

| NORTH BEND CITY HOUSING AUTHORITY

YEAR ENDED DECEMBER 31, 2023

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORT





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North Bend City Housing Authority

Year Ended December 31, 2023

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**NORTH BEND CITY HOUSING AUTHORITY
BOARD OF COMMISSIONERS AND ADMINISTRATION
YEAR ENDED DECEMBER 31, 2023**

BOARD OF COMMISSIONERS

Name	Title
Kevin Owens	Chairperson
Bruce Martin	Vice-Chairperson
Jo An Conway	Commissioner
Joe Bollig III	Commissioner
Anna Weidemiller	Commissioner

ADMINISTRATION

Matthew Vorderstrasse	Executive Director
Karen Dubisar	Deputy Executive Director
Danielle Cleary	Finance Manager
Kalee Lucero	Affordable Housing Programs Manager

All board members and administrative staff receive mail at the address listed below:

1700 Monroe St
North Bend, OR 97459



INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
North Bend City Housing Authority
North Bend, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of North Bend City Housing Authority (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 required supplementary information, such as management's discussion and analysis and certain pension schedules as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

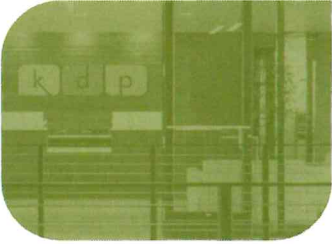
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.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

Other Reporting Required by Oregon State Regulations

In accordance with *Oregon State Regulations*, we have also issued our report dated September 23, 2024, on our consideration of the Authority's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing necessary to address the provisions of ORS, and not to provide an opinion on compliance.



Aria Bettinger, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
September 23, 2024



**| MANAGEMENT'S DISCUSSION AND
ANALYSIS**

**NORTH BEND CITY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

This section of the North Bend City Housing Authority's (the Authority) annual financial report presents the discussion and analysis of the Authority's financial performance during the year ended December 31, 2023.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements and notes.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources by \$2,496,008 at year end. During the year, assets decreased by \$3,871 and liabilities increased by \$74,116.
- The Authority realized a decrease in net position of \$86,897 during the year.

Overview of the Financial Statements

The financial statements, prepared in accordance with U. S. Generally Accepted Accounting Principles (GAAP), included in this annual report are those of a special purpose government engaged only in a business-type activity. The following statements are included.

- **Statement of Net Position** – reports the Authority's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, 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.
- **Statement of Revenues, Expenses and Changes in Net Position** – reports the Authority's operating revenues by major source along with operating and non-operating expenses and capital contributions. 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.
- **Statement of Cash Flows** – reports the Authority's cash flow from operating, investing, capital and non-capital activities.

The Authority's Programs

- **Conventional Public Housing** – the Authority rents units it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), and HUD provides Operating Subsidy and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program which is the primary funding source for physical and management improvements to the Authority's properties.
- **Business Activities** – represents non-HUD resources developed for a variety of activities.

**NORTH BEND CITY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Financial Statements

The Authority's financial statements are designed to be corporate-like in that all business-type activities are consolidated into one column for the entire Authority.

The Statement of Net Position, which is similar to a balance sheet, reports all financial and capital resources of the Authority and is presented in a format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources equals net position. Assets and liabilities are presented in order of liquidity and are classified as "Current" (available for use within one year) and "Non-current". Net position is broken into the following three categories:

- **Net Investment in Capital Assets** – consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- **Restricted Net Position** – consists of restricted assets, when constraints are placed on the assets by creditors such as debt covenants, grantors, contributors, laws, regulations, etc.
- **Unrestricted Net Position** – consists of net position that does not meet the definition of the two preceding categories.

The financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position (similar to an Income Statement). This statement includes operating revenues such as rental income; operating expense such as administrative, utilities, maintenance, and depreciation; and non-operating revenues and expenses such as capital grant revenue, investment income, and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the change in net position, which is similar to net income or loss.

The Statement of Cash Flows is also included, which discloses net cash provided by or used by operating activities, capital and related financing activities, and investing activities.

The financial statements also include Notes that provide additional information that is essential to a full understanding of the data provided and are an integral part of the financial statements. The financial statements are followed by a section of Required Supplemental Information and Supplemental Information that further explain and support the information in the financial statements.

**NORTH BEND CITY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Statement of Net Position:

The following statements reflect the condensed versions of our financial statements, for the purpose of analysis and discussion. See the full financial statements for more detail.

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Assets:			
Current and other assets	\$ 2,586,828	\$ 2,557,342	\$ 29,486
Capital assets	<u>2,467,465</u>	<u>2,561,476</u>	<u>(94,011)</u>
Total assets	<u>5,054,293</u>	<u>5,118,818</u>	<u>(64,525)</u>
Total deferred outflows of resources	<u>154,295</u>	<u>158,166</u>	<u>(3,871)</u>
Liabilities:			
Long-term liabilities outstanding	2,623,395	2,540,824	82,571
Other liabilities	<u>73,591</u>	<u>82,046</u>	<u>(8,455)</u>
Total liabilities	<u>2,696,986</u>	<u>2,622,870</u>	<u>74,116</u>
Total deferred inflows of resources	<u>15,594</u>	<u>71,209</u>	<u>(55,615)</u>
Net position:			
Net investment in capital assets	2,467,465	2,561,476	(94,011)
Unrestricted	<u>28,543</u>	<u>21,429</u>	<u>7,114</u>
Total net position	<u>\$ 2,496,008</u>	<u>\$ 2,582,905</u>	<u>\$ (86,897)</u>

Major Factors Affecting the Statement of Net Position

Current and other assets of the Authority increased by \$29,486 or 1%..

Net capital assets of the Authority decreased by \$94,011 or 4%. The majority of the decrease is related to depreciation expense exceeding capital assets purchased.

Long-term liabilities outstanding increased by \$82,571 or 10%. This is due primarily to an increase in pension liability.

**NORTH BEND CITY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

The unrestricted net position generally represents excess cash available and other net position not classified as net investment in capital assets. The following table illustrates the change in unrestricted net position of the Authority:

Unrestricted net position, December 31, 2022	\$	21,429
Results of operations		(348,945)
Depreciation		250,830
Capital grants		275,321
Interest income		1,958
Interest expense		(15,231)
Capital expenditures		(156,819)
Unrestricted net position, December 31, 2023	<u>\$</u>	<u>28,543</u>

Statement of Revenues, Expenses and Changes in Net Position:

The Authority engaged only in business-type activities. The following table compares revenues and expenses for the current and previous fiscal years.

