

HOME FORWARD
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021



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**HOME FORWARD
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL	1
INDEPENDENT AUDITORS' REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	6
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	14
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	16
STATEMENT OF CASH FLOWS	17
NOTES TO FINANCIAL STATEMENTS	19
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	77
SCHEDULE OF PENSION CONTRIBUTIONS	77
SCHEDULE OF CHANGES IN NET OPEB ASSET AND RELATED RATIOS	78
SCHEDULE OF OPEB CONTRIBUTIONS	78
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS	79
OTHER SUPPLEMENTARY INFORMATION	
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING	81
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING	84
COMBINING SCHEDULE OF NET POSITION – SPECIAL NEEDS HOUSING	87
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – SPECIAL NEEDS HOUSING	88

**HOME FORWARD
BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL
YEAR ENDED DECEMBER 31, 2021**

BOARD OF COMMISSIONERS

Damien Hall Chair	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Matthew Gebhardt Vice Chair	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Jenny Kim Treasurer	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Tomi Rene Hettman Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Vivian Satterfield Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Rakeem Washington Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
Dina DiNucci Commissioner	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204

ADMINISTRATIVE OFFICER

Ivory Matthews Executive Director and Secretary/Treasurer	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
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GENERAL COUNSEL

Sarah Stauffer Curtiss	Stoel Rives, LLP 900 S.W. Fifth Avenue, Suite 2600 Portland, Oregon 97204
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Home Forward
Portland, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Home Forward's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Home Forward, as of December 31, 2021, 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.

We did not audit the financial statements of the aggregate discretely presented component units. The discretely presented component units statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it related to the amounts included for those entities is based solely on the reports of the other auditors. We have applied audit procedures on the conversion adjustments only to conform the presentation of the financial statements of the aggregate discretely presented component units to accounting standards issued by the Government Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, prior to these conversion adjustments, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Home Forward 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 opinions.

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.

**HOME FORWARD
BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL
YEAR ENDED DECEMBER 31, 2021**

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 Home Forward's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Home Forward'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 Home Forward'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.

**HOME FORWARD
BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL
YEAR ENDED DECEMBER 31, 2021**

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in net OPEB asset and related ratios, schedule of OPEB contributions, and schedule of changes in total OPEB liability and related ratios 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 Home Forward's basic financial statements. The combining schedule of net position – Affordable Housing, combining schedule of revenues, expenses, and changes in net position – Affordable Housing, combining schedule of net position – Special Needs Housing, and combining schedule of revenues, expenses, and changes in net position – Special Needs Housing (other supplementary information) 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 GAAS. In our opinion, the other accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

**HOME FORWARD
BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL
YEAR ENDED DECEMBER 31, 2021**

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022 on our consideration of Home Forward's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Home Forward's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Home Forward's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Mandy L. Merchant". The signature is fluid and cursive, with the first name "Mandy" being the most prominent.

Mandy L. Merchant
CliftonLarsonAllen LLP

Portland, Oregon
October 31, 2022

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

This section includes a Management's Discussion and Analysis of the Home Forward's financial performance during the period of January 1, 2021 to December 31, 2021. Please read it in conjunction with Home Forward's basic financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: 1. Management's Discussion and Analysis (this section), 2. The basic financial statements and 3. Supplementary information (required and other).

Home Forward is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of Home Forward. Agency-wide statements report information about Home Forward as a whole using accounting methods similar to those used by private sector companies. While detailed sub-fund information is not presented, separate accounts are maintained for each program to control and manage money for particular purposes or to demonstrate that Home Forward is properly using specific appropriations and grants. The financial statements also include a "Notes to Financial Statements" section that explains the information in the basic financial statements and provides more detailed data. The Notes to Financial Statements are followed by a "Supplementary Information" section, which presents the required supplementary information and other financial schedules of Home Forward's operating units and its individual properties.

As required by the Governmental Accounting Standards Board (GASB) Statement No. 61, as amended, the basic financial statements include its blended component units - Home Forward Development Enterprises, St. Francis LLC, Gateway Park Limited Partnership, Home Forward Community Partnerships, HF Insurance Group and its 22 discretely presented component units. These discretely presented component units represent multi-family properties structured as limited partnerships, which have Home Forward as the general partner with minimal ownership interest. The Statement of Net Position includes all of Home Forward's assets and deferred outflows and liabilities and deferred inflows. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position, regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Significant Developments

Section 19 and Rental Assistance Demonstration - In May 2021, Home Forward converted four additional public housing properties consisting of 209 units under the Department of Housing and Urban Development's Section 18 and Rental Assistance Demonstration (RAD) programs. Upon conversion, the properties were issued vouchers and ceased to operate as public housing property.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

COVID-19 - On Sunday, March 8, 2020, Oregon Governor Kate Brown declared a state of emergency in response to the coronavirus known as COVID-19. This state of emergency included limiting the amount of people that could gather and the closing of schools and certain businesses. In addition to the health impacts of COVID-19, the economic impact continued to be significant throughout 2021. As part of the federal response to this crisis, Congress approved and the President signed, on March 27, 2020, Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This Act (and its subsequent amendments) included expanded unemployment benefits, payroll tax adjustments, small business loans, corporate assistance, and increased funding for several key federal departments, including the Department of Housing and Urban Development (HUD). Additionally, jurisdictional partners such as the State of Oregon, Multnomah County, and the City of Portland have provided additional housing resources to address the impact of COVID-19.

Financial Highlights

Home Forward's Statement of Net Position reflects growth in net position during the period of January 1, 2021 to December 31, 2021. Specifically:

- Total assets and deferred outflows of resources decreased \$27.9 million from \$662.7 million at January 1, 2021 to \$634.8 million at December 31, 2021, primarily due to the decreases in current portion bonds receivable - partnerships for North Group Limited Partnership and Lloyd Housing Limited Partnerships and other accounts receivable connected to Covid special program reimbursements offset by increases in cash and cash equivalents connected to Covid special program reimbursements and increases in ground lease and omnibus notes receivable – partnerships for Central Group Limited Partnership.
- Total liabilities and deferred inflows of resources decreased \$72.6 million from \$313.4 million at January 1, 2021 to \$240.8 million at December 31, 2021, mainly due to a decrease in bonds payable – partnerships for Lloyd Housing and North Group Limited Partnerships and a decrease in the PERS net pension liability offset by increases in unearned revenue and pension-related deferred inflows.
- Total operating revenues for the period January 1, 2021 to December 31, 2021 were \$321.2 million and total operating expenses were \$297.5 million. Operating results for this period was operating income of \$23.7 million. Net nonoperating revenues and expenses were \$18.8 million primarily due to gain on sale of assets for 3000 Powell and Central Group public housing properties. Overall, net position increased \$44.7 million.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Condensed Statement of Net Position

The following tables show a summary of net position by type at December 31:

(In Thousands of Dollars)	2021	2020	Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current Assets	\$ 147,642	\$ 196,408	\$ (48,766)
Noncurrent Assets	346,994	325,198	21,796
Capital Assets	130,515	131,605	(1,090)
Total Assets	<u>625,151</u>	<u>653,211</u>	<u>(28,060)</u>
Deferred Outflows of Resources	9,631	9,517	114
Total Assets and Deferred Outflows of Resources	<u>\$ 634,782</u>	<u>\$ 662,728</u>	<u>\$ (27,946)</u>
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$ 53,330	\$ 129,584	\$ (76,254)
Noncurrent Liabilities	172,291	181,601	(9,310)
Total Liabilities	<u>225,621</u>	<u>311,185</u>	<u>(85,564)</u>
Deferred Inflows of Resources	15,175	2,205	12,970
Total Liabilities before Deferred Outflows of Resources	<u>240,796</u>	<u>313,390</u>	<u>(72,594)</u>
Net Position			
Net Investment in Capital Assets	36,809	37,740	(931)
Restricted	48,454	30,507	17,947
Unrestricted	308,723	281,091	27,632
Total Net Position	<u>393,986</u>	<u>349,338</u>	<u>44,648</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 634,782</u>	<u>\$ 662,728</u>	<u>\$ (27,946)</u>

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Year-End Financial Position

Current assets decreased \$48.8 million during the period ending December 31, 2021. This decrease was, namely, due to the decrease in the current portion of notes receivable – partnerships and an increase in cash and cash equivalents.

Non-current assets (other than capital assets) increased by \$21.8 million mainly driven by increases in notes and accrued interest receivable as well as an increase in investments in partnerships. These changes related to 3000 Powell and the public housing properties that converted to tax credits under the Section 18, RAD and LIHTC programs.

Capital assets decreased \$1.1 million mainly driven annual depreciation of \$7.6 million, offset by conversion of the RAD/Section 18 related properties and 3000 Powell.

Current liabilities decreased \$76.3 million during the year, mainly due to the \$89.7 million decrease in current portion – bonds payable partnerships, net increases in unearned revenue and draws on the lines of credit.

Non-current liabilities decreased \$9.3 million during the year, mainly due to the \$13.6 million change in net pension liability offset by current portion – bonds payable partnerships.

Net position at December 31, 2021 was \$394.0 million, an increase of \$44.7 million from the balance at December 31, 2020.

Capital Assets

At December 31, 2021, Home Forward had \$130.5 million of capital assets, a decrease of \$1.1 million since December 31, 2020. More detailed information about Home Forward's capital assets is presented in Note 8 to the financial statements.

(In Thousands of Dollars)	2021	2020	Increase (Decrease)
Land	\$ 38,787	\$ 32,148	\$ 6,639
Construction in Progress	6,115	8,126	(2,011)
Total Capital Assets Not Being Depreciated	44,902	40,274	4,628
Buildings and Improvements	198,800	203,624	(4,824)
Equipment	12,159	12,892	(733)
Accumulated Depreciation	(125,346)	(125,185)	(161)
Total Capital Assets Being Depreciated	85,613	91,331	(5,718)
Total Capital Assets, Net	\$ 130,515	\$ 131,605	\$ (1,090)

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Notes and Bonds Payable

At December 31, 2021, Home Forward had \$95.9 million of notes and bonds payable outstanding (excluding bonds payable–partnerships), a decrease of \$0.1 million over the prior year. More detailed information about Home Forward's capital debt is presented in Notes 10 and 11 to the financial statements.

(In Thousands of Dollars)	2021	2020	Increase (Decrease)
Current Portion of Notes and Bonds Payable	\$ 3,879	\$ 3,448	\$ 431
Notes Payable - Long-Term	70,827	69,771	1,056
Bonds Payable - Long-Term	21,187	22,856	(1,669)
Total Notes and Bonds Payable	<u>\$ 95,893</u>	<u>\$ 96,075</u>	<u>\$ (182)</u>

There were no changes in Home Forward's credit rating during the year.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Results of Operations

Statement of Revenues, Expenses, and Changes in Net Position

(In Thousands of Dollars)	2021	2020	Change
Operating Revenues			
Rental Revenue	\$ 22,400	\$ 22,600	\$ (200)
HUD Subsidies and Grants	150,534	145,307	5,227
Development Fee Revenue	8,388	9,058	(670)
State, Local, and Other Grants	130,199	29,301	100,898
Other	9,642	6,520	3,122
Total Operating Revenues	<u>321,163</u>	<u>212,786</u>	<u>108,377</u>
Operating Expenses			
Housing Assistance Payments	233,506	131,707	101,799
Administration	19,142	20,045	(903)
Tenant Services	8,628	8,912	(284)
Program Expenses	11,332	13,171	(1,839)
Utilities	4,953	4,815	138
Maintenance	9,513	11,630	(2,117)
Depreciation	7,609	7,978	(369)
Other	2,786	2,467	319
Total Operating Expenses	<u>297,469</u>	<u>200,725</u>	<u>96,744</u>
Operating Income	23,694	12,061	11,633
Nonoperating Revenues (Expenses)			
Investment Income	1,040	2,961	(1,921)
Interest Expense	(2,714)	(2,760)	46
Financing Costs	(2)	(1,345)	1,343
Loss on Sale of Capital Assets	(950)	(401)	(549)
Gain on Sale of Capital Assets	23,951	2,838	21,113
Other Contributions Made	(2,515)	(1,295)	(1,220)
Total Nonoperating Revenues	<u>18,810</u>	<u>(2)</u>	<u>18,812</u>
Income before Capital Contributions	42,504	12,059	30,445
Capital Contributions			
HUD Nonoperating Contributions	2,144	355	1,789
Total Capital Contributions	<u>2,144</u>	<u>355</u>	<u>1,789</u>
Increase in Net Position	44,648	12,414	32,234
Net Position - Beginning of Year	<u>349,338</u>	<u>336,924</u>	<u>12,414</u>
Net Position - End of Year	<u>\$ 393,986</u>	<u>\$ 349,338</u>	<u>\$ 44,648</u>

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Fiscal year 2021 generated operating income of \$23.7 million, compared to \$12.1 million in fiscal year 2020. Total operating revenues were \$108.4 million higher while operating expenses increased by \$96.7 million.

Operating revenues of \$321.2 million increased \$108.4 million from fiscal year 2020. This is mainly due to a \$100.9 million increase in State, Local and Other grants administered by Home Forward to address the impact of the COVID-19 pandemic.

Total operating expenses were \$297.5 million, an increase of \$96.7 million from the prior year and mainly driven by the impact of the COVID-19 pandemic. This increase is primarily due to a \$101.8 million increase in housing assistance payments offset by decreases of \$1.8 million in program expenses and \$2.1 million in maintenance expense.

Nonoperating revenues/(expenses) were \$18.8 million, an increase of \$18.8 million from the prior year and mainly driven by an increase of \$21.1 million in gain on sale of capital assets related to the conversion of four public housing properties to Central Group Limited Partnership.

During 2021, HUD nonoperating and other nonoperating contributions totaled \$2.1 million with funds mainly supporting the capital work at the affordable housing properties. This was \$1.7 million more than prior year.

The impact of the above activity was an increase in net position during fiscal year 2021 of \$44.7 million.

FORWARD LOOKING INFORMATION

Significant economic factors affecting Home Forward are as follows:

RAD/Section 18

Home Forward anticipates continuing to convert its remaining public housing properties under the Department of Housing and Urban Development's Section 18 and Rental Assistance Demonstration (RAD) programs. Under these programs, the public housing units will convert into project-based voucher funded units and will utilize the low-income housing tax credit program with Home Forward as the general partner. One public housing property comprised of 40 units converted to the Dekum 2 Limited Partnership (a LIHTC partnership) April 2022. The next RAD/Section 18 closing is anticipated for the spring of 2023.

COVID-19

Management continues to monitor the health, safety, and financial impact of COVID-19. At this time, management does not anticipate a significant disruption in operations due to COVID-19.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

CONTACT INFORMATION

This annual financial report is designed to provide Oregon citizens and taxpayers, and our customers, clients, investors and creditors, with a general overview of Home Forward's finances, and to demonstrate Home Forward's accountability for the appropriations and grants that it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, Home Forward, 135 S.W. Ash Street, Portland, Oregon 97204 or emailed to info@homeforward.org.

**HOME FORWARD
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Home Forward	Discretely Presented Component Units
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 76,742,079	\$ 22,210,935
Cash and Cash Equivalents - Restricted	52,948,770	25,987,121
Investments - Unrestricted	295,656	-
Accounts Receivable, Net	7,176,216	2,174,921
Due from Partnerships, Net	6,544,327	-
Prepaid Expenses	3,032,797	14,526,336
Current Portion of Notes Receivable - Partnerships, Net	900,917	-
Total Current Assets	147,640,762	64,899,313
NONCURRENT ASSETS		
Investments - Restricted	948,621	-
Notes and Accrued Interest Receivable	262,514,916	-
Notes Receivable - Partnerships, Net	55,100,217	-
Other Assets	95	9,377,752
Investments in Partnerships	28,019,616	-
Net OPEB Asset - RHIA	410,866	-
Capital Assets not being Depreciated	44,902,528	75,934,831
Capital Assets being Depreciated, Net	85,612,502	467,949,698
Total Noncurrent Assets	477,509,361	553,262,281
Total Assets	625,150,123	618,161,594
DEFERRED OUTFLOWS OF RESOURCES		
Related to Derivative Instruments	112,304	-
Pension Related	9,300,761	-
OPEB RHIA Related	118,654	-
OPEB HBRP Related	99,642	-
Total Deferred Outflows of Resources	9,631,361	-
Total Assets and Deferred Outflows of Resources	\$ 634,781,484	\$ 618,161,594

**HOME FORWARD
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021**

	Home Forward	Discretely Presented Component Units
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 5,859,281	\$ 11,146,770
Line of Credit	11,443,107	-
Accrued Interest Payable, Payable from Restricted Assets	456,661	-
Other Accrued Liabilities	3,955,334	34,614,033
Unearned Revenue	23,613,605	699,734
Deposits, Payable from Restricted Assets	3,221,767	591,422
Current Portion of Notes Payable	2,222,500	2,118,698
Current Portion of Bonds Payable	1,656,725	-
Current Portion of Bonds Payable - Partnerships	900,917	-
Total Current Liabilities	53,329,897	49,170,657
NONCURRENT LIABILITIES		
Notes Payable - Long-Term	70,826,882	431,684,021
Bonds Payable - Long-Term	21,186,960	-
Bonds Payable - Partnerships	55,100,217	-
Accrued Interest - Long-Term	5,833,002	15,486,545
Net Pension Liability	18,244,562	-
Total OPEB Liability - HBRP	986,736	-
Derivative Instruments	112,304	-
Total Noncurrent Liabilities	172,290,663	447,170,566
Total Liabilities	225,620,560	496,341,223
DEFERRED INFLOWS OF RESOURCES		
Pension Related	14,442,218	-
OPEB RHIA Related	159,979	-
OPEB HBRP Related	572,980	-
Total Deferred Inflows of Resources	15,175,177	-
Total Liabilities and Deferred Inflows of Resources	240,795,737	496,341,223
NET POSITION		
Net Investment in Capital Assets	36,809,131	115,377,892
Restricted:		
Net OPEB Asset	410,866	-
Real Estate Sale Proceeds	26,219,155	-
Residual Receipts	14,841	360,839
Funds Held in Trust	14,467,974	19,738,777
Unused PILOT Funds	138,538	-
Program Reserves	7,202,726	-
Total Restricted	48,454,100	20,099,616
Unrestricted	308,722,516	(13,657,137)
Total Net Position	393,985,747	121,820,371
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 634,781,484	\$ 618,161,594

HOME FORWARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021

	Home Forward	Discretely Presented Component Units
OPERATING REVENUES		
Dwelling Rental	\$ 19,646,817	\$ 34,884,534
Nondwelling Rental	2,753,199	240,887
HUD Operating Subsidies	139,899,816	1,386,547
HUD Grants	10,634,052	-
Development Fee Revenue	8,388,232	-
State, Local, and Other Grants	130,199,410	-
Other	9,642,221	3,735,448
Total Operating Revenues	<u>321,163,747</u>	<u>40,247,416</u>
OPERATING EXPENSES		
Housing Assistance Payments	233,505,647	256
Administration	19,142,347	7,652,406
Tenant Services	8,628,277	2,671,475
Program Expense	11,332,753	1,943,267
Utilities	4,952,817	5,570,679
Maintenance	9,513,304	9,078,747
Depreciation	7,608,972	21,252,279
General and Other	2,786,227	4,531,276
Total Operating Expenses	<u>297,470,344</u>	<u>52,700,385</u>
OPERATING INCOME (LOSS)	23,693,403	(12,452,969)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	1,039,637	74,122
Interest Expense	(2,714,122)	(8,303,887)
Financing Costs	(1,869)	-
Loss on Disposal of Capital Assets	(950,019)	(28,020)
Gain on Sale of Capital Assets	23,950,995	-
Other Expense	(2,515,045)	-
Total Nonoperating Revenues (Expenses), Net	<u>18,809,577</u>	<u>(8,257,785)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	42,502,980	(20,710,754)
CAPITAL CONTRIBUTIONS		
HUD Nonoperating Contributions	2,144,470	-
Partner Contributions	-	84,687,105
Total Capital Contributions	<u>2,144,470</u>	<u>84,687,105</u>
INCREASE IN NET POSITION	44,647,450	63,976,351
Net Position - Beginning of Year	<u>349,338,297</u>	<u>57,844,020</u>
NET POSITION - END OF YEAR	<u>\$ 393,985,747</u>	<u>\$ 121,820,371</u>

