,641
Employee benefits	93,090	1,184	4,191	-
Payroll taxes	15,289	198	626	213
Property management fees	-	6,300	4,295	3,780
Partnership management fees	-	-	-	-
Tenant services	-	414	223	285
Utilities	458	22,511	13,227	12,098
Computer expenses	4,328	-	-	-
Property and liability insurance	677	3,012	1,168	1,421
Workers' compensation insurance	779	88	132	134
Office and general supplies	1,859	74	-	56
Phone, internet and cable TV	2,346	2,019	-	662
Postage	634	-	-	-
Board expenses	36	-	-	-
Membership dues and subscriptions	790	-	-	-
Alarm Monitoring	26	96	-	-
Administrative services	1,451	122	65	73
Training	2,357	-	-	-
Travel	1,355	-	-	-
Audit fees	1,125	-	-	-
Legal fees	-	-	-	183
Copier equipment lease	579	-	-	-
Advertising/AFFH	534	-	-	-
Bank fees	389	41	42	122
Employee motivation	430	-	-	-
Maintenance and repairs	3,684	20,433	18,755	8,248
Interest expense	-	869	-	-
State tax credit fees	-	-	-	-
Bad debt expense	-	-	-	-
Self-sufficiency program expenses	2,358	-	-	-
Sundry	5	-	-	-
Capital expenses	-	-	-	-
Depreciation expense	498	34,221	2,111	12,735
Amortization expense	-	-	-	-
<i>Total Operating Expenses</i>	<u>322,696</u>	<u>94,033</u>	<u>52,531</u>	<u>42,651</u>
NET OPERATING INCOME/(LOSS)	(78,741)	2,354	211	(1,169)

<i>Springer House</i>	<i>Pioneer Court</i>	<i>Riverside Park</i>	<i>Thomas Creek</i>	<i>Clayton Meadows</i>	<i>Camas Commons</i>	<i>Total</i>
\$ 29	\$ 1,805	\$ 3,067	\$ 3,407	\$ 61,800	\$ 27,016	\$ 297,531
22	-	-	-	15,368	499	114,354
2	147	253	278	4,401	1,769	23,176
2,160	2,914	3,090	6,484	7,469	19,524	56,016
-	-	-	-	-	6,000	6,000
70	156	156	243	423	247	2,217
-	5,965	7,745	10,828	67,590	19,367	159,789
-	-	-	-	1,232	931	6,491
852	1,194	1,590	8,565	17,154	20,566	56,199
19	138	138	228	535	282	2,473
-	75	-	12	746	886	3,708
-	-	-	53	7,118	2,635	14,833
-	-	-	-	-	23	657
-	-	-	-	-	-	36
-	-	-	-	245	122	1,157
-	-	-	-	1,919	-	2,041
-	33	33	65	407	565	2,814
-	-	-	-	365	182	2,904
-	-	-	-	-	356	1,711
-	-	-	-	-	500	1,625
-	-	-	-	-	1,696	1,879
-	-	-	-	-	-	579
-	-	-	-	-	43	577
-	42	42	287	567	165	1,697
-	-	-	-	-	65	495
1,566	3,326	13,473	5,320	130,261	46,006	251,072
-	-	-	-	40,857	18,165	59,891
-	-	-	-	3,839	1,907	5,746
-	-	-	-	2,343	-	2,343
-	-	-	-	-	-	2,358
-	-	-	-	217	145	367
-	-	1,525	-	-	1,420	2,945
544	1,463	459	1,493	38,192	93,123	184,839
-	-	-	-	-	88	88
5,264	17,258	31,571	37,263	403,048	264,293	1,270,608
18,736	14,543	4,968	36,222	12,652	(14,983)	(5,207)

LINN-BENTON HOUSING AUTHORITY**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – AFFORDABLE HOUSING***(Continued)***YEAR ENDED DECEMBER 31, 2022**

	<u>General Administration</u>	<u>Cottage Creek</u>	<u>Burkhart</u>	<u>Cypress Gardens</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	\$ -	\$ 4	\$ 87	\$ 52
Investment gain/(loss) in partnerships	(27)	-	-	-
Distributions to partners	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	(78,768)	2,358	298	(1,117)
NET POSITION, Beginning of year	2,397,877	658,126	156,578	432,644
	<hr/>	<hr/>	<hr/>	<hr/>
NET POSITION, End of year	<u>\$ 2,319,109</u>	<u>\$ 660,484</u>	<u>\$ 156,876</u>	<u>\$ 431,527</u>