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Revenues:			
Tenant revenue	\$ 407,154	\$ 399,434	\$ 7,720
Operating subsidies and grants	423,130	374,657	48,473
Capital grants	275,321	113,849	161,472
Interest income	1,958	692	1,266
Other revenue	48,025	30,302	17,723
Total revenues	<u>\$ 1,155,588</u>	<u>\$ 918,934</u>	<u>\$ 236,654</u>
Expenses:			
Administrative	\$ 312,472	\$ 336,610	\$ (24,138)
Utilities	84,861	74,330	10,531
Maintenance	489,073	350,625	138,448
Insurance	40,695	30,121	10,574
General	49,323	117,328	(68,005)
Depreciation	250,830	243,190	7,640
Interest expense	15,231	7,028	8,203
Total expenses	<u>1,242,485</u>	<u>1,159,232</u>	<u>83,253</u>
Change in net position	<u>\$ (86,897)</u>	<u>\$ (240,298)</u>	<u>\$ 153,401</u>

**NORTH BEND CITY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Major Factors Affecting the Statement of Revenues, Expenses, and Changes in Net Position

Total revenues of the Authority are primarily generated from rents, federal subsidies and other income. For the year ending December 31, 2023, the Authority's total revenues were \$1,155,588 compared to \$918,934 for 2022.

Total revenues increased by 26%, while total expenses increased by 7% from the previous year. The increase in revenues is mainly due to an increase in capital grants of \$161,472 received during the year.

Total expenses increased by \$83,253 mainly due to an increase in maintenance expense by \$138,448. The decrease in general expense is primarily related to fees associated with purchase of property in the prior year.

Capital Assets and Debt Administration

Capital Assets:

For the year ended December 31, 2023, the Authority had \$2,467,465 invested in a variety of capital assets as reflected in the following schedule which represents a net decrease (additions, deletions, and depreciation) of \$94,011.

	<u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>2023</u>
Non-depreciable assets:				
Land	\$ 129,941	\$ -	\$ -	129,941
Total non-depreciable assets	<u>129,941</u>	<u>-</u>	<u>-</u>	<u>129,941</u>
Depreciable assets:				
Buildings and improvements	9,215,231	148,324	-	9,363,555
Equipment	326,469	8,495	(85,412)	249,552
Total depreciable assets	<u>9,541,700</u>	<u>156,819</u>	<u>(85,412)</u>	<u>9,613,107</u>
Total capital assets	<u>9,671,641</u>	<u>156,819</u>	<u>(85,412)</u>	<u>9,743,048</u>
Accumulated depreciation:				
Buildings and improvements	6,784,061	250,121	-	7,034,182
Equipment	326,104	709	(85,412)	241,401
Total accumulated depreciation	<u>7,110,165</u>	<u>250,830</u>	<u>(85,412)</u>	<u>7,275,583</u>
Capital assets, net of depreciation	<u>\$ 2,561,476</u>	<u>\$ (94,011)</u>	<u>\$ -</u>	<u>2,467,465</u>

Outstanding Debt:

For the year ended December 31, 2023, the Authority had \$2,178,856 in debt outstanding. The debt is related to two agreements entered into during the prior fiscal year.

The first loan is a \$1,925,000 loan from the State of Oregon Housing and Community Services' (OHCS) Land Acquisition Program (LAP). The loan was entered into during fiscal year 2022 to purchase property and carries no interest rate. Additionally, an agreement with DCM Communities LLC (Developer) was entered into during fiscal year 2022. The agreement provides advances from the Developer to the Authority for property development. The advances accrue simple interest of 6.0% and will be paid in full at closing of construction. Advances totaled \$253,856 at December 31, 2023.

The property purchased with these loans is reported as "assets held for sale" as it is the intent of the Authority to transfer the land and create a limited partnership and construct a low-income multifamily rental housing development.

**NORTH BEND CITY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Economic Factors and Future Events

Significant economic factors that affect the Authority are as follows:

- Federal funding from the Department of Housing and Urban Development
- Local labor supply and demand which can affect salary and wage rates
- Local inflationary, recessionary, and employment trends that can affect resident incomes which has a direct effect on the amount of rental income.
- Inflationary pressure on utility rate, supplies and other costs.

Contacting the Housing Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. The individual to be contacted regarding this report is Karen Dubisar, Deputy Executive Director of the North Bend City Housing Authority, at (541) 751-2049. The Authority's offices are located at 1700 Monroe Street, North Bend, Oregon. The Authority's website can be found at www.ccnbchas.org.



| BASIC FINANCIAL STATEMENTS

**NORTH BEND CITY HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:

Current Assets:	
Cash and cash equivalents	\$ 343,922
Cash - tenant security deposits	24,076
Accounts receivable, net	4,656
Prepaid expenses	25,526
Inventory	28,473
Total Current Assets	<u>426,653</u>
Non-current Assets:	
Capital assets, net of accumulated depreciation	2,467,465
Assets held for sale	2,160,175
TOTAL ASSETS	<u>5,054,293</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>154,295</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>5,208,588</u></u>

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:

Current Liabilities:	
Accounts payable	18,273
Accrued payroll expense	4,829
Accrued compensated absences	19,516
Accounts payable:	
Other governments	6,897
Tenant security deposits	24,076
Total Current Liabilities	<u>73,591</u>
Non-current Liabilities:	
Loan from OHCS	1,925,000
Advances from developer (DCM)	253,856
Interest payable	22,259
Transition liability	71,322
Pension liability	350,958
Total Non-current Liabilities	<u>2,623,395</u>
TOTAL LIABILITIES	<u>2,696,986</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>15,594</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u><u>2,712,580</u></u>
NET POSITION:	
Investment in capital assets, net of related debt	2,467,465
Unrestricted	28,543
TOTAL NET POSITION	<u><u>\$ 2,496,008</u></u>

**NORTH BEND CITY HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023**

OPERATING REVENUES:

Net tenant rental revenues	\$ 395,902
Tenant revenue - other	11,252
HUD PHA grants	423,130
Other revenue	<u>48,025</u>
Total Operating Revenues	<u>878,309</u>

OPERATING EXPENSES:

Administrative	312,472
Utilities	84,861
Ordinary maintenance and operations	489,073
Insurance	40,695
General expenses	49,323
Depreciation	<u>250,830</u>
Total Operating Expenses	<u>1,227,254</u>
Operating Income (Loss)	<u>(348,945)</u>

NONOPERATING REVENUES (EXPENSES):

Interest income	1,958
Interest expense	(15,231)
Capital grant revenue	<u>275,321</u>
Total Nonoperating Revenues	<u>262,048</u>

INCREASE (DECREASE) IN NET POSITION (86,897)

NET POSITION - BEGINNING 2,582,905

NET POSITION - ENDING **\$ 2,496,008**

**NORTH BEND CITY HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Rent received from tenants	\$ 404,754
Cash payments to suppliers for goods and services	(680,188)
Cash payments to employees for services	(301,351)
Other operating revenues	48,025
Tenant security deposits	(2,656)
Operating grants received	<u>425,316</u>
Net Cash Provided (Used) by Operating Activities	<u>(106,100)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of capital assets	(156,819)
Acquisition of assets held for sale	(60,175)
Capital grants received	<u>275,321</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>58,327</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	<u>1,958</u>
Net Cash Provided (Used) by Investing Activities	<u>1,958</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(45,815)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>413,813</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 367,998</u>
Reconciliation of unrestricted and restricted cash	
Cash	\$ 343,922
Restricted cash	<u>24,076</u>
Total unrestricted and restricted cash shown in the statement of cash flows	<u>\$ 367,998</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Net operating income (loss)	\$ (348,945)
Adjustments to reconcile net operating loss to net cash provided by operating activities:	
Depreciation	250,830
(Increase)/decrease in:	
Accounts receivable, net	2,186
Prepaid expenses	(8,632)
Inventory	(8,680)
Increase/(decrease) in:	
Accounts payable	(2,421)
Accrued payroll expense	(1,515)
Accrued compensated absences	1,349
Accounts payable: other governments	(812)
Tenant security deposits	(2,656)
Unearned revenue	(2,400)
Pension liabilities	41,002
Transition liability	<u>(25,406)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (106,100)</u>

The accompanying notes are an integral part of these financial statements



| NOTES TO FINANCIAL STATEMENTS

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North Bend City Housing Authority (the Authority) is a municipal Corporation established under Oregon Revised Statutes Chapter 456 to provide low cost housing to individuals meeting criteria established by the U.S. Department of Housing and Urban Development (HUD). The Authority has the authority to transact business and other powers as defined by law. Programs for which Federal funding was received by the Authority include contracts with HUD. The Authority also receives an operating subsidy under an annual contribution contract (ACC).

North Bend City Housing Authority is an independent agency, operations of which are separate from those of the City of North Bend. As provided by statute, the Authority is governed by a Board of Commissioners, who in turn, is responsible for hiring a full-time Executive Director, who shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority. The administrative staff and executive director are shared with the Coos-Curry Housing Authority (CCHA). Accounting records of the Authority are maintained separate from those of the City. The fiscal year of the Authority and the contracts with HUD provide for a year ending on December 31.

The accounting policies of the Authority conform to generally accepted accounting principles applicable to governmental units. The Authority complies with generally accepted accounting principles and applies all relevant Government Accounting Standards Board (GASB) pronouncements.

Financial Reporting Entity

The Authority considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the Authority's financial statements.

Basis of Presentation

The accounts of the Authority are organized and operated on the basis of a single proprietary fund. The Authority's funds are enterprise funds. Enterprise funds are the proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by HUD grants and tenant rent charges, and the measurement of financial activity focuses on net income measurement similar to the private sector.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise funds are HUD Public and Indian Housing grants and rent. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal nonoperating revenues are HUD Public Housing Capital Fund grants.

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of the Statement of Cash Flows consists of cash on hand, deposits in demand, and investments with an original maturity of three months or less.

Accounts Receivable

Accounts receivable consist primarily of either amounts due from CCHA, HUD, and/or amounts due from tenants. A provision for uncollectible amounts related to the amounts due from tenants has been established based on management's estimate of collectability and is \$2,222 at December 31, 2023 to cover possible losses that may arise. Annually, tenant receivables are analyzed and the allowance for doubtful accounts is adjusted.

Inventory

Inventory is stated at the lower of cost or net realizable value on a first-in, first-out basis and consists of materials used for maintenance repairs.

Capital Assets

Capital assets, which include land, equipment and buildings and improvements assets are reported in the Statement of Net Position. Capital assets are defined by the Authority as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life of greater than one year. Purchases of capital assets are recorded at historical cost. Contributed capital assets are recorded at acquisition value which approximates historical cost. Maintenance and repair of a routine nature are charged to expenses as incurred and not capitalized. Depreciation is recorded using the straight-line method over their estimated useful lives. The estimated useful lives of capital assets are:

Equipment	5 - 7 years
Buildings and improvements	15 - 40 years

Assets Held for Sale

Assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Assets Held for Sale in the Statement of Net Position represent real property that the Authority expects to transfer to an Oregon limited partnership (the "Partnership"), in which it is anticipated that the Authority or an affiliate limited liability company (of which the Authority is the sole member) will be the general partner, a tax credit equity investor will be the limited partner and, if necessary for the Project to obtain a property tax exemption, the Authority will be a special limited partner, for the purpose of developing, constructing, owning and operating a low-income multifamily rental housing development.

Compensated Absences

It is the Authority's policy to permit employees to accumulate earned, but unused annual leave based on length of continuous service. Eligibility for annual leave accrual begins immediately on the date of hire. There is no waiting period for using accrued annual leave. A maximum of 480 hours of annual leave can be accrued. If an employee is terminated, all accrued but unused vacation leave is paid.

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions - Oregon Public Employees Retirement System (OPERS)

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

Income Taxes

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has one type of deferred outflows: deferred outflows related to pensions.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position 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 one type of deferred inflow: deferred inflows related to pensions.

Net Position

Net position is comprised of three components:

- Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position – consist of assets that are restricted by the Authority's creditors (for example, through debt covenants), by state enabling legislation (through restriction on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted net position (deficit) – all other net position is reported in this category.