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from HUD Grants	\$ 152,096,922
Receipts from State, Local, and Other Grants	138,169,748
Receipts from Tenants and Landlords	36,901,575
Receipts from Developer Fees	7,907,020
Receipts from Others	5,124,205
Receipt of Cash Restricted for Deposits Payable	(91,810)
Payments to Landlords	(232,245,704)
Payments to and on Behalf of Employees	(30,716,627)
Payments to Vendors, Contractors, and Others	(23,822,650)
Net Cash Provided by Operating Activities	<u>53,322,679</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Line of Credit	11,787,691
Payments on Line of Credit	(8,684,516)
Net Cash Provided by Noncapital Financing Activities	<u>3,103,175</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Line of Credit	13,500,000
Payments on Line of Credit	(13,000,000)
Proceeds from Issuance of Notes Payable	5,559,540
Proceeds from Issuance of Bonds Payable - Partnerships	5,717,905
Interest Paid on Notes and Bonds Payable	(2,426,816)
Principal Payments on Notes Payable	(4,122,202)
Principal Payments and Amortization of Premium and Discount on Bonds Payable	(1,619,468)
Principal Payments on Bonds Payable - Partnerships	(90,509,520)
HUD Capital Contributions	1,877,576
Other Nonoperating Contributions, Net	(2,515,045)
Acquisition and Construction of Capital Assets	(23,384,350)
Proceeds from the Sale of Capital Assets	33,390,587
Net Cash Used by Capital and Related Financing Activities	<u>(77,531,793)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	419,437
Financing Fees Paid	(1,964)
Issuance of Notes Receivable	(34,245,436)
Issuance of Notes Receivable - Partnerships	(5,717,905)
Collections on Notes Receivable	18,743,114
Collections on Notes Receivable - Partnerships	90,509,520
Change in Due from Partnerships, Net	(4,733,709)
Change in Investments in Partnerships, Net	(2,049,472)
Investment Income Received	4,755,823
Net Cash Provided by Investing Activities	<u>67,679,408</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	46,573,469
Cash and Cash Equivalents - Beginning of Year	<u>83,117,380</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 129,690,849</u></u>

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

**RECONCILIATION OF OPERATING INCOME TO NET CASH
FROM OPERATING ACTIVITIES**

Operating Income	\$ 23,693,403
Adjustments to Reconcile Operating Income to Cash Flows Provided by Operating Activities:	
Depreciation	7,608,972
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Accounts Receivable, Net	17,092,382
Developer Fee Receivable	(2,926,732)
Prepaid Expenses	(279,197)
Accounts Payable	(1,623,384)
Other Accrued Liabilities	(204,287)
Unearned Revenue	11,258,478
Deposits, Payable from Restricted Assets	(91,810)
Deferred Outflows of Resources - Pensions	(418,633)
Deferred Outflows of Resources - OPEB	48,274
Deferred Inflows of Resources - Pensions	12,927,305
Deferred Inflows of Resources - OPEB	42,669
Net Pension Liability	(13,617,719)
Net OPEB Asset and Net OPEB Liability	(187,042)
Net Cash Provided by Operating Activities	<u>\$ 53,322,679</u>

SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS

Change in Investment in Partnerships	<u>\$ 2,049,472</u>
Total Noncash Transactions	<u>\$ 2,049,472</u>

See accompanying Notes to Financial Statements.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Federal Housing Act of 1937 authorized public housing authorities. Utilizing the 1937 Federal Housing Act, the Portland City Council established the Housing Authority of Portland as a municipal corporation under the Oregon Revised Statutes in December 1941. On May 18, 2011, Home Forward changed its legal name from Housing Authority of Portland to Home Forward. Housing Authority of Portland is now a registered name of Home Forward. Home Forward is a municipal corporation located in Portland, Oregon.

Home Forward is governed by a nine-member Board of Commissioners; four appointments are recommended by the city of Portland, two by the city of Gresham, two by Multnomah County and one representative from participants of Home Forward's housing programs. Home Forward is not financially dependent on the city of Portland and is not considered a component unit of the city. The Executive Director is appointed by the Board and is responsible for the daily functioning of Home Forward.

The governmental reporting entity consists of Home Forward, the primary government, and its blended and discretely presented component units.

Component units are legally separate organizations for which the Board of Commissioners is financially accountable or other organizations whose nature and significant relationship with Home Forward are such that exclusion would cause the Home Forward's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Home Forward's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on Home Forward. The basic financial statements include both blended and discretely presented component units. The blended component units are legally separate entities, and are considered, in substance, part of Home Forward's operations, and so data from these units is combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the primary government.

Blended Component Units

Home Forward's operations include five blended component units, which are included in the basic financial statements and consists of legally separate entities for which Home Forward is financially accountable.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

Home Forward Development Enterprises (HFDE), formerly known as New Columbia Community Campus Corporation (N4C) was formed in 2005 to support the New Columbia Community. On April 16, 2013, N4C changed its name to Home Forward Development Enterprises and was repurposed to support all of Home Forward's development and housing operations efforts.

Home Forward Community Partnerships (HFCP), formerly known as Evergreen Housing was formed in 1988 to support Home Forward for charitable purposes as permitted by Section 501(c)(3) of the Internal Revenue Code. On December 2, 2015 Evergreen Housing changed its name to Home Forward Community Partnerships.

St. Francis, LLC was formed September 17, 2015, as a result of the purchase of St. Francis Limited Partnership due to a HUD debt refinancing requirement.

Gateway Park Apartments Limited Partnership (Gateway Park LP) was formed as a Tax Credit Limited Partnership on November 7, 2002 to purchase and rehabilitate a 144 unit apartment complex located on NE 100th Avenue. On March 1, 2018, Key Community Development Corporation transferred their interest as the Limited Partner to HFDE.

Home Forward Insurance Group LLC (HFIG) was formed December 14, 2020 to support Home Forward in long term risk management program savings through use of a formalized self-insurance program.

Home Forward is legally entitled to or can otherwise access the resources of HFDE, HFCP, HFIG, St. Francis, LLC, and Gateway Park LP at the discretion of Home Forward management. Because HFDE, HFCP, HFIG, St. Francis, LLC, Gateway Park LP and Home Forward have this financial and operational relationship, generally accepted accounting principles requires that the financial statements of these entities be blended into the Home Forward financial statements.

Discretely Presented Component Units

Home Forward follows the guidance provided by the Governmental Accounting Standards Board (GASB) for the relationship of housing authorities as general partners of limited low income tax credit partnerships whereby the limited partners have majority ownership but have delegated the majority of their rights regarding the operations of the partnership to the housing authority. For these entities, Home Forward exercises the majority of control over day-to-day operations.

Home Forward is the general partner and owns a 0.01% to 1% investment in each of the following discretely presented component unit limited partnerships:

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

General Partner Ownerships presented in December 31, 2021 discretely presented component unit results:

- 1115 SW 11th Avenue Limited Partnership
- Beech Street Limited Partnership
- Cecelia Limited Partnership
- Civic Redevelopment Limited Partnership
- East Group Limited Partnership
- Haven Limited Partnership
- Humboldt Gardens Limited Partnership
- Jeffery Apartment Limited Partnership
- Lloyd Housing Limited Partnership
- North Group Limited Partnership
- RAC Housing Limited Partnership
- Square Manor Limited Partnership
- Stephens Creek Crossing North Limited Partnership
- Stephens Creek Crossing South Limited Partnership
- Trouton Limited Partnership
- Woolsey Limited Partnership
- Wests Limited Partnership
- Woods East Limited Partnership
- FP2 Limited Partnership
- 3000 Powell Limited Partnership
- Baldwin PSH Limited Partnership
- Central Group Limited Partnership

As a general practice, Home Forward's liability is not limited to initial investment and/or any future funding requirements. The limited partnerships have a December 31 year-end and complete financial statements may be obtained by contacting the Chief Financial Officer, Home Forward, 135 S.W. Ash Street, Portland, Oregon 97204.

Programs Administered by Home Forward

Home Forward administers Annual Contribution Contracts to provide low-income housing with primary financial support from the U.S. Department of Housing and Urban Development (HUD) and develops and manages affordable properties. Programs administered by Home Forward are as follows:

Public Housing

Home Forward owns, operates and maintains 425 units at December 31, 2021. The properties with Public Housing units were acquired through grants and subject to the terms of an Annual Contributions Contract with HUD. Revenues consist primarily of rents and other fees collected from tenants, and an Operating Subsidy from HUD. Funds from the Capital Grant Program provided by HUD are used to maintain and improve this Public Housing portfolio. Substantially all additions to land, structures and equipment of Public Housing are accomplished through these capital grant funds.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Programs Administered by Home Forward (Continued)

Rent Assistance

Section 8 of the U.S. Housing and Community Development Act of 1974 provides Housing Assistance Payments on behalf of lower-income families to participating housing owners. Under this program, the landlord-tenant relationship is between a rental-housing owner and a family, rather than Home Forward and a family as in the Public Housing program. For approved housing, HUD contracts with Home Forward to enter into contracts with owners to make assistance payments for the difference between the approved contract rent and the actual rent paid by the lower-income families, between 28.5% and 31% of adjusted household gross income. Housing Assistance Payments made to landlords and some participants are funded through Annual Contributions Contracts. At December 31, 2021, Home Forward administered approximately 10,450 vouchers through several programs authorized by Section 8. Additionally, Home Forward administers the Short-Term Rent Assistance program on behalf of the city of Portland, the city of Gresham, and Multnomah County.

Affordable Housing and Special Needs Housing

Home Forward owns or is a partner in 6,607 units of housing. The Affordable Housing portfolio consists of 67 multifamily properties representing 5,684 units, of which 3,283 are owned through tax credit partnerships. The Special Needs portfolio consists of 30 properties representing 498 units. The Special Needs properties were developed using grant funds received from the state of Oregon and federal programs combined with contributions from Home Forward and other local agencies.

Resident Services

Home Forward coordinates and provides social and economic development programs for families and administers a variety of community housing and service partnerships throughout Multnomah County. Funding for these programs comes from HUD, Medicare, participant fees, charitable organizations, and private donations.

Development

Home Forward pursues development projects that augment the supply of low-cost housing, provides essential services to residents and revitalizes overall communities. These projects include renovation of older/existing housing, new construction, and pilot projects.

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Home Forward operates as an enterprise activity. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Home Forward distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses are derived from providing services in connection with Home Forward's ongoing operations. Operating revenues generally include rental income, operating subsidies, operating grant revenue and development fee income. Operating expenses generally include housing assistance payments, occupancy charges, development services, tenant services, administrative expenses, and depreciation on capital assets. All other revenue and expenses not meeting this definition are classified as nonoperating revenues and expenses.

Use of Estimates

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

Use of Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is Home Forward's policy to use restricted resources first and the unrestricted resources as they are needed.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is classified in the following three components:

Net Investment in Capital Assets

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

Restricted

This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation reduced by liabilities relating to those restricted assets.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Unrestricted

This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts deposited in checking, money market accounts and the Oregon Local Government Investment Pool (LGIP) or investments with original maturities of three months or less. The LGIP is managed by the Oregon State Treasurer as an alternative to commercial money market accounts. Deposits are subject to collateral requirements. Deposits in the LGIP are recorded at fair value, which is the same as the value of the pool shares. Investments in the LGIP are included in the Oregon Short-Term Fund, which is not registered with the U.S. Securities and Exchange Commission as an investment company. Investments in the Oregon Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board.

Cash and Cash Equivalents – Restricted and Investments – Restricted

This consists of funds set aside for:

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

Tenant Security Deposits represent the refundable deposits received from tenants and are held in a custodial capacity to secure the performance of a rental agreement. Tenant security deposits in excess of any outstanding damage or rent charges must be returned to the departing tenants within 31 days after the termination of the tenancy. The funds are typically held in segregated bank accounts since these funds may not be used for operations. Effective March 1, 2020 the city of Portland released the Portland FAIR Ordinance which established new requirements for landlords related to interest earnings and reporting requirements for security deposits. Home Forward ceased collection of security deposits as of January 1, 2020 however deposits collected before that date were grandfathered and continue to be allowed to earn interest that may be retained for operations.

Rental Assistance Demonstration Acquisition Proceeds are externally restricted funds which consist of net proceeds received from the sale of 2,320 public housing units to various Limited Partnerships. These proceeds are used to fund the development of new affordable housing multi-family properties or for large-scale rehabilitation projects to existing affordable housing properties.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – Restricted and Investments – Restricted (Continued)

Section 18 Acquisition Proceeds are externally restricted funds which consist of net proceeds received from the sale of 1,199 public housing units to various Limited Partnerships. These proceeds are used to fund the development of new affordable housing multi-family properties or for large-scale rehabilitation projects to existing affordable housing properties.

Funds Held in Trust consist primarily of replacement reserves held in a custodial capacity by Home Forward for Affordable Housing properties owned and operated by Home Forward. In addition, the balance includes performance guarantee and other funds held in trust and by Home Forward under various agreements. The reserves are invested in interest-bearing bank accounts and are externally restricted for the purposes of maintaining required reserve funds or purchasing or constructing capital assets or other noncurrent assets. As such, the amounts are classified as restricted, noncurrent assets. During the year ended December 31, 2021, the reserves were funded as required under the various agreements.

Debt Service Funds include externally restricted funds on deposit with various trustees relating to the servicing of debt. Funds are invested in guaranteed investment contracts and short-term marketable securities.

PILOT funds are maintained to fund Payments in Lieu of Taxes (PILOT) on certain rental properties owned by Home Forward. Under an agreement with the city of Portland, Home Forward is required to make an annual payment equal to \$200,000. Home Forward also makes annual payments to the city of Fairview. Total payment to city of Fairview for the year ended December 31, 2021 was \$30,475.

In August 2020, the Board of Commissioners approved Resolution 20-08-02 authorizing Home Forward to establish a pure captive insurance limited liability company domiciled in the state of Hawaii. On December 24, 2020, HFIG was formed and licensed. The Captive is a Class 2 limited liability company managed by Home Forward as the sole member and will insure the risks of Home Forward and its affiliates. Pursuant to Hawaii Revised Statutes 431:19-104, HFIG's minimum required capital and surplus of \$500,000 was on deposit in the Corporation's name at First Hawaiian Bank on December 24, 2020.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Risk

Federal regulations require that public funds on deposit with financial institutions be secured at a rate of 100% of amounts in excess of deposit insurance coverage. Home Forward maintains cash balances at several financial institutions, some in excess of the federally insured amount of \$250,000 per Employer Identification Number. Financial institutions insure these excess balances either via the Oregon state treasurer's office by designating these balances as Public Funds per ORS 295 or via other collateral agreements at the Bank of New York Mellon. At December 31, 2021, all of Home Forward's funds were collateralized.

Investments

Pursuant to Home Forward's Moving to Work Agreement with the Department of Housing and Urban Development (HUD), Home Forward's Investment Policy dated September 2013 is written in conformance with ORS Chapter 456 – Housing. Home Forward's investment program shall be operated in conformance with Oregon Revised Statutes and Applicable Federal Law. Specifically, Home Forward's investment policy is written in conformance with ORS Chapter 294 – County and Municipal Financial Administrations, which allows for federal funds to be invested in securities permitted under Oregon state law.

HF Insurance Group, LLC deposits cash and makes investment purchases in accordance with its Cash and Investment Policy. The policy defines how the funds are to be managed and invested by HFIG. The policy applies to activities of HFIG with regard to maintaining and investing the financial assets of operating funds, loss reserves, and other financial sources.

Due from Partnerships, Net

Consists primarily of development and management fees earned by Home Forward through its involvement as the General Partner in tax credit partnerships and partnership project costs paid by Home Forward on behalf of the partnerships (see Note 5). The fees are typically paid based on the availability of net cash flow of the partnerships or from the proceeds of capital contributions to the partnerships. Management reviews the balance for likelihood of collection and records an allowance for doubtful accounts based on the type and age of the individual receivables.

Notes Receivable (Noncurrent)

Consists primarily of loans to tax credit partnerships for the development of affordable housing. These loans have a maturity date greater than one year in duration. Management reviews the balance for likelihood of collection and records an allowance for doubtful accounts based on the type and age of the individual receivables (see Note 6).

Notes Receivable – Partnerships, Net

Consists of required payments to be made by the Partnerships to Home Forward to pay required debt service payments on the Multi-Family Housing Revenue Bonds in which Home Forward has an ownership interest.

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in Partnerships

Represents Home Forward's equity interest in 22 limited partnerships, which are reported as Home Forward's discretely presented component units (see Note 7). These investments are accounted for under the equity method because Home Forward either holds a controlling interest or has "significant influence" over the operations of the partnerships.

Under the equity method, the initial investment is recorded at cost and is increased or decreased by Home Forward's share of income or losses and is increased by contributions and decreased by distributions. Management reviews the investment in partnerships for possible impairment in value whenever events or circumstances indicate the carrying value of the investment may not be recoverable.

Capital Assets

Capital Assets include land, construction in progress, buildings and improvements, and equipment. All capital assets are recorded at cost except for donated capital assets which are recorded at acquisition value at the time of donation. Depreciation is computed on the straight-line method based on the estimated useful lives of the individual assets: 15 to 40 years for buildings and improvements and 3 to 20 years for equipment. Maintenance and repairs are charged to expense when incurred. Assets with costs in excess of \$5,000 are capitalized and depreciated from the respective placed-in-service date.

Management reviews land, buildings and improvements, equipment, and construction in progress for possible impairment whenever events or circumstances cause a material and unanticipated decline in the service utility of an asset. Impairment is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources (expense) until then. Home Forward has three items that qualify for reporting in this category. The deferred amount related to pensions is recognized as an outflow of resources in the period when Home Forward recognizes pension expense. The deferred amount related to OPEB is recognized as an outflow of resources in the period when Home Forward recognizes OPEB expense. The deferred amount related to derivative instruments represents the fair value of swap agreements recognized as a liability in Home Forward's statement of net position with the offsetting losses in deferred outflows of resources.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources (Continued)

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenue) until that time. Home Forward has two types of items that qualify for reporting in this category. The deferred amount related to pensions is recognized as an inflow of resources in the period Home Forward recognizes a reduction of pension expense. The deferred amount related to OPEB is recognized as an inflow of resources in the period Home Forward recognizes a reduction of OPEB expense.

Total and Net OPEB (Asset)/Liability

Home Forward has two other postemployment benefits (OPEB) plans: 1. Retirement Health Insurance Account (RHIA) and 2. Home Forward Health Benefit Retiree Program (HBRP). For purposes of measuring the net OPEB RHIA asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see Note 16). For purposes of measuring the total OPEB HBRP liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been actuarially determined using assumptions regarding the future cost of the retiree health plan and that it will retain its current relationship to the cost of the active plan, and that the active plan cost will maintain a reasonable relationship to direct compensation (see Note 16).

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see Note 15).

Unearned Revenue

Unearned revenue consists primarily of land lease prepayments, advanced grant payments received from HUD programs and payments received from non-HUD sources that have not been earned as of December 31, 2021. As of December 31, 2021, unearned revenue consisted of the following:

Prepaid Annual Contributions	\$ 1,561,555
Unspent Funding	5,597,202
Prepaid Rent Revenue	15,312,494
Miscellaneous	1,142,354
Total Unearned revenue	<u>\$ 23,613,605</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Accrued Liabilities – Current

Represents the current liabilities due and payable to the General Partner for operating expenses paid on behalf of the Limited Partnership. These include wages and purchase card transactions.

Revenue Recognition

Operating subsidies are recognized in the period funds are received. Revenues from grants are recognized in the periods designated by the grantor as the associated costs are incurred. Revenues from contracts and rental revenues are recognized when the associated services are provided.

Compensated Absences

All full-time and part-time employees who are regularly scheduled to work at least 20 hours per week are eligible to earn paid annual leave. Eligible employees begin to accrue annual leave as of their hire date; however, the accrued time does not become earned, useable or payable until the completion of 90 days of continuous service. Earned paid annual leave time may be carried over and accumulated up to a maximum of two years' accrual as of January 1 of any year. Total accrued compensated absences as of the year ended December 31, 2021 were \$2,061,124 and are a component of other accrued liabilities.

Income Taxes

Home Forward adopted the provisions of FASB ASC *Topic 740-10 Accounting for Uncertainty in Income Taxes* on April 1, 2009, as applicable to the tax credit limited partnerships presented as discretely presented component units in the basic financial statements. These Oregon tax credit limited partnerships were formed in conformity with the provisions of Section 42 of the Internal Revenue Code, thus no provision has been made for income taxes. There was no effect on net position in the current year as a result of adopting this Topic. No expense for interest or penalties is recognized in the financial statements. Management believes the tax credit limited partnerships have not taken any uncertain tax positions, as defined in the Topic.