<i>Springer House</i>	<i>Pioneer Court</i>	<i>Riverside Park</i>	<i>Thomas Creek</i>	<i>Clayton Meadows</i>	<i>Camas Commons</i>	<i>Total</i>
\$ 9	\$ 49	\$ 73	\$ 45	\$ 22	\$ 4	\$ 345
-	-	-	-	-	-	(27)
-	-	-	-	-	(15,605)	(15,605)
18,745	14,592	5,041	36,267	12,674	(30,584)	(20,494)
74,312	132,924	139,463	240,431	92,125	799,035	5,123,515
<u>\$ 93,057</u>	<u>\$ 147,516</u>	<u>\$ 144,504</u>	<u>\$ 276,698</u>	<u>\$ 104,799</u>	<u>\$ 768,451</u>	<u>\$ 5,103,021</u>

LINN-BENTON HOUSING AUTHORITY
SCHEDULE OF NET POSITION – NEW ROOTS HOUSING
DECEMBER 31, 2022

ASSETS

Unrestricted cash and cash equivalents \$ 16,622

LIABILITIES

\$ -

NET POSITION

Unrestricted 16,622

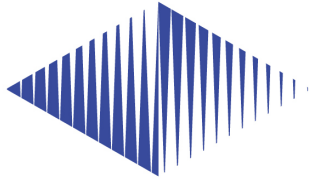
Total Liabilities, Deferred Inflows, and Net Position \$ 16,622

LINN-BENTON HOUSING AUTHORITY

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – NEW ROOTS HOUSING
YEAR ENDED DECEMBER 31, 2022**

OPERATING REVENUES	\$ -
OPERATING EXPENSES	
Audit and tax preparation fees	275
Membership dues	50
Taxes	20
<i>Total Operating Expenses</i>	<u>345</u>
CHANGE IN NET POSITION	(345)
NET POSITION, Beginning of year	<u>16,967</u>
NET POSITION, End of year	<u><u>\$ 16,622</u></u>

FEDERAL COMPLIANCE SECTION



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

Board of Commissioners
Linn-Benton Housing Authority
Albany, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Linn-Benton Housing Authority (the Authority), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 30, 2023.

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 Authority'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 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*.

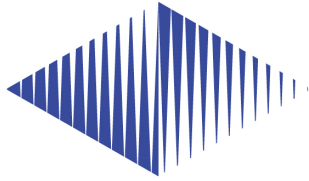
Purpose of this Report

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 Authority'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.

Grove, Mueller & Swank, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2023



GROVE, MUELLER & SWANK, P.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Linn-Benton Housing Authority
Albany, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Linn-Benton Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Linn-Benton Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material

noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Grove, Mueller & Swank, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2023

LINN-BENTON HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

<i>Federal Grantor/Program Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through ID</i>	<i>Expenditures</i>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct</i>			
<i>Housing Choice Voucher Cluster</i>			
Section 8 Housing Choice Vouchers	14.871	n/a	\$ 20,524,507
Emergency Housing Voucher Program	14.871	n/a	1,713,780
Mainstream Voucher Program	14.879	n/a	1,161,327
<i>Total Housing Choice Voucher Cluster</i>			23,399,614
Family Self-Sufficiency Program	14.896	n/a	186,024
<i>Section 8 Project-Based Cluster</i>			
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation Program	14.856	n/a	208,612
<i>Total U.S. Department of Housing and Urban Development</i>			23,794,250
<i>Total Federal Assistance</i>			\$ 23,794,250

See notes to schedule of expenditures of federal awards

LINN-BENTON HOUSING AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of Linn-Benton Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2022. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the SEFA presents only a selected portion of the operations of the Authority, it is not intended to and does not present the net position, changes in net position, or cash flows of the Authority.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

LINN-BENTON HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's opinion issued:	Unmodified
Internal control reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major program:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871, 14.879	Housing Voucher Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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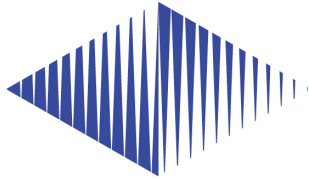
FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

STATE OF OREGON COMPLIANCE SECTION



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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
Linn-Benton Housing Authority
Albany, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Linn-Benton Housing Authority (the Authority), as of and for the year ended December 31, 2022, and have issued our report thereon dated June 30, 2023.

Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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 grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.


Internal Control Over Financial Reporting

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

Restriction on Use

This report is intended solely for the information and use of the Board of Commissioners, 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.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, A Shareholder
June 30, 2023