It is the Authority's policy to first use restricted net position prior to the use of unrestricted net position when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

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

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New GASB Pronouncements

During the year ended December 31, 2023, the Authority implemented the following GASB statement:

GASB Statement No. 92, *Omnibus 2020*. Issued January 2020, this statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, post-employment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The implementation of this statement had no material impact to the Authority.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement's objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The implementation of this statement had no material impact to the Authority.

Future GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of December 31, 2023:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. Issued in June 2022, this Statement clarifies the presentation and disclosures requirements for prior period adjustments to beginning net position. This Statement will be effective for the Authority for the fiscal year ending December 31, 2024.

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences and is effective for the Authority for the fiscal year ending December 31, 2024.

GASB Statement No. 102, *Certain Risk Disclosures*. Issued in December 2023, Th objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints and is effective for the Authority for the fiscal year ending December 31, 2025.

The Authority will implement new GASB pronouncements no later than the required effective date. The Authority is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the Authority's financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

The Authority's cash and cash equivalents is made up of the following at December 31, 2023:

Cash on hand - petty cash	\$	150
Deposits with bank		367,848
Total cash and cash equivalents	\$	367,998

Cash and cash equivalents are shown on the Statement of Net Position on the basic financial statements as:

Cash and cash equivalents	\$	343,922
Cash - tenant security deposits		24,076
Total cash and cash equivalents	\$	367,998

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the Authority at December 31, 2023. If bank deposits at year end are not entirely insured or collateralized with securities held by the Authority or by its agent in the Authority's name, the Authority must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require the depository institution to maintain on deposit with a collateral pool manager, securities having a value not less than 25% of the outstanding certificates of participation issued by the pool manager. For the year ended December 31, 2023, the carrying amounts of the Authority's deposits in financial institutions were \$367,754 and the account balances were \$344,390. At December 31, 2023, the Authority had \$94,390 in deposits that were not covered by FDIC insurance. All deposits are held in the name of the Authority and are collateralized by (a) \$250,000 FDIC insurance, and (b) the Oregon Public Funds Collateralization Program in accordance with ORS 295 for the year ended December 31, 2023.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The Authority does not have a formal deposit policy for custodial credit risk.

Effective July 1, 2008, House Bill 2901, which was passed during the 2007 Regular Session of the Oregon Legislative Assembly, significantly revised Oregon Revised Statute 295. The changes streamlined the collateralization process for bank depositories and local governments. The changes also created a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public funds deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 100% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

NOTE 3 – CAPITAL ASSETS

The changes in capital assets for the year ended December 31, 2023 are as follows:

	Balance at 12/31/2022	Additions	Disposals	Balance at 12/31/2023
Non-depreciable assets:				
Land	\$ 129,941	\$ -	\$ -	\$ 129,941
Total non-depreciable assets	129,941	-	-	129,941
Depreciable assets:				
Buildings and improvements	9,215,231	148,324	-	9,363,555
Equipment	326,469	8,495	(85,412)	249,552
Total depreciable assets	9,541,700	156,819	(85,412)	9,613,107
Total capital assets	9,671,641	156,819	(85,412)	9,743,048
Accumulated depreciation	(7,110,165)	(250,830)	85,412	(7,275,583)
Total capital assets, net	<u>\$ 2,561,476</u>	<u>\$ (94,011)</u>	<u>\$ -</u>	<u>\$ 2,467,465</u>

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Service Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the System.

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which was codified into ORS 238.435. This legislature created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to age 58 for Tier One.

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program. Membership includes public employees hired on or after August 29, 2003. OPSRP is part of PERS and is administered by the Board. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

Beginning January 1, 2004, OPERS active Tier One and Tier Two members became members of the Individual Account Program (IAP) or OPSRP. OPERS members retain their existing Regular or Variable (if applicable) accounts, but member contributions are now deposited into the member's IAP account. Accounts are credited with earnings and losses net of administrative expenses.

Tier One/Tier Two (Chapter 238)

Pension Benefits - The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly based on years of service and final average salary. A percentage (2.0 percent for Police and Fire employees, 1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which they are entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to \$255,533 as of January 1, 2023, and it is indexed with inflation every year.

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

Tier One/Tier Two (Chapter 238) (continued)

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have contributions in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer (age 45 for Police and Fire members). General Service employees may retire after reaching age 55. Police and Fire members are eligible after reaching age 50. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and Fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The plans are closed to new members hired on or after August 29, 2003.

Death Benefits – Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary receives 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 OPERS employer at the time of death,
- The member died within 120 days after termination of OPERS-covered employment,
- The member died as a result of injury sustained while employed in a OPERS-covered job, or
- The member was on an official leave of absence from a OPERS-covered job at the time of death.

As of 2020, the Legislature introduced an Optional Spouse Death Benefit (OSDB) which may provide higher survivor benefit than the standard per-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

- Member's date of death must be on or after January 1, 2020.
- Member's account must be eligible for the employer-matching death benefit (as described above).
- Member must have a surviving spouse.
- Surviving spouse must be member's sole beneficiary as determined by a valid Tier One/Tier Two Pre-retirement Beneficiary Designation form on file with PERS.

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

Benefit Changes After Retirement – Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

OPSRP Pension Program (Chapter 238A)

Pension Benefits – 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.

Police and Fire – 1.8 percent multiplied by the number of years of service and the final average salary. Normal retirement age for a Police and Fire members is age 60 or age 53 with 25 years of retirement credit. To retire under the Police and Fire classification, the individual's last 60 months of retirement credit preceding retirement eligibility must be classified as retirement credit for service as a police officer or a firefighter.

General Service – 1.5 percent 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.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to \$225,533 as of January 1, 2023, and is indexed with inflation every year.

A member of the 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, or, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits – Upon the death of a nonretired 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. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

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

Contributions

OPERS' funding policy provides for periodic member and employer contributions at rates established by the OPERS Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendation of the System's third-party actuary.

Member Contributions – Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0% of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

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

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

The District's employer contributions for the year ended December 31, 2023 were \$40,288, excluding amounts to fund employer specific liabilities. The contribution rates in effect for the period January 1, 2023 through June 30, 2023 for each pension program were: Tier1/Tier 2 – 45.24%, and OPSRP General Service – 40.17%. The contribution rates in effect for the the period July 1, 2023 through December 31, 2023 for each pension program were: Tier1/Tier 2 – 39.10%, and OPSRP General Service – 34.39%.