Effect of New Pronouncements

For the fiscal year ended December 31, 2021, Home Forward has adopted the following GASB statements:

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest costs incurred before the end of a construction period. The implementation of this Statement had no impact on Home Forward.

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 LOW INCOME HOUSING TAX CREDIT LIMITED PARTNERSHIPS

The low-income housing tax credit program is the result of federal legislation that allows investors certain tax incentives for investing in low-income housing. Under terms of the federal tax code and extended use agreements with the state of Oregon, the buildings must continue to serve the targeted population for 30 years; after 15 years, Home Forward has the option to purchase the property from the partnership.

Tax Credit Limited Partnerships are created to finance and own affordable housing. Home Forward acts as Managing General Partner of each partnership. Although each Tax Credit Limited Partnership is structured differently, they are generally financed via loans to the partnership, contributions of equity by the general and limited partners, and other sources. In some transactions, Home Forward issues bonds and loans the proceeds to the Tax Credit Limited Partnership. Tax-exempt bond issuances are secured by the underlying partnership real estate and, in some cases, by the general revenues of Home Forward. The bonds and notes payable are offset by notes receivable from the partnerships. The partnerships make payments to Home Forward for debt service. Home Forward may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects. Because of limitations posed by the Internal Revenue Service, all such funds are received by Home Forward and lent to the partnerships. These funds are accounted for as notes receivable from the partnerships if the proceeds are used for developing the property. Other advances are included in amounts due from partnerships and are reflected in Note 5. Notes payable related to the partnerships are reflected in Note 11. A summary of Home Forward's long-term debt, including debt pertaining to the tax credit partnerships, is reflected in Note 12. A summary of notes receivable from the partnerships is reflected in Note 6.

Home Forward typically earns a developer's fee for its role in bringing the project to fruition. These fees are earned based on certain events or dates relative to the development of the project. Developer fees are paid primarily from development proceeds and available cash flows. Under the various partnership agreements, the balance of developer fees not paid during the construction phase are generally required to be paid within 10 to 15 years of the project having been placed in service and may accrue interest on unpaid balances. For the year ended December 31, 2021, Home Forward earned \$8,388,232 in developer fees and was paid \$7,907,020.

At December 31, 2021, the balance of the development fees owed to Home Forward is \$27.4 million. The fees are included within notes receivable on the statement of net position. Some tax credit projects also pay a General Partner's management fee and/or a tenant services fee; these fees are reflected in other operating revenues and totaled \$372,504 as of December 31, 2021.

Home Forward did not purchase the remaining interest of any of its Tax Credit Limited Partnerships during the year ended December 31, 2021.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Pursuant to Home Forward's Moving to Work Agreement with HUD, Home Forward's Investment Policy dated September 2013 is written in conformance with ORS Chapter 456—Housing. Home Forward's investment program shall be operated in conformance with Oregon Revised Statutes and applicable federal law. Specifically, Home Forward's investment policy is written in conformance with ORS Chapter 294 – County and Municipal Financial Administration, which allows for federal funds to be invested in securities permitted under Oregon state law.

As of the year ended December 31, 2021, cash and investments consisted of the following:

Cash and Cash Equivalents	\$ 76,742,079
Cash and Cash Equivalents - Restricted	52,948,770
Total Cash and Cash Equivalents	\$ 129,690,849
Investments	\$ 295,656
Investments - Restricted	948,621
Total Investments	\$ 1,244,277

At December 31, 2021, all of Home Forward's bank balances were insured first by federal depository insurance of \$250,000 per institution and any balances in excess of that amount were collateralized by either a Tri-Party agreement or by the Oregon State Public Funds Collateral Pool.

Investment Risk Disclosures

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, Home Forward will not be able to recover the value of the investment securities that are in the possession of the outside party. As of the year ended December 31, 2021, all investments were insured or registered, and held by Home Forward or its agent in Home Forward's name, or uninsured and unregistered, with securities held by the counterparty's trust department or agent in Home Forward's name and were not exposed to custodial credit risk.

Credit risk of investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This credit risk is measured by the credit quality rating of investments in debt securities as described by a nationally recognized statistical rating organization such as Standard and Poor's (S&P).

To minimize credit risk, Home Forward's policies provide that investments in corporate indebtedness are rated a minimum of A1, P1, 3a3 and investments in municipal debt obligations of the state of Oregon that are A or better. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investment Risk Disclosures (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of Home Forward's investment in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools). To minimize concentration of credit risk, Home Forward's investments are made from a selection of diverse issuers. As of December 31, 2021, Home Forward is not exposed to concentration risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Home Forward selects investments of varied maturities to mitigate this risk.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. In accordance with Home Forward's investment policy, Home Forward does not invest in securities associated with exchange rates and therefore is not exposed to foreign currency risk.

As of the year ended December 31, 2021, Home Forward's restricted investments consist of a guaranteed investment contract and a repurchase agreement with Bayerische with a S&P rating of AAA and a weighted average maturity more than three years in the amount of \$472,680 and \$475,941, respectively.

Investments restricted at December 31, 2021 mature between January 2027 and December 2029 and the interest rate on the investments ranges from 4.39% to 4.57%.

Fair Value of Financial Instruments

Investments held by Home Forward are stated at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Home Forward determines the fair value of these investments on a monthly basis, based on quoted market prices. Outside trustees provide monthly statements to report the fair value and pricing of the assets held by them, which are also based on quoted market prices. During Fiscal Year 2017, Home Forward adopted GASB 72 *Fair Value Measurement and Application*. GASB 72 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under GASB 72 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Home Forward has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Fair Value of Financial Instruments (Continued)

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 as compared to December 31, 2021. Investments in derivatives are valued based upon quoted prices for similar assets in active markets.

Certificates of Deposit and Guaranteed Investment Contracts are carried at amortized cost, thus are not included in the fair value hierarchy.

Certificate of Deposit	\$ 295,656
Guaranteed Investment Contract	472,680

The following table sets forth by level, within the fair value hierarchy, Home Forward's assets and liabilities at fair value as of December 31, 2021:

	<u>Total</u>	<u>Level 2</u>
Repurchase Agreement	\$ 475,941	\$ 475,941
Derivative Instrument	(112,304)	(112,304)

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of the year ended December 31, 2021:

HUD Grants	\$ 2,648,293
State, Local, and Other Grants	1,625,873
Tenants and Landlords	3,310,875
Other	698,326
Total Accounts Receivable	<u>8,283,367</u>
Less: Allowances for Doubtful Accounts	<u>(1,107,151)</u>
Accounts Receivable, Net	<u>\$ 7,176,216</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 DUE FROM PARTNERSHIPS

Due from Partnerships consists of the following as of the year ended December 31, 2021:

Stephen's Creek Crossing North (4%)	\$ 62,585
Cecelia Limited Partnership	856,844
Woolsey Limited Partnership	781,851
West's Limited Partnership	15,465
Stephen's Creek Crossing North (9%)	45,639
Woods East Limited Partnership	(188,806)
Square Manor Limited Partnership	175,626
Lloyd Housing Limited Partnership	26,855
North Group Limited Partnership	441,738
East Group Limited Partnership	687,518
Central Group Limited Partnership	1,861,424
Baldwin PSH Limited Partnership	334,158
3000 Powell Limited Partnership	2,001,873
All Other Partnerships	1,732,875
Total Due from Partnerships	<u>8,835,645</u>
Less: Allowances for Doubtful Accounts	(2,291,318)
Due from Partnerships, Net	<u><u>\$ 6,544,327</u></u>

NOTE 6 NOTES RECEIVABLE AND ACCRUED INTEREST

Notes and accrued interest receivable consist of the following as of December 31, 2021:

Partnerships Notes	\$ 317,105,123
Homeowners Notes	208,300
Total Notes Receivable	<u>317,313,423</u>
Accrued Interest Receivable	14,673,049
Less: Allowances for Doubtful Accounts	(13,470,422)
Total Notes and Accrued Interest Receivables, Net	<u><u>\$ 318,516,050</u></u>

Partnership notes have been issued to the limited partnerships invested in by Home Forward. These notes are used for the purpose of acquiring, constructing, and/or remodeling buildings for housing and other housing related purposes. These notes have an interest range of 0% to 6% with various maturity dates through 2074. As described in each note agreement, payments will be made from available cash flows.

Home Forward shares a long-term commitment with Neighborhood House to operate an early childhood education center at the Stephens Creek Crossing Children Center. The note was paid off in 2021.

Homeowners' notes are secured by deed of trust and no longer accrue interest. Deferred interest was forgiven if the owner completed required homeowner education classes and remained in the house for five years. Principal is payable upon sale of property or various dates between 2033 through 2037.

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 INVESTMENTS IN PARTNERSHIPS

Investments in partnerships consist of the following as of December 31, 2021:

Investments in Limited Liability Partnerships

RAC Housing Limited Partnerships	\$ 21,185,411
Cecelia Limited Partnership	1,272,494
Haven Limited Partnership	515,797
The Jeffrey Limited Partnership	50,931
The Morrison Limited Partnership	25,998
St. Francis Park Limited Partnership	442,811
Square Manor Limited Partnership	291,673
North Group Limited Partnership	69
Central Group Limited Partnership	100
Baldwin Limited Partnership	100
Powell Limited Partnership	100
Fountain Place 2	100
Lloyd Housing Limited Partnership	4,234,032
Total Investments in Partnerships	<u>\$ 28,019,616</u>

NOTE 8 CAPITAL ASSETS

Land, structures, and equipment activity of Home Forward was as follows for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Disposals	Transfers	Balance, December 31, 2021
Land	\$ 32,148,053	\$ 6,728,231	\$ (89,000)	\$ -	\$ 38,787,284
Construction in Progress	8,126,170	6,791,216	(6,198,819)	(2,603,323)	6,115,244
Total Capital Assets Not being Depreciated	40,274,223	13,519,447	(6,287,819)	(2,603,323)	44,902,528
Buildings and Improvements	203,623,604	2,416,769	(8,901,506)	1,661,326	198,800,193
Equipment	12,892,620	-	(1,676,137)	941,997	12,158,480
	<u>216,516,224</u>	<u>2,416,769</u>	<u>(10,577,643)</u>	<u>2,603,323</u>	<u>210,958,673</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(114,159,229)	(7,147,495)	5,991,620	-	(115,315,104)
Equipment	(11,026,105)	(461,477)	1,456,515	-	(10,031,067)
	<u>(125,185,334)</u>	<u>(7,608,972)</u>	<u>7,448,135</u>	<u>-</u>	<u>(125,346,171)</u>
Total Capital Assets being Depreciated	91,330,890	(5,192,203)	(3,129,508)	2,603,323	85,612,502
Total Capital Assets, Net	<u>\$131,605,113</u>	<u>\$ 8,327,244</u>	<u>\$ (9,417,327)</u>	<u>\$ -</u>	<u>\$130,515,030</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 LINES OF CREDIT

Home Forward has an \$8,000,000 operating revolving line of credit. The line of credit is used for short-term funding needs. The line of credit is collateralized by the general revenues of Home Forward, maturing December 1, 2024. Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2021, gross draws, including initial draws and draws after repayments, on the line of credit were \$13,500,000 which represents both principal and accrued interest. The remaining outstanding line of credit balance for December 31, 2021 was \$4,500,000.

A summary of activity for Home Forward's line of credit for year ended December 31, 2021 is as follows:

Balance January 1, 2021	Draws	Repayments	Balance December 31, 2021
<u>\$ 4,000,000</u>	<u>\$ 13,500,000</u>	<u>\$ (13,000,000)</u>	<u>\$ 4,500,000</u>

Home Forward has a ten 10-year, \$20,000,000 real estate revolving line of credit, maturing December 20, 2028. The line of credit will be used to provide capital for real estate development activities. Collateral requirements include first deed of trust (and assignment of rents, if applicable) on a real estate collateral pool with a 75% maximum commitment to collateral value (75% LTV). Home Forward has identified that the three properties Grace Peck, Rosenbaum Plaza and Unthank will serve as the properties for the collateral pool. As borrower, Home Forward has the option to replace the properties identified as collateral provided other covenants are in compliance of the new collateral. Additional requirements are that for accounts which are wholly owned and/or controlled by Home Forward. Home Forward will aggregately maintain a minimum of \$12,500,000 in deposit balances at Beneficial State Bank during the term of the credit facility and Home Forward will maintain a 5-year certificate of deposit of \$275,000 with Beneficial State Bank.

Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2021, gross draws, including initial draws and draws after repayments, on the line of credit were \$11,787,691 which represents both closing costs and accrued interest. The remaining outstanding line of credit balance for the year ended December 31, 2021 was \$6,943,107.

A summary of activity for Home Forward's line of credit for the year ended December 31, 2021 is as follows:

Balance January 1, 2021	Draws	Repayments	Balance December 31, 2021
<u>\$ 3,839,932</u>	<u>\$ 11,787,691</u>	<u>\$ (8,684,516)</u>	<u>\$ 6,943,107</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 NOTES PAYABLE

Notes payable of Home Forward consist of the following as of December 31, 2021:

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Schiller Way	1.50 %	2030	Monthly	Deed of Trust	Borrower fails to pay principal and interest and doesn't cure within 15 days after due date and Lender may declare all sums owed	If Borrower becomes insolvent all principal and interest become automatically due	N/A	\$ 323,448
Richmond Place	3.00	Sale of Property	Cash Flow	Deed of Trust	Beneficiary may declare all principal balance and accrued interest due immediately if loan payments are not paid by due date; beneficiary may take possession of property and collect all rents	Failure to disclose (any misrepresentation), beneficiary has the option to declare all principal balance and interest immediately due	N/A	862,042
Turning Point	7.49	2032	Monthly	Secured by Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing and a Pledge and Security Agreement	Borrower fails to pay any amount within 10 days of due date and Lender may declare entire loan due and payable; Borrower fails to perform or comply with any other covenant or condition under agreement, Borrower fails to show evidence of full or substantial compliance with governmental authority over property and not cured in 30 day period, if property is seized by any governmental agency, material adverse change in financial condition of borrower and not remedied within 30 days	Not applicable	N/A	287,164
Willow Tree	4.42	2036	Monthly	Secured by Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing and a Pledge and Security Agreement	Borrower fails to pay any amount within 10 days of due date and Lender may declare entire loan due and payable; Borrower fails to perform or comply with any other covenant or condition under agreement, Borrower fails to show evidence of full or substantial compliance with governmental authority over property and not cured in 30 day period, if property is seized by any governmental agency, material adverse change in financial condition of borrower and not remedied within 30 days	Not applicable	N/A	489,726
Cambridge Court	1.00	2032	Monthly	Lender has a lien on the land and all improvements and a security interest in personal property	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclosure of property	Not applicable	N/A	376,825
Cambridge Court	-	2032	Cash Flow	Lender has a lien on the land and all improvements and a security interest in personal property	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclosure of property	Not applicable	N/A	395,975
Dawson Park	3.00	2022	Cash Flow	Assignment of leases and rents and real property to the Lender	Borrower fails to pay debt owed to Lender, fails to maintain property, fails to have insurance, failure to pay liens, taxes and assessment, failure to abide by loan agreement, failure to maintain a reserve for real property taxes, failure to keep senior liens current, failure to not permit additional liens for financing without consent will make the unpaid principal balance due immediately	Not applicable	N/A	294,277
Fenwick Apts	3.77	2025	Monthly	Trust deed, security agreement, assignment of leases and rents, and fixture filing	Borrower fails to make payment of any amount payable under this loan entire indebtedness becomes immediately due	Not applicable	N/A	943,160
Fenwick Apts	-	Sale of Property	Cash Flow	Security agreement in property including accessories, additions, replacements and accession now and hereinafter affixed connected to property	Failure to pay sum due under this agreement within 10 days, failure to pay general debts when due, failure to comply with covenants under agreement and not cured within 30 days, failure to obtain lender's consent to transaction (sale, transfer of proceeds from agreement), failure to disclose material facts, default under other loans, default by guarantor or failure to replace guarantor within 90 days. Lender may declare the entire remaining balance of principal and interest due immediately. Lender can place a lien on the land and all buildings and improvements. Lender may take action to recover monetary damages caused by violation or attempted violation of any covenant, condition, agreement or obligation. Damages can include but not be limited to all costs, expenses, including but not limited to staff and administrative expenses, fees including legal	Not applicable	N/A	1,175,032
Fenwick Apts	3.00	2034	Monthly	Trust Deed, Security interest in personal property collateral	Failure to pay sum due under this agreement within 10 days, failure to pay general debts when due, failure to comply with covenants under agreement and not cured within 30 days, failure to obtain lender's consent to transaction (sale, transfer of proceeds from agreement), failure to disclose material facts, default under other loans, default by guarantor or failure to replace guarantor within 90 days. Lender may declare the entire remaining balance of principal and interest due immediately. The Trustee at Lender's direction shall have the right to foreclose by notice and sale of property. Upon any occurrence of any Event of Default interest shall accrue on the unpaid principal balance at a rate equal to the less of four percentage points above the current rate.	Not applicable	N/A	111,994
Helen Swindells	3.00	2023	Cash Flow	Trust Deed in the property and all tenements along with leases and rents of the property	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, title is free of encumbrance, pay liens, taxes and assessments, abide by loan agreement covenants, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	1,483,870

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Helen Swindells	3.00	2023	Cash Flow	Trust Deed in the property and all tenements along with leases and rents of the property	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, title is free of encumbrance, pay liens, taxes and assessments, abide by loan agreement covenants, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	\$ 600,451
Kelly Place	4.80	2028	Monthly	Trust Deed covering the real property and other collateral	Borrower fails to perform any obligation to pay principal or interest and doesn't cure within 15 days when due Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or place a lien on the property	If Borrower becomes insolvent, all sums of principal and interest under the Note become automatically due and payable	N/A	203,450
James Hawthorne	-	Sale of Property	Cash Flow	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or place a lien on the property	Not applicable	N/A	5,728,950
North Interstate	-	Sale of Property	Cash Flow	Trust Deed	Not applicable Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale. Upon the event of default, interest can be increased of 4 percentage points above the current interest rate.	Not applicable	N/A	912,948
Yards at Union Station	1.00	2027	Monthly	Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale. Upon the event of default, interest can be increased of 4 percentage points above the current interest rate.	Not applicable	N/A	680,287
Pearl Court	3.00	2027	Monthly	Trust Deed, Security Agreement, UCC1	An event of default is constituted as the following: failure to make any payment when due any loan documents and not cured within 10 days, failure to perform any covenant, agreement or obligation under any of the Loan Documents if not cured within 60 days will lead to the declaration any or all indebtedness secured by the Trust to be due and payable immediately, foreclose the trust deed as a mortgage, cause any or all of the property to be sold under the power of sale, elect to exercise its right with respect to Leases & Rents	Not applicable	Acceleration of the entire unpaid principal balance of the Note and other indebtedness secured by the Trust Deed securing this note upon any sale or transfer is automatic	433,827
Peter Paulson	7.91	2024	Cash Flow	Trust Deed and assignment of leases and collection of rents	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, pay liens, taxes and assessments, abide by loan agreement covenants, monthly reserve is maintained by borrower, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	1,021,301
Peter Paulson	0.50	2024	Cash Flow	Trust Deed and assignment of leases and collection of rents	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, pay liens, taxes and assessments, abide by loan agreement covenants, monthly reserve is maintained by borrower, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	250,000
Peter Paulson	-	2024	Cash Flow	Trust Deed and assignment of leases and collection of rents	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, pay liens, taxes and assessments, abide by loan agreement covenants, monthly reserve is maintained by borrower, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	689,635
Schiller Way	-	Sale of Property	Cash Flow	Not applicable	Events of default are constituted as follows: failure to pay any sum due under agreement within 10 days of due date, failure to comply with covenants, failure to obtain Loan provider's consent in sale, transfer or assignment of proceeds, failure to comply with agreement, failure to pay general debts when due, failure to disclose material facts, default under other grants, default by guarantor or failure to replace guarantor will cause the entire remaining unpaid balance immediately due and loan will become lien on the property	Not applicable	N/A	505,351
SW 45th (Carriage Hill Apts)	-	Sale of Property	Cash Flow	Line of credit trust deed, security agreement, fixture and filing and assignment of leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property	Not applicable	N/A	178,241