Pension Plan Annual Comprehensive Financial Report (ACFR)

OPERS prepares their financial statements in accordance with generally accepted accounting principles in the United States of America as set forth in Governmental Accounting Standards Board (GASB) pronouncements that apply to governmental accounting for fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plan. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

OPERS produces an independently audited ACFR which includes the OPEB plans and can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

Actuarial Valuation

The employer contribution rates effective July 1, 2021, through June 30, 2023 and July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Long-term expected rate of return ¹	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	<i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Active members:</i> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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.

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.

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

Assumed Asset Allocation

Asset Class	Target Allocation
Cash	0.00%
Debt securities	25.00%
Public equity	27.50%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Total	100.00%

Long-term Investment Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's Capital Market Assumptions Team and the Oregon Investment Council's (OIC) investment advisors. 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.

The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC's description of each asset was used to map the target allocation to the asset classes shown below:

Asset Class	Target Allocation	20 year Annualized Geometric Mean
Global equity	27.50%	7.07%
Private equity	25.50%	8.83%
Core fixed income	25.00%	4.50%
Real estate	12.25%	5.83%
Master limited partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge fund of funds - multistrategy	1.25%	6.27%
Hedge fund equity - hedge	0.63%	6.48%
Hedge fund - macro	5.62%	4.83%
Total	100%	
Assumed inflation - mean		2.35%

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

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

At December 31, 2023, the Authority reported a liability of \$350,958 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The District's proportion of the net pension liability was based on the District's long-term contribution effort to the pension plan compared with the total projected long-term contribution effort of all participating employers, actuarially determined. At June 30, 2023 (measurement date), the District's proportion was approximately 0.00187172 percent.

For the year ended December 31, 2023, the Authority recognized an increase in pension expense of \$41,002. The \$41,002 was treated as an increase of payroll related expense in the Statement of Revenues, Expenses, and Changes in Fund Net Position.

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 17,145	\$ 1,390
Changes of assumptions	31,144	232
Net difference between projected and actual earning on investments	6,302	-
Changes in proportionate share	58,563	1,087
Differences between employer contributions and employers proportionate share of system contributions	19,118	12,885
Contributions subsequent to measurement date	22,023	-
Total	\$ 154,295	\$ 15,594

\$22,023 reported as deferred outflows of resources related to pensions resulting from the Authority contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended December 31, 2024.

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (prior to post-measurement date) will be recognized in pension expense or (expense reduction) as follows:

Year Ended December 31	Net Deferred Outflow/ (Inflow) of Resources
2024	\$ 33,366
2025	10,561
2026	49,037
2027	20,475
2028	3,239
Thereafter	-
Total	\$ 116,678

Sensitivity for the Authority's Proportionate Share of the Net Pension Liability to Changes in Discount Rate

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

Authority's Net Pension Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined benefit pension	\$ (579,103)	\$ (350,958)	\$ (159,343)

Changes in Assumptions and Methods

A summary of key changes implemented since the December 31, 2021 valuation are noted below. Additional detail and list of changes can be found in the December 31, 2022 Actuarial Valuation, which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2022/12312022%20Actuarial%20Valuation.pdf>

Assumption Changes

- The merit/longevity component assumption of individual member salary increases were updated for all groups.
- Assumed administrative expenses were updated and changed to a combined assumption of \$64 million for Tier One/Tier Two and OPSRP.
- The assumed healthcare cost trend rates for the RHIPA program were updated.
- The mortality improvement projection scale applied to all groups is based on 60-year unisex average mortality improvement rates by age. The assumption was updated to reflect the most recent publicly available data at the time of the latest experience study.
- Termination, disability and retirement rates were updated for some groups to more closely match observed and anticipated future experience.
- Assumptions for unused sick leave and vacation pay were updated.
- Participation assumptions for both RHIA and RHIPA were updated.

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

Changes in Assumptions and Methods (continued)

Actuarial Method Changes

- An adjustment was added to the side account amortization calculations and Pre-SLGRP liability and surplus calculations to reflect the delay between when a rate is calculated and when it takes effect.
- The timing of the amortization period for Pre-SLGRP liabilities and surpluses for SLGRP employers was revised to align the biennial rate-setting cycle.

Plan Changes

- There were no changes to plan provisions valued since the December 31, 2021 actuarial valuation.

Defined Contribution Plan - Individual Account Program (IAP)

Benefit Terms – The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established. Employers have the option to make employer contributions for a member under ORS 238A.340. Contributions for these accounts are deposited into a separate employer-funded account. The member becomes vested in this optional employer-funded account on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 414(k).

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

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

Contributions –Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. In 2023, if a member earns more than \$3,570 per month, 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 5 – TRANSITION LIABILITY

In 1993, the Authority became a member of OPERS Local Government Rate Pool (LGRP). Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contribution rates. Subsequent to the Authority joining LGRP, the Oregon legislature merged the LGRP with the State/Community College Pool, forming the State and Local Government Rate Pool (SLGRP). In 2002, the Authority elected to become a member of the SLGRP.

Upon joining the SLGRP, a transition liability or surplus was calculated to ensure that each employer entered the pool on a comparable basis. The transition liability is maintained separately from the SLGRP, and is reduced by contributions and increased by interest charges at an assumed interest rate, originally 8%, which has subsequently been reduced over time to the current rate of 6.90%. OPERS establishes the contribution rates, which was 19.42% for the period January 1, 2023 through June 30, 2023 and 12.24% for the period July 1, 2023 through December 31, 2023. This percentage is based on covered payroll. The transition liability is being amortized through December 31, 2027. The Authority can elect to pay the transition liability at any time.

The Authority has estimated the payment activity for the year ended December 31, 2023 is as follows:

<u>Principal 12/31/2022</u>	<u>Amoritzation</u>	<u>Principal Paid</u>	<u>Principal 12/31/2023</u>	<u>Interest Paid During FY 2023</u>
\$ 96,728	\$ 739	\$ 24,667	\$ 71,322	\$ 5,080

The December 31, 2023 balance was estimated by OPERS using the December 31, 2022 actuary balance and activity from January 1, 2023 through December 31, 2023.