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
SW 45th (Carriage Hill Apts)	3.00	2032	Monthly	Line of credit trust deed, security agreement, fixture and filing and assignment or leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property	Not applicable	N/A	\$ 24,557
Willow Tree	-	2035	Cash Flow	Line of credit trust deed, security agreement, fixture and filing and assignment or leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property Events of default include: borrower fails to pay or deposits amounts when due under the note, fraud or material misrepresentation or material omission by borrower or any of its officers, directors, members, commencement of a forfeiture action or proceeding, any material failure by Borrower to comply obligations under Security Instrument, failure by borrower to perform obligations under regulatory agreement will be cured	Not applicable	N/A	145,649
Fainview Oaks & Woods	3.05	2047	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	Events of default include: borrower fails to pay or deposit amounts when due under the note, fraud or material misrepresentation or material omission by borrower or any of its officers, directors, members, commencement of a forfeiture action or proceeding, any material failure by Borrower to comply obligations under Security Instrument, failure by borrower to perform obligations under regulatory agreement will be cured	Not applicable	If a monetary event of default occurs for a period of 30 days, the entire unpaid principal balance and any accrued interest and all other amounts payable to becomes due and payable	10,229,331
Rockwood Station	3.58	2047	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	Events of default include: borrower fails to pay or deposit amounts when due under the note, fraud or material misrepresentation or material omission by borrower or any of its officers, directors, members, commencement of a forfeiture action or proceeding, any material failure by Borrower to comply obligations under Security Instrument, failure by borrower to perform obligations under regulatory agreement will be cured	Not applicable	If a monetary event of default occurs for a period of 30 days, the entire unpaid principal balance and any accrued interest and all other amounts payable to becomes due and payable	4,132,693
Rockwood Station (Mpower)	6.00	2025	Monthly	Security interest in the Efficiency Measures, Memo of ESA	Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approved by Lender, Borrower's failure to make any payment within 10 days of due date, and other default or breach of any term in the Note or other Loan documents	66,300
Hawthorne Home	6.00	2029	Monthly	Trust Deed	Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.	Not applicable	N/A	33,119
Madison Home	6.00	2029	Monthly	Deed of Trust	If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender	Not applicable	N/A	32,835
North Interstate	6.00	2033	Monthly	Deed of Trust	If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.	Not applicable	N/A	336,837

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Project Open Door	1.00	2027	Monthly	Trust Deed	<p>If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately; Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender hat proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.</p> <p>If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately; Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender hat proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.</p>	Not applicable	N/A	\$ 105,765
Taylor Home	7.00	2029	Monthly	Deed of Trust	<p>Events of default can allow Lender to declare all sums owed this loan and other loan documents. Events of default include: Borrower fails to pay when due any sums payable under Note or any other Loan document, performance of obligations to cure failure in cure period provided, recording of any claim of lien on property (for more than 20 days), failure of any representation or warranty of Borrower in any of the Loan documents and continuation of failure for 10 days, material adverse change in financial condition of Borrower, voluntary bankruptcy, insolvency or dissolution, involuntary bankruptcy, material management or organization change in Borrower which Lender determines has a material adverse effect on the loan, the failure of the Deed of Trust to be a valid first lien upon property, discovery of any significant hazards materials on property, unsecured indemnity agreement.</p> <p>Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property</p>	Not applicable	N/A	31,704
Ashcreek Commons	0.04	2034	Monthly	Deed of Trust	<p>Events of default can allow Lender to declare all sums owed this loan and other loan documents. Events of default include: Borrower fails to pay when due any sums payable under Note or any other Loan document, performance of obligations to cure failure in cure period provided, recording of any claim of lien on property (for more than 20 days), failure of any representation or warranty of Borrower in any of the Loan documents and continuation of failure for 10 days, material adverse change in financial condition of Borrower, voluntary bankruptcy, insolvency or dissolution, involuntary bankruptcy, material management or organization change in Borrower which Lender determines has a material adverse effect on the loan, the failure of the Deed of Trust to be a valid first lien upon property, discovery of any significant hazards materials on property, unsecured indemnity agreement.</p> <p>Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property</p>	Not applicable	If Borrower fails to pay when due any sums payable or a Default occurs Lender may declare all sums owing immediately due and payable	1,454,406
Ainsworth Court	-	2052	Cash Flow	Subordination agreement to be secured by certain liens and encumbrances against the property, Lien on the land	<p>Events of default can allow Lender to declare all sums owed this loan and other loan documents. Events of default include: Borrower fails to pay when due any sums payable under Note or any other Loan document, performance of obligations to cure failure in cure period provided, recording of any claim of lien on property (for more than 20 days), failure of any representation or warranty of Borrower in any of the Loan documents and continuation of failure for 10 days, material adverse change in financial condition of Borrower, voluntary bankruptcy, insolvency or dissolution, involuntary bankruptcy, material management or organization change in Borrower which Lender determines has a material adverse effect on the loan, the failure of the Deed of Trust to be a valid first lien upon property, discovery of any significant hazards materials on property, unsecured indemnity agreement.</p> <p>Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property</p>	Not applicable	N/A	1,049,004
Ainsworth Court	4.77	2034	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	<p>If an event of default has occurred, the entire unpaid principal balance of the mortgage loan, any accrued interest, interest accruing at the default rate, the prepayment premium (if applicable) at the option of Lender shall be immediately due and payable without notice to Borrower. In addition Lender shall have rights and remediate including foreclosure on and/or the power of sale of the property. The following events are events of default: failure by Borrower to pay or deposit when due amounts required the Note or any other Loan document, failure of Borrower to maintain insurance coverage, failure by Borrower to maintain property as single asset status, any warranty or representation is false or inaccurate, fraud, gross negligence or will misconduct or material misrepresentation (including on financial statements, rent rolls or other report information, request from Lender in regards to disbursements from Replacement Account Funds), occurrence of any transfer not permitted by Loan Document, occurrence of a bankruptcy event, commencement of forfeiture action (whether civil or criminal) which could lead to forfeiture of the property or impair the lien on the property, any failure by Borrower to compete any repair related to fire, life or safety issues within terms of Loan agreement, and any exercise by the holder of any debt instrument secured by mortgage or deed on the property of a right to declare all amounts due immediately.</p>	Not applicable	If an event of default has occurred and is continuing the entire unpaid principal balance of the loan, any accrued interest, interest accruing at the default rate or prepayment premium (if applicable) and all other indebtedness at the option of Lender is immediately due and payable without prior written consent to Borrower.	1,841,442

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Madrona Apartments	5.31	2034	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	If default has occurred, the unpaid principal balance of the mortgage loan, accrued int, int accruing at the default rate, prepayment premium (if applicable) at the option of Lender shall be immediately due & payable without notice. Lender shall have rights and remediate including foreclosure on and/or the power of sale of the property. The events of default are: failure by Borrower to pay or deposit when due amounts required the Note or any other Loan document, failure of Borrower to maintain insurance coverage, failure by Borrower to maintain property as single asset status, any warranty or representation is false or inaccurate, fraud, gross negligence or will misconduct or material misrepresentation (including on financial statements, rent rolls or other report information, request from Lender in regards to disbursements from Replacement Account Funds), occurrence of any transfer not permitted by Loan Document, occurrence of a bankruptcy event, commencement of forfeiture action (civil or criminal) leading to forfeiture of the property or impair the lien on the property, any failure by Borrower to complete any repair related to fire, life or safety issues within terms of Loan agreement, a right to declare all amounts due immediately.	Not applicable	If an event of default has occurred and is continuing the entire unpaid principal balance of the loan, any accrued interest, interest accruing at the default rate or prepayment premium (if applicable) and all other indebtedness at the option of Lender is immediately due and payable without prior written consent to Borrower.	\$ 1,085,367
Kelly Place (Multnomah)	-	2046	Maturity Date	Trust deed	Failure to perform the covenants and conditions in trust deed shall give the option to declare the unpaid balance due on the Note immediately. If any material fact is not disclosed all indebtedness can be due and payable and the trust deed may be foreclosed on including the recouping of reasonable expenses such as attorney fees. Events of default include: failure to pay any of the obligations of the loan before due date, the occurrence of a breach of covenant, agreement, condition, provision, representation or warranty contained in Trust Deed or any Loan documents, or a writ of execution or any similar process shall be issued against or any part or interest in the estate or any judgement involving monetary damages that become a lien on the property. In the case of these acceleration of all debt occurs and is immediately due and payable, lender can take possession of all or any part of the property, lender can foreclose the property and sale under applicable law. Lender can take over management, rents and revenues of the property	Not applicable	N/A	350,456
Rockwood Landing	-	2058	Maturity Date	Trust deed, security agreement, and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	150,000
Gretchen Kafoury	3.00	2031	Maturity Date	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	2,664,000
Stephens Creek Crossing	-	2014	Converts to Grant	Pledge Agreement of Assets	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans results may lead to Lender declaring all unpaid balance due immediately	Not applicable	N/A	1,798,318
Hamilton West	3.00	2031	Monthly	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantors or failure to replace guarantor may lead to Lender declaring all unpaid balance due immediately	Not applicable	N/A	481,492
Hamilton West	- %	Sale of Property	Cash Flow	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantors or failure to replace guarantor may lead to Lender declaring all unpaid balance due immediately	Not applicable	N/A	2,039,641
Helen Swindells (Mpower)	6.00	2024	Monthly	Security interest in the Efficiency Measures, Memo of ESA	Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable.	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approved by Lender, Borrower's failure to make any payment within 10 days of due date of payment, and other default or breach of any term in the Note or other Loan documents	29,999

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Rockwood Landing (Mpower)	6.00	2025	Monthly	Security interest in the Efficiency Measures, Memo of ESA	Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable. In any event representation or warranty shall be found untrue or performance of any obligation, term, covenant or warranty shall constitute default under the Note and Deed of Trust can declare all sums secured immediately due and payable.	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approved by Lender, Borrower's failure to make any payment within 10 days of due date of payment, and other default or breach of any term in the Note or other Loan documents	\$ 28,103
Rockwood Landing	3.05	2029	Monthly	Deed of Trust, Security Agreement and Fixture Filing, Assignment of Leases and Rents	Events of default: Monetary Default (failure to pay sums when due required under the Note), fraud or material misrepresentation in regards to i) loan application, ii) financial statement or rent, iii) the commencement of a forfeiture action or proceeding, iv) any material failure to perform or comply with any of its obligation under Security Instrument, v) failure to perform any HUD obligations under the Regulatory Agreement can lead to the immediate payment of unpaid principal and accrued interest Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	260,770
St. Francis LLC	3.38	2050	Monthly	Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	If a Monetary Event of Default occurs (and continues for 30 days) the entire unpaid principal balance, any accrued interest will become due & payable.	3,506,315
Sequoia Square	3.00	2031	Monthly	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	58,717
St Francis LLC	-	Sale of Property	Cash Flow	Trust Deed and Assignment of Leases	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	5,228,509
Sequoia Square	8.08	2031	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	521,281
Sequoia Square	3.99	2031	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	313,163
Sequoia Square	-	Sale of Property	Cash Flow	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	514,486

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Lovejoy Station	3.00	2032	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	\$ 2,083,026
The Alexis	2.78	2040	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Events of default include: failure to pay principal or interest on debt when (within 5 days of due date), the trust estate or any portion is transferred in violation of sale or increase in interest rate on sale, failure to perform or comply with any other covenant in Deed of Trust (fails to cure within 30 days), writ of execution or attachment is levied against the property or any judgement involving monetary damages against property and a lien is placed on the property, event of default within the Loan agreement occurs, breach or default under any mortgage, trust deed or lien on the property that is either senior or subordinate to the Trust Deed can lead to entire indebtedness becoming immediately due and payable or the right to foreclose by judicial foreclosure on the property or a trustee will be designated to sell property.	Not applicable	N/A	5,058,755
Gateway Park	5.10	2033	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Default include: Default in the performance of any of its covenants or agreements in any loan document, any representation to current or historical information in regards to certificate, notice report or financial statement that is incorrect in any material respect, any authorization now or hereafter necessary to enable Borrower to comply with obligations under the Trust Deed or Note fails to be timely issued or granted, Borrower becomes bankrupt, insolvent, winding up or reorganization, Borrower receives a proceeding in court for liquidation, dissolution or the readjustment of debts, Borrower effects a change of ownership or transfers any interest without prior written consent, Borrower fails to terminate Property management agreement after request of Lender or makes new satisfactory arrangements for a new management agent which allows Lender to declare all or any portion of debt immediately due and payable, the Lender can take possession of the property and collect rents, the Lender will be empowered to foreclose on Property and sell the Property.	Not applicable	N/A	4,473,219
Powell	-	2022	Monthly	Not applicable	Not applicable	Not applicable	N/A	29,484
4720 North Maryland	-	2026	Monthly	Deed of trust	Event of default: maker fails to pay all or any other portion due within 10 days after written notice, makers fails to pay the outstanding balance on maturity date, event of default defined under deed of trust.	Not applicable	N/A	4,447,685
4720 North Maryland	5.25	2023	Monthly	Deed of trust	Events of default include: Non Payment- Failure to pay any installment o, other non-compliance (failure to comply with any other covenant of Agreement or other Loan Documents, non compliance with governmental regulations, other material breach, seizure	Not applicable	N/A	495,000
Total								73,049,382
Less Current Portion of Notes Payable								(2,222,500)
Total Notes Payable - Long-Term								<u>\$ 70,826,882</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 NOTES PAYABLE (CONTINUED)

Notes payable includes those notes related to equity gap financing. Equity gap financing is utilized to fund the difference between project costs and sources of construction and permanent financing. These notes bear interest rates between 0.00% and 8.08% with maturities due up through 2058 except for certain equity gap notes, which are not payable unless the property is sold.

A summary of activity of Home Forward's notes payable for the year ended December 31, 2021 is as follows:

Balance January 1, 2021	Increase	Decrease	Balance December 31, 2021
\$ 71,612,044	\$ 5,559,540	\$ (4,122,202)	\$ 73,049,382

Minimum debt payments due over the next five years and thereafter in five-year increments are as follows:

Year Ending December 31,	Principal	Interest
2022	\$ 2,222,500	\$ 1,586,095
2023	4,580,986	1,439,812
2024	5,199,074	1,290,091
2025	2,719,512	1,105,129
2026	6,433,657	1,028,018
2027 - 2031	9,529,199	4,070,647
2032 - 2036	9,253,906	2,835,051
2037 - 2041	7,179,450	1,952,410
2042 - 2046	4,872,030	523,930
2047 - 2051	887,060	47,943
2052 - 2055	1,199,006	-
Total	54,076,380	15,879,127
Notes With No Set Maturity	18,973,002	-
Total	\$ 73,049,382	\$ 15,879,127

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 BONDS PAYABLE

Bonds payable of Home Forward, which are secured by mortgages on the respective properties, consist of the following as of December 31, 2021:

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance	
Dawson Park 2012	Fixed	3.37 %	2027	Pledge of all legal available revenues of the Project, b) moneys on deposit in a loan reserve fund, c) moneys on deposit in a debt service reserve fund, d) general revenues of Home Forward not previously or subsequently pledge to a specific purpose and legally available. Deed of trust with a security interest in the land and improvement which encompasses the Project.	Events of default include: default in the due debt payment, failure of the Property to perform any other covenant, agreement or obligation under Loan agreement or regulatory agreement, event of default under the Deed of Trust, filing of a petition in voluntary bankruptcy or reorganization, insolvency, involuntary bankruptcy, dissolution or liquidation which can lead to the Authority to declare the entire balance due and payable immediately, the Authority may foreclose the Deed of Trust and Authority may recover monetary damages caused by such violation.	Not applicable	Not applicable	\$ 773,051	
New Market West 2013	Variable	1.73	2023	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to observe or perform any obligation or agreement in the Trust Deed, any representation that is proved to be incorrect, false or misleading in material respect when made or default in the payment or performance of an obligation and continuance of default, any default under the continuing covenant agreement or any other Bond document can lead to all obligations immediately payable in full (any Swap shall be terminated in accordance with terms). Lender can cause the Property to be sold to satisfy the obligations, Lender can obtain appointment of a receiver as it pertains to the i) the adequacy of the security for the repayment of its obligations, ii) the existence of a declaration that the obligations are immediately due and payable.	Not applicable	Not applicable	2,771,822	
Pearl Court	Fixed	4.50	2027	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtednesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	2,440,000	
Gretchen Kafoury	Fixed	4.00	2034	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtednesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	3,465,000	
Hamilton West	Fixed	4.00	2034	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtednesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	2,980,000	
Yards at Union Station	Fixed	4.85	2029	Leasehold Trust Deed, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtednesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	3,060,000	
Lovejoy Station	Fixed	1.45	2033	Leasehold Trust Deed, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtednesses secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	7,215,000	
								Total	22,704,873
								Less: Current Portion of Bonds Payable	(1,656,725)
								Total	21,048,148
								Plus Unamortized Premiums	220,137
								Less: Unamortized Discounts	(81,325)
								Total Long-Term Bonds Payable	<u>\$ 21,186,960</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 BONDS PAYABLE (CONTINUED)

A summary of activity of Home Forward's bonds payable for the year ended December 31, 2021 is as follows:

Balance January 1, 2021	Draws	Repayments	Balance December 31, 2021
\$ 24,312,271	\$ -	\$ (1,607,398)	\$ 22,704,873

Minimum debt payments due over the next five fiscal years and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,656,725	\$ 837,984
2023	4,149,887	781,776
2024	1,599,181	654,395
2025	1,668,911	587,852
2026	1,738,802	513,250
2027 - 2031	6,121,367	1,659,863
2032 - 2034	5,770,000	497,725
Total	\$ 22,704,873	\$ 5,532,845

For the variable rate debt, the December 31, 2021 interest rate of 1.73% was used for the New Market West 2012 Bonds.

*Final debt payments for New Market West 2012 Bonds are assumed to be made on August 1, 2023, upon the expiration of the associated swap agreement.

NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS

Home Forward issued Multi-Family Housing Revenue Bonds, Tax-Exempt Tax Credit Notes Receivable and Taxable Tax Credit Notes Receivable for the purpose of providing financing to Internal Revenue Service Section 42 Partnerships (see Note 7 and Note 18) in which Home Forward has an ownership interest. The Partnerships are required to make payments on the Notes Receivable to Home Forward, the General Partner of the Partnerships, sufficient to make required debt service payments on the Bonds.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Bonds payable—partnerships and the corresponding notes receivable—partnerships consist of the following at December 31:

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Civic Redevelopment Limited Partnership	Variable	0.09	2038	Multifamily Mortgage, Assignment of Rents and Security Agreement	Events of default: failure to pay the principal or purchase price of, premium if any or interest on any bond when due, failure by the credit facility provider to make when due a requirement payment under the credit facility, failure to overserve or perform any of the covenants, agreements or conditions on the part of the Authority in the indenture or in the bonds and continues for 30 days can lead to the acceleration of the declaration the principal of all bonds then outstanding and interest accrued immediately due and payable	In the event of default, the entire unpaid principal balance, accrued int and all other amounts payable shall be at once become due and payable at the option of the Lender, without prior notice to the Borrower	7,800,000
Trouton Limited Partnership	Variable	0.16	2037	Line of Credit Commercial Deed of Trust, Assignment, Security Agreement and Fixture filing	Events of default include the following: default in the due and punctual payment of the principal or premium or interest on any Bond when due, failure to pay the purchase price of any variable rate bond tendered when such payment is due, default by the Authority in the observance of any other covenants, agreements (including ground lease and mixed finance amendment) or conditions in the indenture, loan agreement or the bonds (not cured within 60 days) can lead to the acceleration of the bonds including principal and interest accrued due immediately, foreclosure of the deed of trust and power sale.	If any Event of Default occurs the Trustee shall be entitled to upon written notice to the Authority, the Bank, the Remarketing agent and the partnership or the owners of a majority in aggregate principal of the bonds at the time outstanding is entitled to declare the principal of all of the bonds then outstanding and the interest accrued due payable and immediately	4,590,000
Cecelia Limited Partnership	Variable	0.18	2035	Line of Credit Commercial Deed of Trust, Assignment, Security Agreement and Fixture filing	Events of default include the following: default in the due and punctual payment of the principal or premium or interest on any Bond when due, failure to pay the purchase price of any variable rate bond tendered when such payment is due, default by the Authority in the observance of any other covenants, agreements or conditions in the indenture, loan agreement or the bonds (not cured within 60 days) can lead to the acceleration of the bonds including principal and interest accrued due immediately.	If any Event of Default occurs the Trustee shall be entitled to upon written notice to the Authority, the Bank, the Remarketing agent and the partnership is entitled to declare the principal of all of the bonds then outstanding and the interest accrued due payable and immediately	2,770,000
Stephens Creek Crossing North LP	Fixed	4.56	2031	Line of Credit Construction Leasehold Deed of Trust, Assignment, Security Agreement and Fixture Filing	Events of default: payment obligation failure, transfer of any or all part of property not included in the trust deed, failure to perform or comply with any obligations in trust deed (and not cured for 30 days), an event of default under the note or loan agreement, change in zoning or public restriction in regards to the use of the property if it would be in violation of zoning ordinance or regulation, default under any lease, default under any other mortgage, deed of trust or security agreement covering the property or an execution or attachment is levied against the property and is not discharged or stayed within 30 days of being levied can lead to acceleration of all obligations becoming due and payable without notice of default or acceleration, the property can be foreclosed upon and the power of sale can be enacted. A judicial action can be submitted for foreclosure of the Deed of Trust. In the event of default, collection of rents can be assumed by Lender	In the event of default all obligations shall become due and payable without notice of default, notice of acceleration or intention to accelerate. The property can be foreclosed upon and the power of sale can be enacted. A judicial action can be submitted for foreclosure of the Deed of Trust and collection of rents can be assumed by Lender.	2,729,854
Forward Balance to the Next Page							<u>\$ 17,889,854</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
						Forward Balance from the Previous Page	\$ 17,889,854
Humboldt Gardens Limited Partnership	Fixed	6.17	2040	Line of Credit Construction Leasehold Deed of Trust, Assignment, Security Agreement and Fixture Filing	Event of default: failure to pay any installment of principal or the redemption price of any bond when due, failure to pay any installment of interest during the variable rate period and during reset period, failure to pay any installment of interest due the fixed rate period, failure by the Authority to perform or observe any material covenant, agreement or condition in the bond indenture (continues for 60 days), default in the timely payment of any installment of the amounts (other than Loan repayments) fees payable to the Authority (continues for 30 days), default under the Regulatory agreement has occurred and continues will lead to the declaration of all outstanding bonds be immediately due and payable including interest, implementation of actions for the recovery of the amounts due on the Note, the Loan Agreement and other Loan Documents, foreclosure upon the collateral held by the Trustee for the obligations of the Borrower, implementation of remedies may be available under the Loan documents. Trustee has the right to revenue fund account and other amounts (excluding the Rebate fund) pledged under the Indenture to the payment of Trustee expenses, to the payment of the bonds or reimbursement to the Owners of the Bonds.	Not applicable	785,000
Westis Limited Partnership	Fixed	4.18	2052	Revenues and receipts therefrom and the security therefore (including the Security Instrument) and the amounts on deposit from time to time in any and all funds established under the Funding Loan Agreement	Events of default: failure by the Borrower to pay any Borrower Loan Payment on the date such payment is due, failure by or behalf of Borrower to pay when due any amount required to be paid under any of the other funding loan documents, an Event of Default as defined by any other Funding Loan Document, any representation made by Borrower, the General Partner or Guarantor in any Funding Loan Document or in any report, certificate, financial statement or other instrument, agreement or document by the Borrower that is false or misleading in any material respect, the Borrower makes a general assignment for the benefit of credits or shall generally not be paying its debts as they become due, bankruptcy, any portion of the Borrower required equity to be made by the Equity investor is not received, failure to comply with ERISA, any material litigation or proceeding against the Borrower, the General Partner or the Guarantor or the property, if a final judgement is issued for monetary damages in excess of \$50,000 is not paid and discharged prior to completion date, a failure to pay when due any monetary obligation to any Person in excess of \$100,000 and such failure continues beyond the expiration of any grace period, a final and unappealable and uninsured money judgment in favor of any other person other than a governmental authority in the aggregate sum of \$50,000 or more against Borrower, the general partner or the guarantor that is not paid prior to completion date, the inability of the Borrower to satisfy any condition for the receipt of a Disbursement and failure to resolve, construction or rehabilitation is abandoned or halter prior to the completion date (as long as not caused by unforeseeable conditions such as acts fire, strikes, disruption of shipping acts of terrorism), Borrower fails to keep in force and effect any material permit, license, consent or approval required under the loan agreement, failure to substantially complete the construction or rehab on or prior to the substantial completion date, , failure of Borrower to satisfy conditions to conversion or before the conversion date, failure by any subordinate lender to disburse the proceeds of its subordinate loan, an Event of Default occurs under any of subordinate loan documents, any failure by the Borrower to perform or comply with any of its obligations under the loan agreement (and continues for 30 days), a seizure or forfeiture of the property can lead to declaring the borrower payment obligations to be immediately due and payable including prepayment premium.	Event of default can make all borrower payment obligations immediately due and payable including the prepayment premium	12,630,765
						Forward Balance to the Next Page	\$ 31,305,619

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
						Forward Balance from the Previous Page	\$ 31,305,619
Woods East Limited Partnership	Fixed	4.18	2052	Revenues and receipts therefrom and the security therefore (including the Security Instrument) and the amounts on deposit from time to time in any and all funds established under the Funding Loan Agreement	Events of default: failure by the Borrower to pay any Borrower Loan Payment on the date such payment is due, failure by or behalf of Borrower to pay when due any amount required to be paid by Borrower under any of the other funding loan documents, an Event of Default as defined by the Borrower note, the Security Instrument or any other Funding Loan Document, any representation made by Borrower, the General Partner or Guarantor in any Funding Loan Document or in any report, certificate, financial statement or other instrument, agreement or document by the Borrower that is false or misleading in any material respect, the Borrower makes a general assignment for the benefit of credits or shall generally not be paying its debt as they become due, bankruptcy, any portion of the Borrower required equity to be made by the Equity investor is not received, failure to comply with ERISA, any material litigation or proceeding against the Borrower, the General Partner or the Guarantor or the property, if a final judgement is issued for monetary damages in excess of \$50,000 is not paid and discharged prior to completion date, a failure to pay when due any monetary obligation to any Person in excess of \$100,000 and such failure continues beyond the expiration of any grace period, a final and un-appealable and uninsured money judgment in favor of any other person other than a governmental authority in the aggregate sum of \$50,000 or more against Borrower, the general partner or the guarantor that is not paid prior to completion date, the inability of the Borrower to satisfy any condition for the receipt of a Disbursement and failure to resolve, construction or rehabilitation is abandoned or halter prior to the completion date (as long as not caused by unforeseeable conditions such as acts fire, strikes, disruption of shipping acts of terrorism), Borrower fails to keep in force and effect any material permit, license, consent or approval required under the loan agreement, failure to substantially complete the construction or rehab on or prior to the substantial completion date, failure of Borrower to satisfy conditions to conversion or before the conversion date, failure by any subordinate lender to disburse the proceeds of its subordinate loan, an Event of Default occurs under any of subordinate loan documents, any failure by the Borrower to perform or comply with any of its obligations under the loan agreement (and continues for 30 days), a seizure or forfeiture of the property can lead to declaring the borrower payment obligations to be immediately due and payable including prepayment premium.	Event of default can make all borrower payment obligations immediately due and payable including the prepayment premium	14,956,145
Square Manor Limited Partnership	Fixed	4.25	2035	Leasehold Trust Deed, Security Agreement, Assignment of Leases and Rents and Fixture Filing	Events of default: borrower fails to make any payment within 10 days when due, borrower fails to comply with or perform when due any other term, obligation, covenant, or condition contained in the note, borrower makes representation that is false or misleading in any material way, borrower dissolves or becomes insolvent or bankrupt, any creditor tries to take any of property on or in which lender has a lien or security interest, any guarantor of the note seeks to limit/modify/ revoke such guarantor's guaranty with Lender can lead interest rate increase of 4% per annum in excess of the interest rate otherwise than in effect of 18% per annum whichever is greater and lead to the balance of unpaid principal and accrued interest immediately due and payable.	Not applicable	4,021,465
3000 Powell Limited Partnership	Fixed	2.20	2025	Deed of Trust	Events of default: borrower fails to make any payment within 10 days when due, borrower fails to comply with or perform when due any other term, obligation, covenant, or condition contained in the note, borrower makes representation that is false or misleading in any material way, borrower dissolves or becomes insolvent or bankrupt, any creditor tries to take any of property on or in which lender has a lien or security interest, any guarantor of the note seeks to limit/modify/ revoke such guarantor's guaranty with Lender can lead interest rate increase of 4% per annum in excess of the interest rate otherwise than in effect of 18% per annum whichever is greater and lead to the balance of unpaid principal and accrued interest immediately due and payable.	Not applicable	5,717,905
Total							56,001,134
Less: Current Portion of Bonds Payable							(900,917)
Total Bonds Payable and Notes Receivable - Partnerships							<u>\$ 55,100,217</u>

*For the variable rate debt, the December 31, 2021, interest rate, as provided above, was used for the future interest calculation.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

A summary activity of Home Forward’s bonds payable at December 31, 2021 is as follows:

Balance January 1, 2021	Draws	Repayments	Balance December 31, 2021
\$ 140,792,749	\$ 5,717,905	\$ (90,509,520)	\$ 56,001,134

Minimum debt payments due over the next five fiscal years and thereafter are as follows:

<u>Year Ending December 31,</u>	Principal	Interest
2022	\$ 900,917	\$ 1,633,491
2023	6,538,674	1,480,522
2024	856,694	1,452,190
2025	898,739	1,422,573
2026	936,952	1,391,645
2027 - 2031	7,261,049	6,415,164
2032 - 2036	11,594,676	4,858,414
2037 - 2041	13,152,124	3,420,814
2042 - 2046	5,626,686	2,339,250
2047 - 2051	6,932,063	1,033,873
2052	1,302,560	25,085
Total	\$ 56,001,134	\$ 25,473,021

NOTE 13 DERIVATIVE INSTRUMENTS

Home Forward issued variable rate demand bonds and notes for its New Market West headquarters building and for three separate projects: Cecelia Limited Partnership (Cecelia), Trouton Limited Partnership (Trouton), and Civic Redevelopment Limited Partnership (Civic).

The bonds for each have the following common characteristics:

- Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- The LOCs and CEA are intended not only to provide security to bondholders, but also to make periodic interest payments for which Home Forward regularly reimburses the banks.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 13 DERIVATIVE INSTRUMENTS (CONTINUED)

- The banks act as a remarketing agent, reselling at market rates any bonds sold by bondholders. They have committed to repurchase bonds that cannot be resold on the open market.
- New Market West's interest rates are recalculated monthly, based on the rate at which bond can be remarketed. Interest rates for other bonds are recalculated weekly, based on the rate at which bonds can be remarketed.
- The annual remarketing fee on the outstanding amount of the bonds is 0.08% (Civic), 0.10% (Trouton) and 0.125% (Cecelia). New Market West is not subject to an annual remarketing fee.
- For bonds where the underlying financed asset is not the pledge for the bonds, the underlying credit for the bonds is the general funds of Home Forward.

Civic Redevelopment Limited Partnership entered into a swap agreement with Freddie MAC. The new agreement caps the variable rate on the bonds to 3.6625%. The agreement is set to expire on September 1, 2023. In conjunction with the sale of Cecelia, Trouton, and New Market West-2012 bonds, Home Forward entered into interest rate swap agreements. Home Forward uses interest rate swap agreements in order to reduce the volatility related to variable rate interest debt, or market risk. The swap agreements effectively convert the interest rate on variable rate debt to a fixed rate. These swaps call for Home Forward to receive interest at a variable rate and to pay interest at a fixed rate.

The Cecelia bonds mature in 2035. The variable rate on the bonds was .17% as of December 31, 2021. The swap instrument associated with the remaining bonds matured July 1, 2021, and is fixed at 4.39% on a notional amount of \$2.720 million at December 31, 2021 for which Home Forward receives the 30 day SIFMA rate. The swap expired on July 1, 2021 so the value of the swap was \$-0- as of December 31, 2021.

The Trouton bonds mature in 2037. The variable rate on the bonds was .17% as of December 31, 2021. The swap instrument associated with the remaining bonds matures July 1, 2022, and is fixed at 4.188% on a notional amount of \$4.500 million at December 31, 2021 for which Home Forward receives the 30 day SIFMA rate. The fair value loss of the swap was \$103,587 as of December 31, 2021.

New Market West bonds mature in 2038. The variable rate on the bonds was 1.697% as of December 31, 2021. The bond documents were amended effective December 31, 2021 to amend the LIBOR language and extend the term to August 2023. The swap instrument associated with the remaining bonds mature August 1, 2023 and is fixed at 1.73% on a notional amount of the outstanding principal of the New Market Bonds Series 2012 up to \$4.21 million for which Home Forward receives 78.5% of the 30 day LIBOR rate. The fair value loss of the swap was \$8,717 as of December 31, 2021.

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 DERIVATIVE INSTRUMENTS (CONTINUED)

The fair value of the swap instruments is calculated from proprietary models using a mid-market basis. The change in fair market value of Home Forward's swap transactions for the year ended December 31, 2021 was a decrease of \$256,394. The fair value of the swap instruments is reflected as derivative instruments liability on the basic financial statements and are offset by corresponding deferred outflows of resources - derivative instruments.

There are certain risks associated with any hedging investment. These risks include credit risk, basis risk, termination risk, rollover risk, interest rate risk, and market access risk.

- *Credit Risk* – Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- *Basis Risk* – Risk is minimized for the Cecilia and Trouton deals as both the underlying debt pays out based on weekly auction rates and the SIFMA rate is an average of auction rate activity.
- *Termination Risk* – Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- *Rollover Risk* – Letters of Credit (LOC) have been issued Bank of America Securities (Cecelia and Trouton), equal to the amounts outstanding on the bonds plus one interest payment, and an annual fee of 1.4% for Cecelia and Trouton of the outstanding principal balance plus one interest payment of the related bonds. Civic has a credit enhancement agreement (CEA) with Freddie Mac and is charged an annual fee of 1.06% of the outstanding balance. New Market West is not required to have a LOC or credit enhancement.
- *Interest Rate Risk* – Home Forward's swaps are structured to reduce Home Forward's exposure to interest rate risk by converting a variable rate to a fixed rate.
- *Market Access Risk* – Market access risk is the risk that a government will not be able to enter credit markets or that credit will become costlier. The ability to sell auction rate securities (ARS) in an auction may be adversely affected if there are not sufficient buyers willing to purchase all the ARS at a rate equal to or less than the ARS maximum rate. In the event of failed auctions, the bonds may default to a higher rate as defined in the bonds' official statements.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 RETIREMENT PLANS

Plan Descriptions

Home Forward is a participating employer in the State of Oregon Public Employees' Retirement System (PERS). PERS, a cost sharing multiple employer defined benefit plan and a fiduciary fund of the state of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, Oregon, 97281-3700, or by calling 1-888-320-7377.

As a member of PERS, Home Forward contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by PERS.

Actuarial Assumptions for the Calculation of Pension and OPEB Assets, Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension and OPEB

As both plans are administered by PERS, many of the actuarial assumptions were the same for the pension plan and OPEB-RHIA plan. Refer to Note 15 and Note 16 for pension or OPEB-RHIA specific assumptions, respectively.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of occurrence of events 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 below are based on the 2018 Experience Study, which reviewed experience for the four-year period ended on December 31, 2018.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions for the Calculation of Pension and OPEB Assets, Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension and OPEB (Continued)

The total pension and OPEB liabilities based on the December 31, 2019 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date:	December 31, 2019
Measurement Date:	June 30, 2021
Experience Study Report:	2018, Published July 24, 2019
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method:	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.40%
Projected Salary Increases	3.40% Overall Payroll Growth
Investment Rate of Return	6.90%
Mortality:	Health Retirees and Beneficiaries: RP2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-back as described in the valuation.
	Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	Disabled Retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annual Return (Geometric)</u>
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	(2.50)	1.76
Total	100.00 %	
Assumed Inflation - Mean		2.40 %

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION

PERS Pension (Defined Benefits)

Home Forward is a participant of the PERS pension program. PERS benefits, as described by the PERS 2021 Comprehensive Annual Financial Report are as follows:

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

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

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

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lump-sum and monthly payments, if eligible. The monthly payment must be a minimum of \$30 per month for deaths that occur July 30, 2003, and earlier; \$200 per month for deaths that occur after July 30, 2003.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION (CONTINUED)

PERS Pension (Defined Benefits) (Continued)

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a nonduty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a nonduty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment 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. The COLA is capped at 2.0%.

OPSRP Pension Programs

Home Forward is a participant of the pension programs, a hybrid defined benefit/defined contribution plan for those employees hired after August 29, 2003. OPSRP benefits, as described by the PERS 2020 Comprehensive Annual Financial Report are as follows:

OPSRP Pension Benefits (Defined Benefit)

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

General Service

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

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

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% 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 70 1/2 years.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION (CONTINUED)

OPSRP Pension Programs (Continued)

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% of the member's salary determined as of the last full month of employment before the disability occurred.

OPSRP Individual Account Program (Defined Contribution)

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

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a).

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 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.

Risk Pooling

In 2001, the Oregon legislature amended ORS 238.227 allowing for local government entities to pool their PERS pension assets and liabilities with the state of Oregon and other organizations joining the pool. Contribution rates are actuarially determined based on the experience of the overall pool as opposed to the potentially more volatile experience of the individual member. On January 19, 2010, Home Forward's Board of Commissioners approved Home Forward's inclusion in the State & Local Government Rate Pool (SLGRP).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION (CONTINUED)

Funding Status

Employees who are OPSRP members are required by state statute to contribute 6.0% of their salary to OPSRP and employers may agree to pay this required contribution. Home Forward pays the employee's required contribution for all represented employees and nonrepresented employees hired before April 1, 2012. Additionally, employers are required to contribute actuarially computed amounts as determined by PERS on actuarial valuations performed at least every two years. Rates are subject to change as a result of subsequent actuarial valuations and legislative actions.

Employer contribution rates in effect July 1, 2021 to June 30, 2023 are:

	<u>Tier 1/Tier 2</u>	<u>OPSRP</u>
Pension Contribution Rate	21.01 %	17.54 %
Retiree Health Care Rate	0.05	-
Total Employer Contribution	<u>21.06 %</u>	<u>17.54 %</u>

Employer contribution rates in effect July 1, 2019 to June 30, 2021 are:

	<u>Tier 1/Tier 2</u>	<u>OPSRP</u>
Pension Contribution Rate	20.69 %	14.96 %
Retiree Health Care Rate	0.70	0.43
Total Employer Contribution	<u>21.39 %</u>	<u>15.39 %</u>

The amount contributed by Home Forward for the year ended December 31, 2021 was approximately \$4,659,753 which represents the required contributions for both the employee and the employer for the year presented.

Net Pension Assets and Liabilities

At December 31, 2021, Home Forward reported a liability of \$18,244,562 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. Home Forward's proportion of the net pension liability was based on a projection of Home Forward's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, Home Forward's proportion was 0.15246390% which increased from its proportion of 0.14600027% measured as of June 30, 2020.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION (CONTINUED)

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

For the year ended December 31, 2021, Home Forward recognized a decrease to pension expense of \$1,109,049 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 1,717,659	\$ -
Net Differences Between Expected and Actual Experience	1,707,810	-
Changes in Assumptions	4,567,163	48,015
Net Differences Between Projected and Actual Earnings on Plan Investments	-	13,506,308
Changes in Proportion	1,233,386	301,640
Difference Between the Employer's Contributions and the Employer's Proportion Share of Contributions	74,743	586,255
Total	<u>\$ 9,300,761</u>	<u>\$ 14,442,218</u>

The amount of \$1,717,659 reported as of the year ended December 31, 2021 as deferred outflow of resources related to pensions resulting from Home Forward contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ (1,325,455)
2023	(1,237,843)
2024	(1,741,382)
2025	(3,054,832)
2026	500,396
Total	<u>\$ (6,859,116)</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 PENSION (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Home Forward's Proportionate Share of the Net Pension Liability and Net Pension Asset to Changes in the Discount Rate

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

1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
<u>\$ 35,827,955</u>	<u>\$ 18,244,562</u>	<u>\$ 3,533,644</u>

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

The balance of PERS payable as of the year ended December 31, 2021 was \$238,727. This balance is recorded in other accrued liabilities on the statement of net position.

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Retirement Health Insurance Account (RHIA)

RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statutes (ORS) 238.420 established this trust fund. The Oregon legislature has the ability to establish and amend the benefit provisions of the RHIA. The plan closed to new entrants after August 29, 2003. The Schedule of Employer Allocations and OPEB Amounts by Employer along with PERS audited financial statements and the Schedule of OPEB Amounts under GASB Statement No. 75 prepared by PERS' third-party actuaries as of and for the year ended June 30, 2020 (the measurement period) may be obtained online at <https://www.oregon.gov/pers> or by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, Oregon, 97281-3700, or by calling 1-888-320-7377.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Retirement Health Insurance Account (RHIA) (Continued)

ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premium coverage, whichever is less, shall be paid from the RHIA, established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment the member must 1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, 2) receive both Medicare Parts A and B coverage, and 3) enroll in a PERS sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the benefit if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance-funded on an actuarially determined basis and amounted to \$67,196 for the year ended December 31, 2021. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in health care costs. Participating employees are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.50% of annual covered PERS payroll and 0.00% of OPSRP payroll. The PERS board sets the employer contribution rate based on creditable compensation for active members reported by employers. Effective March 31, 2018, Home Forward adopted GASB Statement No. 75 where Home Forward recognizes a liability as the employees earn benefits by providing services. Changes to OPEB liability are recognized immediately as OPEB expenses or deferred outflows/inflows of resources.

Net OPEB Asset/Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2021, Home Forward reported an asset of \$410,866 for its proportionate share of the collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the collective net OPEB asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to June 30, 2021. Home Forward's proportion of the collective net OPEB assets was based on a projection of Home Forward's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2020 measurement date, Home Forward's proportion was 0.11964643%, which increased from its proportion measured as of June 30, 2019 (0.08330245%).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Net OPEB Asset/Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended December 31, 2021, Home Forward recognized a decrease in OPEB expense of \$71,492 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contribution Subsequent to Measurement Date	\$ 79,695	\$ -
Differences Between Expected and Actual Experience	-	11,431
Changes in Assumptions	8,084	6,112
Net Differences Between Projected and Actual Earning on Plan Investments	-	97,644
Changes in Proportionate Share	30,875	44,792
Total	<u>\$ 118,654</u>	<u>\$ 159,979</u>

The amount of \$79,695 reported for the year ended December 31, 2021 as deferred outflow of resources related to OPEB resulting from Home Forward contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended December 31, 2022. Other amounts reported as deferred outflow and inflow of resources related to OPEB will be recognized in Home Forward's OPEB expense as follows:

<u>Year Ending December 31,</u>	Deferred Outflows (Inflows) of Resources
2022	\$ (29,837)
2023	(38,047)
2024	(22,292)
2025	(30,844)
Total	<u>\$ (121,020)</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Sensitivity of Home Forward's Proportionate Share of the Collective Net OPEB Asset to Changes in the Discount Rates

The following presents Home Forward's proportionate share of the collective net OPEB asset, as well as what Home Forward's proportionate share of the collective net OPEB asset at the measurement date June 30, 2021 would be if it were calculated using a discount rate that is 1% lower (5.90%) or 1% higher (7.90%) than the current rate:

1% Decrease (5.90%)	Current Rate (6.90%)	1% Increase (7.90%)
<u>\$ (363,351)</u>	<u>\$ (410,866)</u>	<u>\$ (451,456)</u>

Home Forward Health Benefit Retiree Program (HBRP) (Implicit Benefit Subsidy)

The Health Benefit Retiree Program is a postemployment single employee benefit plan that provides health insurance to eligible Home Forward retirees. As a condition of participation in PERS, Home Forward is required to offer healthcare insurance coverage to retirees and their spouses until the retired employee reaches the age for obtaining Medicare coverage. Under this requirement, the employer is required to provide access to the same plan(s) available for current employees. Though Home Forward does not pay any portion of the retiree's healthcare insurance, the retired employee receives an implicit benefit of a lower healthcare premium which is subsidized among the premium cost of coverage for active employees.

As Home Forward pays none of the premiums of health insurance coverage for retirees from age 58 to 65, Home Forward has not established and does not intend to establish a trust fund to supplement the costs for other postemployment benefit obligation related to this implicit benefit. Home Forward's regular health care benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in lieu of payment to secure coverage under independent plans. At December 31, 2020 there were nine retirees and/or surviving spouses receiving the postemployment implicit healthcare benefits.

Effective March 31, 2018, Home Forward adopted GASB Statement No. 75 where Home Forward recognizes a liability as the employees earn benefits by providing services. Changes to the OPEB liability are recognized immediately as OPEB expenses or deferred outflows/inflows of resources.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of the year ended December 31, 2021, Home Forward reported a total OPEB liability of \$986,737 for its implicit benefit subsidy based on a measurement date of December 31, 2021.

The following table shows the changes in the total OPEB liability for the year ended December 31, 2021:

	Total OPEB Liability
Balance - Beginning of Year	\$ 932,648
Benefit Payments	(48,271)
Service Cost	83,100
Interest on Total OPEB Liability	19,259
Change in Assumptions	-
Experience (Gain) Loss	-
Balance - End of Year	<u>\$ 986,736</u>

For the year ended December 31, 2021, Home Forward recognized OPEB revenue of \$25,241 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 99,642	\$ 181,791
Changes of Assumptions or Other Inputs	-	391,189
Total	<u>\$ 99,642</u>	<u>\$ 572,980</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in Home Forward's OPEB expenses as follows:

<u>Year Ending December 31,</u>	Deferred Inflows of Resources - OPEB HBRP
2022	\$ (78,697)
2023	(78,697)
2024	(78,697)
2025	(78,697)
2026	(78,090)
2027-2028	(80,460)
Total	<u>\$ (473,338)</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions for Implicit Benefit Subsidy

Certain actuarial assumptions for the Implicit Benefit subsidy calculation are from the actuarial report as of December 31, 2021. Rates of mortality, retirement, and withdrawal are the same rates that were used in the December 31, 2020 actuarial valuation of the Oregon Public Employees Retirement System and are updated after each new PERS actuarial valuation is completed. For the other demographic assumptions such as entrance and persistence, the experience study was completed in December 2020.

Valuation Date:	December 31, 2020
Measurement Date:	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market value of assets
Interest Discount Rate:	2.12% per year
Kaiser Medical Cost Annual Trend Rate:	5% in all future years.
Providence Medical Cost Annual Trend Rate:	7% initial increase, reducing to 5% over 4 years.
Dental Cost Annual Trend Rate:	3% in all future years.
Mortality Rates:	Rates of mortality for active male employees are 75% of the male generational rates and rate of mortality for active female employees are 60% of the female generational rates.
Inflation Rate:	2.5% in all future years.
Salary Scale:	3.5% in all future years.

Long-Term Expected Rate of Return

The 2.12% discount rate assumption is the December 31, 2021 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. This discount rate represents the long-term investment yield on Home Forward's assets.

Sensitivity of Total OPEB Liability to Changes in the Discount Rates

The following presents what Home Forward's total OPEB liability at December 31, 2021 would be if it were calculated using a discount rate that is 1% lower (1.12%) or 1% higher (3.12%) than the current rate:

1% Decrease (1.12%)	Current Rate (2.12%)	1% Increase (3.12%)
<u>\$ 1,070,878</u>	<u>\$ 986,736</u>	<u>\$ 907,883</u>

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents what Home Forward's total OPEB liability at December 31, 2021 would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current health care cost trend rates.

1% Decrease	Current Rate	1% Increase
\$ 861,555	\$ 986,736	\$ 1,136,479

NOTE 17 DEFERRED COMPENSATION PLAN

Home Forward offers employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Home Forward's employees, permits them to defer a portion of their salary to future years. Annual deferrals are limited to the lesser of \$19,500 or 100% of includable compensation. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. This plan is administered by a third party and is not included in Home Forward's basic financial statements.

NOTE 18 BLENDED COMPONENT UNITS

The condensed statements of net position of the blended component units are as follows as of December 31, 2021:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP
Assets					
Current Assets	\$ 8,420,110	\$ 1,880,985	\$ 9,561	\$ 1,276,165	\$ 610,877
Noncurrent Assets	37,641,872	-	-	-	-
Capital Assets	-	-	-	6,881,482	3,965,752
Total Assets	\$ 46,061,982	\$ 1,880,985	\$ 9,561	\$ 8,157,647	\$ 4,576,629
Liabilities					
Current Liabilities	\$ 754,230	\$ 1,750	\$ -	\$ 233,284	\$ 492,805
Noncurrent Liabilities	-	-	-	8,661,715	4,193,170
Total Liabilities	754,230	1,750	-	8,894,999	4,685,975
Net Position					
Restricted	-	189,990	-	581,351	-
Unrestricted	45,307,752	1,689,245	9,561	(1,318,703)	(109,346)
Total Net Position	45,307,752	1,879,235	9,561	(737,352)	(109,346)
Total Liabilities and Net Position	\$ 46,061,982	\$ 1,880,985	\$ 9,561	\$ 8,157,647	\$ 4,576,629

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

The condensed statements of revenues, expenses, and changes in net position of the blended component units are as follows for the year ended December 31, 2021:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP
Operating Revenues					
Dwelling Rental	\$ -	\$ -	\$ -	\$ 838,336	\$ 1,660,092
Nondwelling Rental	-	-	-	142,223	5,467
State, Local, and Other Grants	-	-	83,000	-	-
Other	-	1,377,258	11,449	28,469	13,847
Total Operating Revenues	-	1,377,258	94,449	1,009,028	1,679,406
Operating Expenses					
Administration	574,060	279,893	17,623	294,763	248,500
Tenant Services	-	-	83,000	70	19,260
Program Expense	-	-	-	-	19,649
Utilities	-	-	-	156,732	372,857
Maintenance	-	218,023	-	210,346	415,434
Depreciation	-	-	-	187,818	334,630
General and Other	5,305	300	270	131,636	194,284
Total Operating Expenses	579,365	498,216	100,893	981,365	1,604,614
Operating Income (Loss)	(579,365)	879,042	(6,444)	27,663	74,792
Nonoperating Revenues (Expenses)					
Investment Income	1,005,830	187	28	635	530
Interest Expense	-	-	-	(127,852)	(225,214)
Other Nonoperating Expenses	-	-	-	-	(2,395)
Total Nonoperating Revenues (Expenses)	1,005,830	187	28	(127,217)	(227,079)
Income/Loss before Capital Contributions	426,465	879,229	(6,416)	(99,554)	(152,287)
Capital Contributions					
Other Nonoperating Contributions	-	-	-	(32,109)	-
Increase (Decrease) in Net Position	426,465	879,229	(6,416)	(131,663)	(152,287)
Net Position - Beginning of Year	44,881,287	1,000,006	15,977	(605,689)	42,941
Net Position - End of Year	<u>\$ 45,307,752</u>	<u>\$ 1,879,235</u>	<u>\$ 9,561</u>	<u>\$ (737,352)</u>	<u>\$ (109,346)</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

The condensed statements of cash flows of the blended component units are as follows:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP
Cash Flows from Operating Activities					
Receipts from State, Local, and Other Grants	\$ -	\$ -	\$ 83,000	\$ -	\$ -
Receipts from Tenants and Landlords	-	-	-	923,217	1,626,389
Receipts from Others	-	775,000	11,447	54,134	20,759
Payments to and on Behalf of Employees	(50,408)	-	-	(293,353)	(282,489)
Payments to Vendors, Contractors, and Others	192,540	(496,465)	(100,892)	(450,827)	(919,860)
Total Cash Provided (Used) by Operating Activities	142,132	278,535	(6,445)	233,171	444,799
Cash Flows from Capital and Related Financing Activities					
Financing Activities					
Interest Paid on Notes and Bonds Payable	-	-	-	(119,814)	(235,544)
Principal Payments on Notes Payable	-	-	-	(83,336)	(266,155)
Receipt of Cash Restricted for Deposits Payable	-	-	-	52	-
Acquisition and Construction of Capital Assets	-	-	-	(14,672)	(67,682)
Change in Investment in Partnership	-	1,000,000	-	(32,109)	-
Total Cash Provided (Used) by Capital and Related Financing Activities	-	1,000,000	-	(249,879)	(569,381)
Cash Flows from Investing Activities					
Decrease in Accrued Interest on Notes Payable	709,190	-	-	-	-
Collections on Notes Receivable	816,887	-	-	-	-
Change in Due from Partnerships	-	-	-	(362)	7,676
Investment Income Received	1,005,830	2,478	28	635	530
Total Cash Provided (Used) by Investing Activities	2,531,907	2,478	28	273	8,206
Net Increase (Decrease) in Cash and Cash Equivalents					
	2,674,039	1,281,013	(6,417)	(16,435)	(116,376)
Cash and Cash Equivalents - Beginning of Year	4,684,602	597,706	15,978	1,259,506	655,798
Cash and Cash Equivalents - End of Year	\$ 7,358,641	\$ 1,878,719	\$ 9,561	\$ 1,243,071	\$ 539,422

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION

Home Forward is the General Partner and holds a 0.01% to 1% interest in each of the following limited partnerships (see Note 2 and Note 7). Summarized partnership information as of and for the year ended December 31, 2021 is as follows:

	Central Group	North Group	East Group	Trouton	Woolsey	Civic Redevelopment	Humboldt Gardens	1115 SW 11th Avenue
ASSETS								
Cash and Cash Equivalents	\$ 1,056,169	\$ 5,293,485	\$ 7,648,102	\$ 824,581	\$ 941,396	\$ 60,732	\$ 80,476	\$ 305,577
Cash and Cash Equivalents - Restricted	1,779,090	1,342,361	3,007,672	1,223,652	901,975	3,186,861	1,379,279	1,180,352
Accounts Receivables	1,186,412	49,182	55,691	58,847	32,158	36,784	42,242	15,198
Other Assets	5,870,934	725,847	4,258,645	388,958	69,224	474,390	148,545	27,628
Capital Assets, Net	53,704,537	84,556,996	66,134,807	18,909,793	8,109,761	9,975,036	17,444,272	10,345,411
Total Assets	<u>\$ 63,597,142</u>	<u>\$ 91,967,871</u>	<u>\$ 81,104,917</u>	<u>\$ 21,405,831</u>	<u>\$ 10,054,514</u>	<u>\$ 13,733,803</u>	<u>\$ 19,094,814</u>	<u>\$ 11,874,166</u>
LIABILITIES AND NET POSITION								
LIABILITIES								
Current Liabilities	\$ 12,403,723	\$ 7,932,665	\$ 10,324,858	\$ 586,436	\$ 297,321	\$ 949,192	\$ 259,821	\$ 106,579
Long-Term Liabilities	48,958,231	66,225,280	49,286,497	31,072,640	4,961,944	15,139,339	21,393,237	10,892,217
NET POSITION								
Net Investment in Capital Assets	6,716,467	20,967,742	19,684,947	(11,226,879)	3,517,420	294,942	(2,214,064)	(537,530)
Funds Held in Trust	-	1,297,404	1,697,097	1,142,902	856,249	858,403	1,354,161	1,170,252
Unrestricted (Deficit)	(4,481,279)	(4,455,220)	111,518	(169,268)	421,580	(3,508,073)	(1,698,341)	242,648
Total Liabilities and Net Position	<u>\$ 63,597,142</u>	<u>\$ 91,967,871</u>	<u>\$ 81,104,917</u>	<u>\$ 21,405,831</u>	<u>\$ 10,054,514</u>	<u>\$ 13,733,803</u>	<u>\$ 19,094,814</u>	<u>\$ 11,874,166</u>
Operating Revenues	\$ 1,691,151	\$ 4,297,918	\$ 3,712,587	\$ 3,380,831	\$ 1,460,973	\$ 1,788,855	\$ 1,352,857	\$ 1,136,142
Operating Expenses	(2,367,671)	(6,321,346)	(5,449,435)	(4,460,456)	(2,351,200)	(1,864,881)	(2,461,485)	(1,392,174)
Operating Income (Loss)	<u>(676,520)</u>	<u>(2,023,428)</u>	<u>(1,736,848)</u>	<u>(1,079,625)</u>	<u>(890,227)</u>	<u>(76,026)</u>	<u>(1,108,628)</u>	<u>(256,032)</u>
Nonoperating Revenues	-	11,996	151	6,134	695	794	4,616	5,024
Nonoperating Expenses	(109,207)	(1,900,602)	(1,190,522)	(388,460)	(182,128)	(537,788)	(235,398)	(11,052)
Loss Before Capital Contributions	<u>(785,727)</u>	<u>(3,912,034)</u>	<u>(2,927,219)</u>	<u>(1,461,951)</u>	<u>(1,071,660)</u>	<u>(613,020)</u>	<u>(1,339,410)</u>	<u>(262,060)</u>
Capital Contributions	3,020,915	26,826,032	24,748,657	-	-	25,998	-	-
Change in Net Position	<u>2,235,188</u>	<u>22,913,998</u>	<u>21,821,438</u>	<u>(1,461,951)</u>	<u>(1,071,660)</u>	<u>(587,022)</u>	<u>(1,339,410)</u>	<u>(262,060)</u>
Beginning Net Position	-	(5,104,072)	(327,876)	(8,791,294)	5,866,909	(1,767,706)	(1,218,834)	1,137,430
Ending Net Position	<u>\$ 2,235,188</u>	<u>\$ 17,809,926</u>	<u>\$ 21,493,562</u>	<u>\$ (10,253,245)</u>	<u>\$ 4,795,249</u>	<u>\$ (2,354,728)</u>	<u>\$ (2,558,244)</u>	<u>\$ 875,370</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

	RAC Housing	Stephens Creek Crossing South	Stephens Creek Crossing North	Beech Street	West	Woods East	Haven
ASSETS							
Cash and Cash Equivalents	\$ 122,529	\$ 294,267	\$ 392,641	\$ 188,601	\$ 2,384,015	\$ 1,152,652	\$ 41,705
Cash and Cash Equivalents - Restricted	1,575,205	537,640	844,766	229,934	1,629,018	2,229,231	367,496
Accounts Receivables	103,669	32,440	56,446	6,172	68,053	81,095	6,800
Other Assets	27,309	51,177	185,664	55,551	1,134,739	1,404,959	32,204
Capital Assets, Net	20,909,586	8,696,826	15,999,311	6,840,768	42,237,717	48,009,956	2,705,292
Total Assets	<u>\$ 22,738,298</u>	<u>\$ 9,612,350</u>	<u>\$ 17,478,828</u>	<u>\$ 7,321,026</u>	<u>\$ 47,453,542</u>	<u>\$ 52,877,893</u>	<u>\$ 3,153,497</u>
LIABILITIES AND NET POSITION							
LIABILITIES							
Current Liabilities	\$ 847,768	\$ 127,920	\$ 243,709	\$ 72,722	\$ 401,140	\$ 299,183	\$ 137,193
Long-Term Liabilities	1,252,968	4,224,740	16,556,909	1,189,792	34,151,184	40,934,128	3,333,492
NET POSITION							
Net Investment in Capital Assets	19,656,619	4,452,408	(615,168)	5,659,637	8,995,223	6,901,651	202,857
Funds Held in Trust	1,575,205	529,065	825,449	222,734	1,601,770	2,193,215	351,521
Unrestricted (Deficit)	(594,262)	278,217	467,929	176,141	2,304,225	2,549,716	(871,566)
Total Liabilities and Net Position	<u>\$ 22,738,298</u>	<u>\$ 9,612,350</u>	<u>\$ 17,478,828</u>	<u>\$ 7,321,026</u>	<u>\$ 47,453,542</u>	<u>\$ 52,877,893</u>	<u>\$ 3,153,497</u>
Operating Revenues	\$ 4,252,393	\$ 758,945	\$ 1,188,687	\$ 511,498	\$ 3,487,518	\$ 4,507,049	\$ 524,431
Operating Expenses	(3,435,838)	(1,042,693)	(1,817,483)	(887,081)	(4,111,779)	(5,239,056)	(673,441)
Operating Income (Loss)	<u>816,555</u>	<u>(283,748)</u>	<u>(628,796)</u>	<u>(375,583)</u>	<u>(624,261)</u>	<u>(732,007)</u>	<u>(149,010)</u>
Nonoperating Revenues	-	1,426	2,339	606	15,163	19,869	33
Nonoperating Expenses	(31,187)	(93,627)	(125,850)	(3,786)	(969,348)	(1,183,874)	(101,694)
Loss Before Capital Contributions	<u>785,368</u>	<u>(375,949)</u>	<u>(752,307)</u>	<u>(378,763)</u>	<u>(1,578,446)</u>	<u>(1,896,012)</u>	<u>(250,671)</u>
Capital Contributions	-	-	-	-	-	-	-
Change in Net Position	<u>785,368</u>	<u>(375,949)</u>	<u>(752,307)</u>	<u>(378,763)</u>	<u>(1,578,446)</u>	<u>(1,896,012)</u>	<u>(250,671)</u>
Beginning Net Position	19,852,194	5,635,639	1,430,517	6,437,275	14,479,664	13,540,594	(66,517)
Ending Net Position	<u>\$ 20,637,562</u>	<u>\$ 5,259,690</u>	<u>\$ 678,210</u>	<u>\$ 6,058,512</u>	<u>\$ 12,901,218</u>	<u>\$ 11,644,582</u>	<u>\$ (317,188)</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