For the year ended December 31, 2023, the Authority recognized a reduction of pension expense in the amount of \$25,406 on the Statement of Revenues, Expenses, and Changes in Net Position for interest paid and the amortization on this debt.

NOTE 6 – LONG-TERM DEBT

Oregon Housing and Community Services Loan

On September 15, 2022, the Authority entered into a Land Acquisition Program (LAP) Regulatory Agreement and Declaration of Land-Use Restrictive Covenants with the State of Oregon (the Agreement), acting by and through its Housing and Community Services Department (OHCS). OHCS approved a conditional loan of LAP funds to the Authority of \$1,925,000 to acquire and improve certain real property located in North Bend, Coos County, Oregon (Land) for the purpose of constructing a low-income multifamily rental housing development with one or more units located on the property, to be known as North Bend Family Housing (the Project). Per the Agreement, the Authority shall complete the Project no later than August 31, 2030. There is currently no interest rate or repayment schedule associated with this loan. The property purchased with this loan is recorded as Asset Held for Sale in the Statement of Net Position.

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 6 – LONG-TERM DEBT (continued)

DCM Communities, LLC Loan

In June 2023, the Authority finalized a services agreement with DCM Communities, LLC (Developer). The Authority with the assistance of Developer, purchased Land for the purpose described in the preceding paragraph. The Authority intends to transfer the Land to an Oregon limited partnership (the "Partnership"), in which it is anticipated that the Authority or an affiliate limited liability company (of which the Authority is the sole member) will be the general partner, a tax credit equity investor will be the limited partner and, if necessary for the Project to obtain a property tax exemption, the Authority will be a special limited partner, for the purpose of developing, constructing, owning and operating the Project. The Partnership will be organized and operated pursuant to the provisions of an amended and restated agreement of limited partnership that will be executed once the tax credit equity investor is admitted as a limited partner.

During the year ended December 31, 2022, as part of the finalized services agreement, the Developer advanced \$253,856 to pay costs associated with the acquisition of the site associated with the Oregon Housing and Community Services Loan. In addition, the Developer has secured predevelopment financing and provided Developer advances to pay costs associated with the completion of items that occur prior to the time that construction financing for the Project is closed ("Construction Closing"). Such Developer advances accrue at 6% simple interest per year from the date of each advance. The Developer shall be fully repaid for such advances, with interest, at Construction Closing. There is \$22,259 in accrued interest associated with the Developer advances recorded in the Statement of Net Position. There is currently no repayment schedule associated with this loan. The property purchased with this loan is recorded as Assets Held for Sale in the Statement of Net Position.

NOTE 7 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority is a member of the Housing Authorities Risk Retention Pool (HARRP), a risk pool currently operating as a common risk management and insurance program for approximately 83 housing authorities throughout the Northwest and California. HARRP is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of predetermined limits for each insured event.

Risks insured for Authority properties include blanket coverage for buildings and business personal property of approximately \$5 million. The Authority also insures risk for general liability, errors and omissions and fidelity coverage. The policies carry a small deductible amount.

The Authority is party to various claims and legal actions in the normal course of business. In the opinion of management, the Authority has substantial meritorious defenses to pending or threatened litigation. Based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the financial position of the Authority.

NOTE 8 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an Act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

**NORTH BEND CITY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 9 – PAYMENTS IN LIEU OF TAXES (PILOT)

In connection with the Owned Housing Programs, the Authority is obligated to make annual payments in lieu of property taxes based on the lesser of assessable value times the current tax rate, or 10% of the dwelling rents net of utilities expense. Total PILOT expense was \$31,398 for the year ended December 31, 2023 and is included in general expenses on the Statement of Revenues, Expenses and Changes in Net Position. The Authority has accrued PILOT expense of \$6,897 at December 31, 2023 and is included in "Other accounts payables: Other governments" in the Statement of Net Position.

NOTE 10 – RELATED PARTIES

North Bend City Housing Authority and CCHA share the same management group for day-to-day operations. The two Authorities share the same administrative staff and operating accounts. CCHA's board of directors is separate from that of the Authority's board of directors at December 31, 2023. Each Authority is legally separate and holds its own corporate powers and cannot impose a financial benefit/burden on the other. The Authority is not a component unit of CCHA but is identified as a related party.

At any time during the year, CCHA and North Bend City Housing Authority may have inter-entity payables and/or receivables. At December 31, 2023, the Authority had a \$1,573 receivable from CCHA.

NOTE 11 – SUBSEQUENT EVENTS

Management of the Authority has evaluated events and transactions occurring after December 31, 2023 through the date the financial statements were available for issuance, for recognition or disclosure in the financial statements.



**| REQUIRED SUPPLEMENTARY
INFORMATION**

**NORTH BEND CITY HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION
ASSET/(LIABILITY) AND SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

LAST 10 FISCAL YEARS ENDING DECEMBER 31

North Bend City Housing Authority Proportionate Share of Net Pension Asset / (Liability)

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Authority's proportion of the net pension asset/(liability)	0.00187172%	0.00168634%	0.00131350%	0.00154502%	0.00118732%
Authority's proportion of the net pension asset/(liability)	\$ 350,958	\$ 258,212	\$ (350,958)	\$ (337,439)	\$ (205,380)
Authority's covered payroll	\$ 212,063	\$ 195,253	\$ 170,947	\$ 200,267	\$ 165,399
Authority's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	165.50%	132.24%	-205.30%	-168.49%	-124.17%
Plan fiduciary net position as a percentage of the total pension liability	81.70%	84.50%	87.60%	75.80%	80.23%

North Bend City Housing Authority Proportionate Share of Net Pension Asset / (Liability)

	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Authority's proportion of the net pension asset/(liability)	0.00145300%	0.00103280%	0.00168381%	0.00243463%	0.00243463%
Authority's proportion of the net pension asset/(liability)	\$ (220,110)	\$ (139,222)	\$ (252,774)	\$ (121,970)	\$ 62,070
Authority's covered payroll	\$ 144,097	\$ 140,727	\$ 144,572	\$ 156,517	\$ 147,180
Authority's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	-152.75%	-98.93%	-174.84%	-77.93%	42.17%
Plan fiduciary net position as a percentage of the total pension liability	82.07%	83.10%	80.50%	91.90%	103.60%