	Cecelia	The Jeffrey Apartments	Square Manor	Lloyd Housing	FP2	3000 Pow ell	Baldw in	Total
ASSETS								
Cash and Cash Equivalents	\$ 106,725	\$ 109,378	\$ 287,588	\$ 667,705	\$ 71,475	\$ 7,176	\$ 173,960	\$ 22,210,935
Cash and Cash Equivalents - Restricted	830,237	855,622	700,953	1,824,921	360,856	-	-	25,987,121
Accounts Receivables	38,650	13,207	99,375	192,500	-	-	-	2,174,921
Other Assets	126,020	10,223	231,948	550,016	480,480	5,170,886	2,478,741	23,904,088
Capital Assets, Net	7,883,226	8,820,532	14,788,329	60,075,794	25,055,376	8,899,092	3,782,111	543,884,529
Total Assets	<u>\$ 8,984,858</u>	<u>\$ 9,808,962</u>	<u>\$ 16,108,193</u>	<u>\$ 63,310,936</u>	<u>\$ 25,968,187</u>	<u>\$ 14,077,154</u>	<u>\$ 6,434,812</u>	<u>\$ 618,161,594</u>
LIABILITIES AND NET POSITION								
LIABILITIES								
Current Liabilities	\$ 406,633	\$ 125,496	\$ 1,048,910	\$ 3,211,359	\$ 5,507,113	\$ 2,585,742	\$ 1,295,174	\$ 49,170,657
Long-Term Liabilities	13,842,640	8,651,330	11,525,593	32,014,170	19,391,007	7,868,181	4,305,047	447,170,566
NET POSITION								
Net Investment in Capital Assets	(5,374,686)	169,202	3,864,526	27,943,517	5,805,741	1,030,911	(517,591)	115,377,892
Funds Held in Trust	778,488	832,407	664,166	1,788,289	360,839	-	-	20,099,616
Unrestricted (Deficit)	(668,217)	30,527	(995,002)	(1,646,399)	(5,096,513)	2,592,320	1,352,182	(13,657,137)
Total Liabilities and Net Position	<u>\$ 8,984,858</u>	<u>\$ 9,808,962</u>	<u>\$ 16,108,193</u>	<u>\$ 63,310,936</u>	<u>\$ 25,968,187</u>	<u>\$ 14,077,154</u>	<u>\$ 6,434,812</u>	<u>\$ 618,161,594</u>
Operating Revenues	\$ 1,603,396	\$ 878,040	\$ 968,703	\$ 2,745,442	\$ -	\$ -	\$ -	\$ 40,247,416
Operating Expenses	(2,236,690)	(1,441,453)	(1,423,860)	(3,288,562)	(304,283)	-	(129,518)	(52,700,385)
Operating Income (Loss)	<u>(633,294)</u>	<u>(563,413)</u>	<u>(455,157)</u>	<u>(543,120)</u>	<u>(304,283)</u>	<u>-</u>	<u>(129,518)</u>	<u>(12,452,969)</u>
Nonoperating Revenues	3,127	1,294	135	720	-	-	-	74,122
Nonoperating Expenses	(215,620)	-	(319,885)	(731,879)	-	-	-	(8,331,907)
Loss Before Capital Contributions	<u>(845,787)</u>	<u>(562,119)</u>	<u>(774,907)</u>	<u>(1,274,279)</u>	<u>(304,283)</u>	<u>-</u>	<u>(129,518)</u>	<u>(20,710,754)</u>
Capital Contributions	-	-	-	25,478,163	-	3,623,231	964,109	84,687,105
Change in Net Position	<u>(845,787)</u>	<u>(562,119)</u>	<u>(774,907)</u>	<u>24,203,884</u>	<u>(304,283)</u>	<u>3,623,231</u>	<u>834,591</u>	<u>63,976,351</u>
Beginning Net Position, As Restated	(4,418,628)	1,594,255	4,308,597	3,881,523	1,374,350	-	-	57,844,020
Ending Net Position	<u>\$ (5,264,415)</u>	<u>\$ 1,032,136</u>	<u>\$ 3,533,690</u>	<u>\$ 28,085,407</u>	<u>\$ 1,070,067</u>	<u>\$ 3,623,231</u>	<u>\$ 834,591</u>	<u>\$ 121,820,371</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

Summarized Capital Assets – Discretely Presented Component Units

Land, structures, and equipment activity of the discretely presented component units was as follows for the year ended December 31, 2021:

	Balance 12/31/20	Additions and Transfers In	Disposals and Transfers Out	Balance 12/31/2021
Land	\$ 11,329,876	\$ 5,050,000	\$ -	\$ 16,379,876
Construction in Progress	11,150,763	53,178,965	(4,774,773)	59,554,955
Total Capital Assets not Being Depreciated	22,480,639	58,228,965	(4,774,773)	75,934,831
Buildings and Improvements	573,121,061	14,604,560	(74,446)	587,651,175
Capital Lease	29,370,000	10,890,000	-	40,260,000
Equipment	20,489,824	127,143	(15,292)	20,601,675
Total	622,980,885	25,621,703	(89,738)	648,512,850
Less: Accumulated Depreciation	(159,332,054)	(21,252,279)	21,181	(180,563,152)
Total Capital Assets Being Depreciated	463,648,831	4,369,424	(68,557)	467,949,698
Total Capital Assets, Net	<u>\$ 486,129,470</u>	<u>\$ 62,598,389</u>	<u>\$ (4,843,330)</u>	<u>\$ 543,884,529</u>

Summarized Notes Payable – Discretely Presented Component Units

Notes payable of the discretely presented component units consist of the following:

	December 31, 2021
Notes Payable - General Partner	\$ 196,260,000
Mortgages and Other Housing Related Notes	237,542,719
Total	433,802,719
Less Current Portion	(2,118,698)
Noncurrent Portion	<u>\$ 431,684,021</u>

A summary of activity of the discretely presented component units' notes payable is as follows:

Balance January 1, 2021	Increase	Decrease	Balance December 31, 2021
<u>\$ 430,016,860</u>	<u>\$ 96,149,575</u>	<u>\$ (92,363,716)</u>	<u>\$ 433,802,719</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 20 COMMITMENTS AND CONTINGENCIES

Leases

At December 31, 2021, Home Forward has approximately 10,380 dwelling units under lease to Section 8 landlords. The terms of these leases extend up to one year. Housing assistance payments under these leases, including FSS program contributions, for the year ended December 31, 2021 was approximately \$112,777,223.

Construction Commitments

As of December 31, 2021, Home Forward had construction commitments of approximately \$94,741,017.

Contingent Liabilities

Home Forward has entered into long-term use agreements with the city of Portland, Multnomah County, and the state of Oregon in exchange for development funds for group homes and other projects. These agreements expire between 2019 and 2065. Repayment of an amortized portion of these funds is required if Home Forward does not use the properties according to their intended purposes. Home Forward has not and does not intend to violate those agreements. The exposure, if recorded, would be approximately \$3,169,457.

General Partner Operating Deficit Guarantees

In relation to the performance of the tax credit partnerships for which Home Forward is the general partner, Home Forward has agreed to provide certain levels of funding in the event of partnership operating deficits that exceed operating reserves. The maximum amount required to fund excess operating deficits ranges from zero to the total amount of the excess operating deficit for a single partnership. As of December 31, 2021, no additional liability existed relating to excess operating deficits for any of the partnerships.

NOTE 21 RISK MANAGEMENT

Home Forward operates in an industry subject to various risks of loss related to torts, theft, damage, destruction, errors and omissions, injuries to employees or participants, and natural disasters.

Home Forward contracts with Marsh & McLennan Companies (Marsh) for broker services. Annually, Marsh markets the agency's insurance coverage needs to a wide variety of insurance markets. From this effort, Marsh's comprehensive insurance program provides appropriate levels of insurance coverage for property, boiler and machinery equipment, casualty/general liability, automotive, umbrella, financial and professional lines, crime, and cyber/special risks.

Marsh's comprehensive insurance provides coverage for 2,504 affordable units, 1 New Market West property, 463 public housing units, 227 special needs units, 1 parcel of land being held for future development, and 50 vehicles. It also includes actions by Home Forward employees, directors, officers and departments. This does not include the 497 units Home Forward's Asset Management manages as part of our inter-governmental agreement with the city of Portland.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 21 RISK MANAGEMENT (CONTINUED)

Marsh coverage as of December 31, 2021, includes:

Liabilities	Deductible	Coverage
Property/Earthquake/Flood/Business Interruption	\$ 100,000	\$ 100,000,000
Boiler/Machinery/Equipment	5,000	100,000,000
General Liability	250,000	2,000,000
Automobile	250,000	2,000,000
Professional Liability	250,000	2,000,000
Umbrella Liability	-	10,000,000
Public Officials Liability	100,000	2,000,000
Fidelity and Crime	25,000	1,000,000

Home Forward contracts with SAIF Corporation to provide workers' compensation and employer liability coverage of \$1,000,000 per incident with no deductible.

Settlements have not exceeded coverage during the last three years. Home Forward has one liability claim as of December 31, 2021.

For several years, Home Forward experienced significant increases in its insurance costs. In order to address these increases, Home Forward created a Home Forward controlled pure captive insurance company.

In August 2020, the Board of Commissioners approved Resolution 20-08-02 authorizing Home Forward to establish a pure captive insurance company. On December 24, 2020, the HF Insurance Group LLC (HFIG) was formed. The Captive is a Class 2 limited liability company managed by Home Forward as the sole member and will insure the risks of Home Forward and its affiliates.

This captive will allow Home Forward to provide insurance coverage to itself and its related entities, reduce its exposure in the retail insurance market, and gain access to reinsurance markets. It will also allow Home Forward to build insurance reserves to support its ability to retain more risk. The captive was initially structured to provide only property related coverage but on January 1, 2022 also began to provide general liability, auto liability, and Errors & Omissions insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST EIGHT FISCAL YEARS***

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Measurement Date	(a) Home Forward's Proportion of the Net Pension Liability (Asset)	(b) Home Forward's Proportionate Share of the Net Pension Liability (Asset)	(c) Home Forward's Covered Payroll	(b/c) Home Forward's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2021	0.15246390 %	\$ 18,244,562	\$ 23,403,663	77.96 %	87.60 %
December 31, 2020	0.14600007	31,862,281	22,943,155	138.87	75.80
December 31, 2019	0.14322567	24,774,611	18,423,720	134.47	80.20
December 31, 2018**	0.14164116	21,456,770	17,367,082	123.55	82.10
March 31, 2018	0.15329650	20,664,424	17,227,380	119.95	83.10
March 31, 2017	0.15888919	23,852,957	17,299,181	137.88	80.50
March 31, 2016	0.15526214	8,914,316	17,560,069	50.76	91.90
March 31, 2015	0.16124152	(3,654,885)	16,954,319	(21.56)	103.60

SCHEDULE OF PENSION CONTRIBUTIONS

Year Ended	(a) Statutorily Required Contribution	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) Home Forward's Covered Payroll	(b/c) Contributions as a Percent of Covered Payroll
December 31, 2021	\$ 3,387,161	\$ 3,387,161	-	\$ 23,403,663	14.47 %
December 31, 2020	2,758,006	2,758,006	-	22,943,155	12.02
December 31, 2019	2,044,769	2,044,769	-	18,423,720	11.10
December 31, 2018**	1,846,617	1,846,617	-	17,367,082	10.63
March 31, 2018	1,755,769	1,755,769	-	17,227,380	10.19
March 31, 2017	1,476,588	1,476,588	-	17,299,181	8.54
March 31, 2016	1,465,817	1,465,817	-	17,560,069	8.35
March 31, 2015	1,565,938	1,565,938	-	16,954,319	9.24

Since the December 31, 2013 actuarial valuation, the system-wide actuarial accrued liability has increased primarily due to the Moro decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon State Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reduction the 2013 Oregon legislature made to future system Cost of Living Adjustments (COLA) through Senate Bill 822 and 861. The reversal increased the benefits projected to be paid by employers compared to those developed in the prior actuarial valuation, and consequently increased plan liabilities. The employers' projected long-term contribution effort has been adjusted for the estimated impact of the Moro Decision. In accordance with statute, a biennial review of actuarial methods and assumptions was completed in 2017 to be used for the December 31, 2016 actuarial valuation, which explains the significant increase in Home Forward's proportionate share of the net pension liability for the fiscal year ended March 31, 2017.

*Fiscal year ended March 31, 2015 was the first year of implementation of GASB Statement No. 68, therefore, only eight years of information is shown.

**This line represents the nine-month period ended December 31, 2018, as Home Forward changed its fiscal year-end to December 31 effective April 1, 2018.

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST FIVE FISCAL YEARS***

OTHER POST EMPLOYMENT BENEFITS

Retirement Health Insurance Account (RHIA)

Schedule of Changes in Net OPEB Asset and Related Ratios*

Date Measurement Date	Proportion of the Net OPEB Asset	Proportionate Share of the Net OPEB Asset	Covered Payroll	Percentage of Covered Payroll
June 30, 2021	0.08330245 %	\$ 410,866	\$ 23,403,663	1.76 %
June 30, 2020	0.08330245	169,736	22,943,155	0.74
June 30, 2019	0.14722967	284,501	18,423,720	1.54
June 30, 2018	0.13862370	154,742	17,367,082	0.89
June 30, 2017	0.14138662	59,006	17,227,380	0.34

Schedule of OPEB Contributions*

Year Ended	(a) Contractually Required Contribution**	(b) Contributions in Relation to the Contractually Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) Covered Payroll	(b/c) Percentage of Covered Payroll
December 31, 2020	\$ 67,196	\$ 67,196	-	\$ 23,403,663	0.29 %
December 31, 2020	61,211	61,211	-	22,943,155	0.27
December 31, 2019	73,049	73,049	-	18,423,720	0.40
December 31, 2018***	66,536	66,536	-	17,367,082	0.38
March 31, 2018	109,892	109,892	-	17,227,380	0.64

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of changes in net OPEB asset and related ratios and schedule of OPEB contributions are presented in accordance with GASB Statement No. 75's reporting requirement. Fiscal year ended March 31, 2018 was the first year of implementation of GASB Statement No. 75, therefore, only five years of information is shown.

**Based on the actuarial report.

***This line represents the nine-month period ended December 31, 2018, as Home Forward changed its fiscal year-end to December 31 effective April 1, 2018.

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST FIVE FISCAL YEARS***

OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Retiree Access to Home Forward Benefit Retiree Program (Implicit Benefit Subsidy)

Schedule of Changes in Total Liability and Related Ratios*

	December 31, 2021***	December 31, 2020***	December 31, 2019***	December 31, 2018***	March 31, 2018***
Beginning of Year - January 1	\$ 932,648	\$ 887,379	\$ 900,487	\$ 1,415,327	\$ 1,384,796
Benefit Payments	(48,271)	(60,911)	(98,600)	(66,832)	67,210
Service Cost	83,100	80,290	50,593	36,662	51,747
Interest on Total OPEB Liability	19,259	18,167	34,899	42,494	(58,362)
Change in Assumptions	-	119,179	-	(512,048)	(15,894)
Experience (Gain) Loss	-	(111,456)	-	(15,116)	(14,170)
Total Changes	<u>54,088</u>	<u>45,269</u>	<u>(13,108)</u>	<u>(514,840)</u>	<u>30,531</u>
End of Year - December 31	<u>\$ 986,736</u>	<u>\$ 932,648</u>	<u>\$ 887,379</u>	<u>\$ 900,487</u>	<u>\$ 1,415,327</u>
Covered Payroll**	\$ 23,403,663	\$ 22,943,155	\$ 17,030,216	\$ 16,454,315	\$ 15,368,318
Total Liability as a Percentage of its Covered Payroll	4.22%	4.07%	5.21%	5.47%	9.21%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of changes in OPEB liability and related ratios is presented in accordance with GASB Statement No. 75's reporting requirement. Fiscal year ended March 31, 2018 was the first year of implementation of GASB Statement No. 75, therefore, only five years of information is shown. Fiscal year ended December 31, 2018 information only included nine months from April 1, 2018 to December 31, 2018.

**Based on the actuarial report.

***The table above is as of the measurement date of the actuarial report. As such, the information is presented one year prior to the fiscal year ending shown.

OTHER SUPPLEMENTARY INFORMATION

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING
DECEMBER 31, 2021

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	St. Francis
ASSETS AND DEFERRED OUTFLOWS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 2,180,503	\$ 533,441	\$ 1,168,011	\$ 1,713,397	\$ 118,749	\$ 32,476	\$ 118,606	\$ 384,593	\$ 571,777	\$ 370,904
Cash and Cash Equivalents - Restricted	16,872	183,028	9,963	15,793	170,667	756,998	507,495	1,794,504	1,095,340	875,830
Accounts Receivable, Net	2,825,768	23,122	1,392,034	1,472,147	1,403	22,270	11,197	82,333	12,240	13,204
Prepaid Expenses	-	-	628	312	279	19,023	5,777	8,669	3,760	16,227
Total Current Assets	<u>5,023,143</u>	<u>739,591</u>	<u>2,570,636</u>	<u>3,201,649</u>	<u>291,098</u>	<u>830,767</u>	<u>643,075</u>	<u>2,270,099</u>	<u>1,683,117</u>	<u>1,276,165</u>
NONCURRENT ASSETS										
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-
Capital Assets not being Depreciated	157,489	579,600	206,657	76,467	292,240	432,880	138,456	1,012,178	624,827	1,016,855
Capital Assets being Depreciated, Net	359,822	2,021,344	750,775	490,044	1,579,711	1,653,615	296,229	1,353,957	1,839,984	5,864,627
Total Noncurrent Assets	<u>517,311</u>	<u>2,600,944</u>	<u>957,432</u>	<u>566,511</u>	<u>1,871,951</u>	<u>2,086,495</u>	<u>434,685</u>	<u>2,366,135</u>	<u>2,464,811</u>	<u>6,881,482</u>
Total Assets	<u>\$ 5,540,454</u>	<u>\$ 3,340,535</u>	<u>\$ 3,528,068</u>	<u>\$ 3,768,160</u>	<u>\$ 2,163,049</u>	<u>\$ 2,917,262</u>	<u>\$ 1,077,760</u>	<u>\$ 4,636,234</u>	<u>\$ 4,147,928</u>	<u>\$ 8,157,647</u>
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts Payable	\$ 10,192	\$ 40,516	\$ 16,939	\$ 10,847	\$ 88,006	\$ 246,105	\$ 212,594	\$ 111,899	\$ 19,884	\$ 8,097
Accrued Interest Payable	-	4,963	-	-	3,243	1,682,114	13,288	385,965	1,622,758	78,925
Other Accrued Liabilities	25,875	57	16,293	17,250	-	8,209	-	1,433	-	-
Deferred Revenue	11,141	4,442	12,194	10,286	12,726	17,350	20,496	45,045	42,454	39,172
Deposits, Payable from Restricted Assets	17,160	7,116	9,963	15,793	13,769	27,434	24,435	86,325	68,546	33,981
Current Portion of Notes and Bonds Payable	-	58,890	-	-	63,024	10,693	424,459	437,901	95,000	73,109
Total Current Liabilities	<u>64,368</u>	<u>115,984</u>	<u>55,389</u>	<u>54,176</u>	<u>180,768</u>	<u>1,991,905</u>	<u>700,272</u>	<u>1,068,568</u>	<u>1,848,642</u>	<u>233,284</u>
NONCURRENT LIABILITIES										
Notes Payable	-	1,026,476	-	-	2,167,162	2,103,627	-	355,926	2,664,000	8,661,715
Bonds Payable	-	-	-	-	-	-	642,868	2,080,000	3,370,000	-
Total Noncurrent Liabilities	<u>-</u>	<u>1,026,476</u>	<u>-</u>	<u>-</u>	<u>2,167,162</u>	<u>2,103,627</u>	<u>642,868</u>	<u>2,435,926</u>	<u>6,034,000</u>	<u>8,661,715</u>
Total Liabilities	<u>64,368</u>	<u>1,142,460</u>	<u>55,389</u>	<u>54,176</u>	<u>2,347,930</u>	<u>4,095,532</u>	<u>1,343,140</u>	<u>3,504,494</u>	<u>7,882,642</u>	<u>8,894,999</u>
NET POSITION	<u>5,476,086</u>	<u>2,198,075</u>	<u>3,472,679</u>	<u>3,713,984</u>	<u>(184,881)</u>	<u>(1,178,270)</u>	<u>(265,380)</u>	<u>1,131,740</u>	<u>(3,734,714)</u>	<u>(737,352)</u>
Total Liabilities and Net Position	<u>\$ 5,540,454</u>	<u>\$ 3,340,535</u>	<u>\$ 3,528,068</u>	<u>\$ 3,768,160</u>	<u>\$ 2,163,049</u>	<u>\$ 2,917,262</u>	<u>\$ 1,077,760</u>	<u>\$ 4,636,234</u>	<u>\$ 4,147,928</u>	<u>\$ 8,157,647</u>

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2021

	Ainsworth Court	Fairviews	Rockwood Station	Willow Tree	The Alexis	Ash Creek	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial
ASSETS AND DEFERRED OUTFLOWS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 333,632	\$ 5,730,223	\$ 3,278,732	\$ 34,660	\$ -	\$ -	\$ 161,661	\$ 10,326	\$ 286,510	\$ 25,903
Cash and Cash Equivalents - Restricted	715,678	2,113,232	1,216,046	219,102	230,390	161,493	89,969	282,922	131,355	-
Accounts Receivable, Net	390,108	90,942	85,092	9,652	231,499	132,025	7,592	20,395	5,767	2,219
Prepaid Expenses	1913	-	-	921	54,783	9,044	95	3,518	1,065	939
Total Current Assets	1441331	7,934,397	4,579,870	264,335	516,672	302,562	259,317	317,161	424,697	29,061
NONCURRENT ASSETS										
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-
Capital Assets not being Depreciated	115,635	943,432	702,000	162,767	465,000	363,581	275,924	285,850	618,598	-
Capital Assets being Depreciated, Net	1011,493	10,528,934	3,483,907	852,288	6,823,306	873,961	1,007,459	1,611,245	319,633	18,562
Total Noncurrent Assets	2,127,128	11,472,366	4,185,907	1,015,055	7,288,306	1,237,542	1,283,383	1,897,095	938,231	18,562
Total Assets	\$ 3,568,459	\$ 19,406,763	\$ 8,765,777	\$ 1,279,390	\$ 7,804,978	\$ 1,540,104	\$ 1,542,700	\$ 2,214,256	\$ 1,362,928	\$ 47,623
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts Payable	\$ 17,909	\$ 1,801,382	\$ 1,000,577	\$ 12,311	\$ 373,472	\$ 75,664	\$ 544,902	\$ 16,546	\$ 152,388	\$ 63,774
Accrued Interest Payable	7,564	26,000	10,835	1,804	12,110	4,934	404	1,971,473	814	-
Other Accrued Liabilities	-	-	-	870	-	-	-	-	-	-
Deferred Revenue	19,418	130,710	68,852	8	116,094	7,910	3,166	28,945	4,882	-
Deposits, Payable from Restricted Assets	44,302	202,014	118,541	5,020	19,154	9,654	9,539	42,205	5,400	-
Current Portion of Notes and Bonds Payable	106,712	273,241	129,987	25,241	94,758	92,372	36,328	-	28,166	-
Total Current Liabilities	195,905	2,433,347	1,328,792	45,254	615,588	190,534	594,339	2,059,169	1,016,501	63,774
NONCURRENT LIABILITIES										
Notes Payable	2,783,735	9,956,091	4,069,007	610,134	4,963,997	1,362,034	792,472	1,960,936	525,740	-
Bonds Payable	-	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	2,783,735	9,956,091	4,069,007	610,134	4,963,997	1,362,034	792,472	1,960,936	525,740	-
Total Liabilities	2,979,640	12,389,438	5,397,799	655,388	5,579,585	1,552,568	1,386,811	4,020,105	717,390	63,774
NET POSITION	588,819	7,017,325	3,367,978	624,002	2,225,393	(12,464)	155,889	(1,805,849)	645,538	(16,151)
Total Liabilities and Net Position	\$ 3,568,459	\$ 19,406,763	\$ 8,765,777	\$ 1,279,390	\$ 7,804,978	\$ 1,540,104	\$ 1,542,700	\$ 2,214,256	\$ 1,362,928	\$ 47,623

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2021

	Commercial Space at Lloyd Housing	Yards at Union Station	Rockwood Landing	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Fountain Place	Totals
ASSETS AND DEFERRED OUTFLOWS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 142	\$ 284,863	\$ 109,567	\$ 214,697	\$ 30,149	\$ 126,214	\$ 44,992	\$ -	\$ -	\$ 18,261,728
Cash and Cash Equivalents - Restricted	-	979,843	133,141	1,314,113	133,943	76,934	1,771,589	-	-	15,046,240
Accounts Receivable, Net	176	29,013	5,041	5,987	10,338	1,876	49,499	-	-	6,932,939
Prepaid Expenses	-	12,444	1,069	16,868	2,473	-	24,490	-	-	184,297
Total Current Assets	318	1,306,163	248,687	1,551,665	226,903	205,024	2,287,570	-	-	40,425,204
NONCURRENT ASSETS										
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	3,610	-	-	-	-	-	-	-	3,610
Capital Assets not being Depreciated	-	671,000	225,000	406,124	448,845	90,000	1,997,915	-	-	13,309,320
Capital Assets being Depreciated, Net	1,685,209	1,653,699	1,047,404	3,399,794	1,823,630	792,427	7,965,606	-	-	61,108,665
Total Noncurrent Assets	1,685,209	2,328,309	1,272,404	3,805,918	2,272,475	882,427	9,963,521	-	-	74,421,595
Total Assets	\$ 1,685,527	\$ 3,634,472	\$ 1,521,222	\$ 5,357,583	\$ 2,499,378	\$ 1,087,451	\$ 12,251,091	\$ -	\$ -	\$ 114,846,799
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts Payable	\$ 7,803	\$ 121,165	\$ 17,264	\$ 24,403	\$ 146,419	\$ 331,085	\$ 122,896	\$ 842,640	\$ -	\$ 6,437,679
Accrued Interest Payable	-	25,172	979	61,901	107,587	1,263	121,262	-	-	6,150,358
Other Accrued Liabilities	-	-	5,278	-	609	3,276	-	-	-	79,150
Deferred Revenue	-	7,823	2,413	40,202	8,872	5,459	46,209	-	-	706,269
Deposits, Payable from Restricted Assets	-	77,110	16,346	64,848	14,748	900	115,845	-	-	1,050,148
Current Portion of Notes and Bonds Payable	-	414,327	37,738	129,195	68,464	22,466	729,124	-	-	3,351,195
Total Current Liabilities	7,803	645,597	80,018	320,549	346,699	364,449	1,135,336	842,640	-	17,774,799
NONCURRENT LIABILITIES										
Notes Payable	-	585,960	401,135	2,471,938	1,339,182	1,227,319	1,858,902	-	-	5,188,748
Bonds Payable	-	2,740,000	-	2,900,000	-	-	6,848,812	-	-	18,581,680
Total Noncurrent Liabilities	-	3,325,960	401,135	5,371,938	1,339,182	1,227,319	8,707,714	-	-	70,469,168
Total Liabilities	7,803	3,971,557	481,153	5,692,487	1,685,881	1,591,768	9,843,050	842,640	-	88,243,967
NET POSITION	1,677,724	(337,085)	1,040,069	(334,904)	813,497	(504,317)	2,408,041	(842,640)	-	26,602,832
Total Liabilities and Net Position	\$ 1,685,527	\$ 3,634,472	\$ 1,521,222	\$ 5,357,583	\$ 2,499,378	\$ 1,087,451	\$ 12,251,091	\$ -	\$ -	\$ 114,846,799

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING
YEAR ENDED DECEMBER 31, 2021

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	St. Francis
OPERATING REVENUES										
Dwelling Rental	\$ 708,423	\$ 448,632	\$ 509,266	\$ 589,035	\$ 306,990	\$ 534,236	\$ 703,134	\$ 1,817,941	\$ 1,172,833	\$ 838,336
Nondwelling Rental	31,285	86	91,001	1,263	360	19,873	1,898	22,843	6,345	142,223
HUD Operating Subsidies	644,308	276,828	382,260	546,044	-	-	-	-	-	-
State, Local, and Other Grants	-	-	48,400	-	-	-	-	-	-	-
Other	8,871	6,036	9,071	18,487	14,945	42,352	16,381	56,340	10,841	28,469
Total Operating Revenues	1,392,887	731,582	1,039,998	1,154,829	322,295	696,461	721,413	1,897,124	1,190,019	1,009,028
OPERATING EXPENSES										
Housing Assistance Payments	473	-	43	2,641	-	-	-	-	-	-
Administration	197,947	53,524	191,557	326,363	53,346	265,127	175,950	430,476	395,428	294,763
Program Expense	249	48,126	122	3,047	-	52,993	571	7,074	7,792	-
Tenant Services	330	1,153	-	596	-	5,499	3,670	-	70	70
Utilities	144,909	73,512	156,052	92,756	42,894	117,669	85,592	191,089	183,179	156,732
Maintenance	172,261	238,723	166,130	174,421	36,590	256,721	189,004	486,786	205,759	210,346
Depreciation	16,523	186,357	55,350	66,799	72,246	109,558	142,336	394,740	304,265	187,818
General and Other	64,549	35,453	88,608	65,718	18,647	68,515	38,406	155,843	96,319	131,636
Total Operating Expenses	597,241	636,848	657,862	732,341	223,723	876,082	635,529	1,666,008	1,192,812	981,365
OPERATING INCOME (LOSS)	795,646	94,734	382,136	422,488	98,572	(179,621)	85,884	231,116	(2,793)	27,663
NONOPERATING REVENUES (EXPENSES)										
Investment Income	2,192	861	1,737	4,425	159	1,922	2,032	22,847	1,565	635
Interest Expense	-	(59,816)	-	-	(41,063)	(64,533)	(54,273)	(126,439)	(221,265)	(127,852)
Loss on Sale of Assets	-	-	-	-	-	-	(4,963)	-	-	-
Total Nonoperating Revenues (Expenses)	2,192	(58,955)	1,737	4,425	(40,904)	(62,611)	(57,204)	(103,592)	(219,700)	(127,217)
CAPITAL CONTRIBUTIONS										
Other Nonoperating Contributions	(348,000)	-	(200,000)	(340,000)	(24,634)	-	(74,043)	(40,000)	-	(32,109)
Total Capital Contributions	(348,000)	-	(200,000)	(340,000)	(24,634)	-	(74,043)	(40,000)	-	(32,109)
INCREASE (DECREASE) IN NET POSITION	449,838	35,779	183,873	86,913	33,034	(242,232)	(45,363)	87,524	(222,493)	(131,663)
Net Position - Beginning of Year	5,026,248	2,162,296	3,288,806	3,627,071	(217,915)	(936,038)	(220,017)	1,044,216	(3,512,221)	(605,689)
NET POSITION - END OF YEAR	\$ 5,476,086	\$ 2,198,075	\$ 3,472,679	\$ 3,713,984	\$ (184,881)	\$ (1,178,270)	\$ (265,380)	\$ 1,131,740	\$ (3,734,714)	\$ (737,352)

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Ainsworth Court	Fairviews	Rockwood Station	Willow Tree	Ash Creek	The Alexis	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial
OPERATING REVENUES										
Dwelling Rental	\$ 868,436	\$ 4,470,740	\$ 2,382,019	\$ 200,449	\$ 502,487	\$ 411,486	\$ 205,801	\$ 609,092	\$ 188,989	\$ -
Nondwelling Rental	1,882	21,270	4,558	11,053	5,047	-	68,944	1,240	267	32,084
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	-
State, Local, and Other Grants	-	-	-	-	-	-	-	-	-	-
Other	6,988	58,882	48,215	2,970	51,798	3,099	1,369	10,845	456	67,581
Total Operating Revenues	877,306	4,550,892	2,434,792	214,472	559,332	414,585	276,114	621,177	189,712	99,665
OPERATING EXPENSES										
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-
Administration	121,860	486,161	360,161	410,12	40,331	67,673	58,730	236,060	33,892	11,128
Program Expense	-	380	-	-	35,296	-	3,047	-	-	-
Tenant Services	-	-	7,284	-	-	-	-	78	-	-
Utilities	94,901	428,516	223,324	29,117	78,897	82,549	79,265	139,060	34,140	50,227
Maintenance	107,906	687,889	352,693	57,402	91,255	54,945	52,349	179,471	40,659	19,382
Depreciation	159,355	889,296	404,890	112,520	185,479	112,619	63,904	135,276	79,261	1,720
General and Other	32,865	341,969	249,118	13,706	61,462	11,749	29,146	67,631	13,690	5,533
Total Operating Expenses	516,887	2,834,211	1,597,470	253,757	492,720	329,535	286,441	757,576	201,642	87,990
OPERATING INCOME (LOSS)	360,419	1,716,681	837,322	(39,285)	66,612	85,050	(10,327)	(136,399)	(11,930)	11,675
NONOPERATING REVENUES (EXPENSES)										
Investment Income	1,009	17,086	12,696	121	220	154	3	234	24	-
Interest Expense	(101,945)	(315,720)	(132,467)	(22,139)	(147,206)	(59,803)	(4,327)	(76,730)	(10,241)	-
Loss on Sale of Assets	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(100,936)	(298,634)	(119,771)	(22,018)	(146,986)	(59,649)	(4,324)	(76,496)	(10,217)	-
CAPITAL CONTRIBUTIONS										
Other Nonoperating Contributions	(242,344)	-	-	-	-	(30,000)	200,996	5,335	392,208	-
Total Capital Contributions	(242,344)	-	-	-	-	(30,000)	200,996	5,335	392,208	-
INCREASE (DECREASE) IN NET POSITION	17,139	1418,047	717,551	(61,303)	(80,374)	(4,599)	186,345	(207,560)	370,061	11,675
Net Position - Beginning of Year	571,680	5,599,278	2,650,427	685,305	2,305,767	(7,865)	(30,456)	(1,598,289)	275,477	(27,826)
NET POSITION - END OF YEAR	\$ 588,819	\$ 7,017,325	\$ 3,367,978	\$ 624,002	\$ 2,225,393	\$ (12,464)	\$ 155,889	\$ (1,805,849)	\$ 645,538	\$ (16,151)

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Commercial Space at Lloyd Housing	Yards at Union Station	Rockwood Landing	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Fountain Place	Totals
OPERATING REVENUES										
Dwelling Rental	\$ -	\$ 1,525,476	\$ 300,437	\$ 125,878	\$ 539,077	\$ 137,451	\$ 1,946,875	\$ 11,288	\$ -	\$ 23,144,807
Nondwelling Rental	-	593	14,965	52,635	-	160	312,062	-	-	943,937
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	1849,440
State, Local, and Other Grants	-	-	-	-	-	-	-	-	-	48,400
Other	-	48,185	8,435	18,218	9,271	9,214	100,901	9,929	-	668,149
Total Operating Revenues	-	1,574,254	323,837	1,286,731	548,348	146,825	2,359,838	21,217	-	26,654,733
OPERATING EXPENSES										
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	3,157
Administration	11,932	404,589	79,536	435,624	107,147	32,274	378,700	15,298	-	5,306,589
Program Expense	-	6,602	-	-	-	-	58,687	-	-	223,986
Tenant Services	-	-	-	92	15,213	-	-	-	-	34,055
Utilities	-	181,734	76,081	216,700	131,961	23,810	206,562	3,729	-	3,324,957
Maintenance	-	366,773	65,683	236,861	143,113	66,832	391,291	2,905	-	5,054,150
Depreciation	54,385	423,595	162,075	200,345	61,801	44,358	297,232	18,624	-	4,942,727
General and Other	-	121,297	19,939	143,424	37,398	15,516	161,593	4,182	-	2,093,912
Total Operating Expenses	66,317	1,504,590	403,314	1,233,046	496,633	182,790	1,494,065	44,738	-	20,983,533
OPERATING INCOME (LOSS)	(66,317)	69,664	(79,477)	53,685	51,715	(35,965)	865,773	(23,521)	-	5,671,200
NONOPERATING REVENUES (EXPENSES)										
Investment Income	984	19,001	27	1,578	195	77	22,886	11	-	114,681
Interest Expense	-	(173,632)	(12,470)	(136,500)	(66,839)	(14,248)	(357,906)	-	-	(2,327,414)
Loss on Sale of Assets	-	(4,434)	-	-	(2,912)	-	(7,513)	(871,207)	-	(891,029)
Total Nonoperating Revenues (Expenses)	984	(159,065)	(12,443)	(134,922)	(69,556)	(14,171)	(342,533)	(871,196)	-	(3,103,762)
CAPITAL CONTRIBUTIONS										
Other Nonoperating Contributions	(1,244,900)	-	-	-	3,698	1,256	(73,946)	(1,865,744)	(1,282,780)	(5,195,007)
Total Capital Contributions	(1,244,900)	-	-	-	3,698	1,256	(73,946)	(1,865,744)	(1,282,780)	(5,195,007)
INCREASE (DECREASE) IN NET POSITION	(1,310,233)	(89,401)	(91,920)	(81,237)	(14,143)	(48,880)	449,294	(2,760,461)	(1,282,780)	(2,627,569)
Net Position - Beginning of Year	2,987,957	(247,684)	1,131,989	(253,667)	827,640	(455,437)	1,958,747	1,917,821	1,282,780	29,230,401
NET POSITION - END OF YEAR	\$ 1,677,724	\$ (337,085)	\$ 1,040,069	\$ (334,904)	\$ 813,497	\$ (504,317)	\$ 2,408,041	\$ (842,640)	\$ -	\$ 26,602,832

**HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – SPECIAL NEEDS HOUSING
DECEMBER 31, 2021**

ASSETS	Carriage Hill	Project Open Door	Total
CURRENT ASSETS	\$ 13,140	\$ 55,782	\$ 68,922
Cash and Cash Equivalents	22,396	89,987	112,383
Cash and Cash Equivalents - Restricted	1,607	12,945	14,552
Total Current Assets	<u>37,143</u>	<u>158,714</u>	<u>195,857</u>
NONCURRENT ASSETS			
Capital Assets not being Depreciated	75,424	71,104	146,528
Capital Assets being Depreciated, Net	213,952	286,112	500,064
Total Noncurrent Assets	<u>289,376</u>	<u>357,216</u>	<u>646,592</u>
	.		
Total Assets	<u>\$ 326,519</u>	<u>\$ 515,930</u>	<u>\$ 842,449</u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 39,199	\$ 22,458	\$ 61,657
Accrued Interest Payable	59	87	146
Other Accrued Liabilities	301	937	1,238
Unearned Revenue	931	9,876	10,807
Deposits, Payable from Restricted Assets	175	1,382	1,557
Current Portion of Bond Payable - Partnerships	1,902	17,204	19,106
Total Current Liabilities	<u>42,567</u>	<u>51,944</u>	<u>94,511</u>
NONCURRENT LIABILITIES			
Notes Payable	<u>200,896</u>	<u>88,560</u>	<u>289,456</u>
Total Liabilities	243,463	140,504	383,967
NET POSITION	<u>83,056</u>	<u>375,426</u>	<u>458,482</u>
Total Liabilities and Net Position	<u>\$ 326,519</u>	<u>\$ 515,930</u>	<u>\$ 842,449</u>

**HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – SPECIAL NEEDS HOUSING
YEAR ENDED DECEMBER 31, 2021**

	Carriage Hill	Project Open Door	Total
OPERATING REVENUES			
Dwelling Rental	\$ 33,498	\$ 77,574	\$ 111,072
Other	-	30	30
Total Operating Revenues	<u>33,498</u>	<u>77,604</u>	<u>111,102</u>
OPERATING EXPENSES	31	214	245
Administration	3,525	10,693	14,218
Utilities	9,570	15,889	25,459
Maintenance	7,306	25,545	32,851
Depreciation	12,389	20,561	32,950
General and Other	2,202	5,354	7,556
Total Operating Expenses	<u>35,023</u>	<u>78,256</u>	<u>113,279</u>
OPERATING LOSS	(1,525)	(652)	(2,177)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	112	216	328
Interest Expense	(910)	(1,033)	(1,943)
Total Nonoperating Revenues (Expenses)	<u>(798)</u>	<u>(817)</u>	<u>(1,615)</u>
DECREASE IN NET POSITION	(2,323)	(1,469)	(3,792)
Net Position - Beginning of Year	85,379	376,895	462,274
NET POSITION - END OF YEAR	<u>\$ 83,056</u>	<u>\$ 375,426</u>	<u>\$ 458,482</u>



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