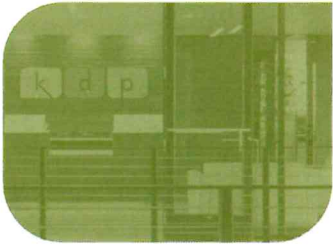
North Bend City Housing Authority Contributions

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Contractually required contributions	\$ 43,472	\$ 45,650	\$ 72,783	\$ 93,636	\$ 71,207
Contribution in relation to the contractually required	(43,472)	(45,650)	(72,783)	(93,636)	(71,207)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 216,409	\$ 207,716	\$ 181,858	\$ 218,566	\$ 181,968
Contributions as a percentage of covered payroll	20.09%	21.98%	40.02%	42.84%	39.13%

North Bend City Housing Authority Contributions

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Contractually required contributions	\$ 63,700	\$ 50,943	\$ 38,223	\$ 17,327	\$ 17,712
Contribution in relation to the contractually required	(63,700)	(50,943)	(38,223)	(17,327)	(17,712)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 147,600	\$ 144,792	\$ 103,779	\$ 156,517	\$ 149,846
Contributions as a percentage of covered payroll	43.16%	35.18%	36.83%	11.07%	11.82%

See Note 4 in the footnotes for changes in assumptions and methods



| **SUPPLEMENTARY INFORMATION**

NORTH BEND CITY HOUSING AUTHORITY (OR009)
NORTH BEND, OR
ENTITY WIDE BALANCE SHEET SUMMARY
Submission Type: Audited/Non Single Audit **Fiscal Year End: 12/31/23**

	Project Total	1 Business Activities	ELIM	Total
111 Cash - Unrestricted	\$337,843	\$5,915	\$0	\$343,758
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$22,926	\$1,150	\$0	\$24,076
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0
100 Total Cash	\$360,769	\$7,065	\$0	\$367,834
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$1,283	\$454	\$0	\$1,737
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$4,106	\$0	\$0	\$4,106
126.1 Allow ance for Doubtful Accounts - Tenants	(\$2,222)	\$0	\$0	(\$2,222)
126.2 Allow ance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$1,199	\$0	\$0	\$1,199
128 Fraud Recovery	\$0	\$0	\$0	\$0
128.1 Allow ance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allow ances for Doubtful Accounts	\$4,366	\$454	\$0	\$4,820
131 Investments - Unrestricted	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$25,526	\$0	\$0	\$25,526
143 Inventories	\$28,473	\$0	\$0	\$28,473
143.1 Allow ance for Obsolete Inventories	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$2,160,175	\$0	\$0
150 Total Current Assets	\$419,134	\$2,167,694	\$0	\$2,586,828

NORTH BEND CITY HOUSING AUTHORITY (OR009)
NORTH BEND, OR
ENTITY WIDE BALANCE SHEET SUMMARY (continued)
Submission Type: Audited/Non Single Audit **Fiscal Year End: 12/31/23**

	Project Total	1 Business Activities	ELIM	Total
161 Land	\$129,942	\$0	\$0	\$129,942
162 Buildings	\$9,363,554	\$0	\$0	\$9,363,554
163 Furniture, Equipment & Machinery - Dwellings	\$46,868	\$0	\$0	\$46,868
164 Furniture, Equipment & Machinery - Administration	\$202,684	\$0	\$0	\$202,684
165 Leasehold Improvements	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	(\$7,275,583)	\$0	\$0	(\$7,275,583)
167 Construction in Progress	\$0	\$0	\$0	\$0
168 Infrastructure	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,467,465	\$0	\$0	\$2,467,465
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$2,467,465	\$0	\$0	\$2,467,465
200 Deferred Outflow of Resources	\$154,295	\$0	\$0	\$154,295
290 Total Assets and Deferred Outflow of Resources	\$3,040,894	\$2,167,694	\$0	\$5,208,588

NORTH BEND CITY HOUSING AUTHORITY (OR009)
NORTH BEND, OR
ENTITY WIDE BALANCE SHEET SUMMARY (continued)
Submission Type: Audited/Non Single Audit **Fiscal Year End: 12/31/23**

	Project Total	1 Business Activities	ELIM	Total
311 Bank Overdraft	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$17,873	\$400	\$0	\$18,273
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$4,829	\$0	\$0	\$4,829
322 Accrued Compensated Absences - Current Portion	\$19,516	\$0	\$0	\$19,516
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$22,259	\$0	\$22,259
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$6,897	\$0	\$0	\$6,897
341 Tenant Security Deposits	\$22,926	\$1,150	\$0	\$24,076
342 Unearned Revenue	\$0	\$0	\$0	\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$72,041	\$23,809	\$0	\$95,850
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$2,178,856	\$0	\$2,178,856
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$422,280	\$0	\$0	\$422,280
350 Total Non-Current Liabilities	\$422,280	\$2,178,856	\$0	\$2,601,136
300 Total Liabilities	\$494,321	\$2,202,665	\$0	\$2,696,986
400 Deferred Inflow of Resources	\$15,594	\$0	\$0	\$15,594
508.4 Net Investment in Capital Assets	\$2,467,465	\$0	\$0	\$2,467,465
511.4 Restricted Net Position	\$0	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$63,514	(\$34,971)	\$0	\$28,543
513 Total Equity - Net Assets / Position	\$2,530,979	(\$34,971)	\$0	\$2,496,008
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,040,894	\$2,167,694	\$0	\$5,208,588

NORTH BEND CITY HOUSING AUTHORITY (OR009)
NORTH BEND, OR
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
Submission Type: Audited/Non Single Audit **Fiscal Year End: 12/31/23**

	Project Total	1 Business Activities	ELIM	Total
70300 Net Tenant Rental Revenue	\$395,902	\$0	\$0	\$395,902
70400 Tenant Revenue - Other	\$14,027	\$12,500	\$0	\$26,527
70500 Total Tenant Revenue	\$409,929	\$12,500	\$0	\$422,429
70600 HUD PHA Operating Grants	\$423,130	\$0	\$0	\$423,130
70610 Capital Grants	\$215,389	\$0	\$0	\$215,389
70710 Management Fee	\$0	\$0	\$0	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0
70740 Front Line Service Fee	\$0	\$0	\$0	\$0
70750 Other Fees	\$0	\$0	\$0	\$0
70700 Total Fee Revenue	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$0	\$59,932	\$0	\$59,932
71100 Investment Income - Unrestricted	\$1,846	\$112	\$0	\$1,958
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0
71500 Other Revenue	\$32,750	\$0	\$0	\$32,750
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0
70000 Total Revenue	\$1,083,044	\$72,544	\$0	\$1,155,588

NORTH BEND CITY HOUSING AUTHORITY (OR009)
NORTH BEND, OR
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (continued)
Submission Type: Audited/Non Single Audit **Fiscal Year End: 12/31/23**

	Project Total	1 Business Activities	ELIM	Total
91100 Administrative Salaries	\$101,768	\$0	\$0	\$101,768
91200 Auditing Fees	\$52,897	\$0	\$0	\$52,897
91300 Management Fee				
91310 Book-keeping Fee	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$147	\$0	\$0	\$147
91500 Employee Benefit contributions - Administrative	\$71,787	\$0	\$0	\$71,787
91600 Office Expenses	\$69,130	\$4,888	\$0	\$74,018
91700 Legal Expense	\$2,845	\$0	\$0	\$2,845
91800 Travel	\$567	\$378	\$0	\$945
91810 Allocated Overhead	\$0	\$0	\$0	\$0
91900 Other	\$418	\$0	\$0	\$418
91000 Total Operating - Administrative	\$299,559	\$5,266	\$0	\$304,825
92000 Asset Management Fee	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$0	\$0	\$0	\$0
92500 Total Tenant Services	\$0	\$0	\$0	\$0
93100 Water	\$7,601	\$0	\$0	\$7,601
93200 Electricity	\$42,816	\$1,639	\$0	\$44,455
93300 Gas	\$0	\$0	\$0	\$0
93400 Fuel	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0
93600 Sewer	\$32,805	\$0	\$0	\$32,805
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0
93000 Total Utilities	\$83,222	\$1,639	\$0	\$84,861
94100 Ordinary Maintenance and Operations - Labor	\$84,619	\$0	\$0	\$84,619
94200 Ordinary Maintenance and Operations - Materials and Other	\$44,456	\$0	\$0	\$44,456
94300 Ordinary Maintenance and Operations Contracts	\$309,613	\$0	\$0	\$309,613
94500 Employee Benefit Contributions - Ordinary Maintenance	\$57,307	\$0	\$0	\$57,307
94000 Total Maintenance	\$495,995	\$0	\$0	\$495,995

NORTH BEND CITY HOUSING AUTHORITY (OR009)
NORTH BEND, OR
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (continued)
Submission Type: Audited/Non Single Audit **Fiscal Year End: 12/31/23**

	Project Total	1 Business Activities	ELIM	Total
95100 Protective Services - Labor	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$40,695	\$0	\$0	\$40,695
96120 Liability Insurance	\$0	\$0	\$0	\$0
96130 Workmen's Compensation	\$0	\$0	\$0	\$0
96140 All Other Insurance	\$0	\$0	\$0	\$0
96100 Total insurance Premiums	\$40,695	\$0	\$0	\$40,695
96200 Other General Expenses	\$2,376	\$1,785	\$0	\$4,161
96210 Compensated Absences	\$1,348	\$0	\$0	\$1,348
96300 Payments in Lieu of Taxes	\$31,398	\$0	\$0	\$31,398
96400 Bad debt - Tenant Rents	\$13,140	\$0	\$0	\$13,140
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$48,262	\$1,785	\$0	\$50,047
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$15,231	\$0	\$15,231
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$15,231	\$0	\$15,231
96900 Total Operating Expenses	\$967,733	\$23,921	\$0	\$991,654
97000 Excess of Operating Revenue over Operating Expenses	\$115,311	\$48,623	\$0	\$163,934
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$250,831	\$0	\$0	\$250,831
97500 Fraud Losses	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds	\$0	\$0	\$0	\$0
97700 Debt Principal Payment - Governmental Funds	\$0	\$0	\$0	\$0
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0
90000 Total Expenses	\$1,218,564	\$23,921	\$0	\$1,242,485

NORTH BEND CITY HOUSING AUTHORITY (OR009)
NORTH BEND, OR
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (continued)
Submission Type: Audited/Non Single Audit **Fiscal Year End: 12/31/23**

	Project Total	1 Business Activities	ELIM	Total
10010 Operating Transfer In	\$78,874	\$0	\$0	\$78,874
10020 Operating transfer Out	(\$78,874)	\$0	\$0	(\$78,874)
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds	\$0	\$0	\$0	\$0
10060 Proceeds from Property Sales	\$0	\$0	\$0	\$0
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$135,520)	\$48,623	\$0	(\$86,897)
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$2,666,499	(\$83,594)	\$0	\$2,582,905
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance	\$0	\$0	\$0	\$0
11060 Changes in Contingent Liability Balance	\$0	\$0	\$0	\$0
11070 Changes in Unrecognized Pension Transition Liability	\$0	\$0	\$0	\$0
11080 Changes in Special Term/Severance Benefits Liability	\$0	\$0	\$0	\$0
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0
11100 Changes in Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
11170 Administrative Fee Equity	\$0	\$0	\$0	\$0
11180 Housing Assistance Payments Equity	\$0	\$0	\$0	\$0
11190 Unit Months Available	\$1,296	\$0	\$0	\$1,296
11210 Number of Unit Months Leased	\$1,255	\$0	\$0	\$1,255
11270 Excess Cash	\$212,451	\$0	\$0	\$212,451
11610 Land Purchases	\$0	\$0	\$0	\$0
11620 Building Purchases	\$332,214	\$0	\$0	\$332,214
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0



**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Commissioners
North Bend City Housing Authority
North Bend, Oregon

We have audited the basic financial statements of the North Bend City Housing Authority (the Authority) as of and for the year ended December 31, 2023, and have issued our report thereon dated September 23, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

Compliance

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, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the 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 but were not limited to the following:

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

In connection with our audit, 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 Administration Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations* with the following exception:

The Authority did not file the required audit report with the Secretary of State in a timely manner as required by OAR 162-010-0330 and was not granted approval for an extension of time to file.

OAR 162-010-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

Purpose of this Report

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



Aria Bettinger, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
September 23, 2024