

PUBLIC NOTICE:



Home Forward
BOARD OF COMMISSIONERS
will meet on
Tuesday, June 16, 2026
At 5:30 pm
Via Teams Webinar

Microsoft Teams

<https://events.gcc.teams.microsoft.com/event/c76fcd3e-5ed2-4891-8f62-2596cfac2537@6b67b033-974d-4ab4-84e2-cc1717834b09>

Dial in by phone

[+1 206-800-4749](tel:+12068004749), [774393715#](tel:+1774393715) United States, Richmond Beach
[\(866\) 318-6504](tel:+18663186504), [774393715#](tel:+1774393715) United States (Toll-free)



MEMORANDUM

To: Community Partners

Date: June 10, 2026

From: Celia Strauss, Executive Assistant

Subject: Home Forward Board of
Commissioners June
Meeting

The Board of Commissioners of Home Forward will meet on Tuesday, June 16 at 5:30 PM virtually using the Teams webinar platform. The meeting will be accessible to the public via phone and electronic device.

If you would like to provide public testimony or view the meeting, please use this link or the call in information. You will need to register prior to 5:00 PM on Tuesday, June 16 to provide public comments.

The commission meeting is open to the public.

Microsoft Teams

<https://events.gcc.teams.microsoft.com/event/c76fcd3e-5ed2-4891-8f62-2596cfac2537@6b67b033-974d-4ab4-84e2-cc1717834b09>

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AGENDA



BOARD OF COMMISSIONERS MEETING

HOME FORWARD
135 SW ASH STREET
PORTLAND, OREGON
VIA TEAMS WEBINAR

<https://events.gcc.teams.microsoft.com/event/c76fcd3e-5ed2-4891-8f62-2596cfac2537@6b67b033-974d-4ab4-84e2-cc1717834b09>

JUNE 16, 2026 – 5:30 PM

AGENDA

INTRODUCTION AND WELCOME

PUBLIC COMMENT

General comments not pertaining to specific resolutions. Any public comment regarding a specific resolution will be heard when the resolution is considered.

MEETING MINUTES

Topic
Minutes of May 19, 2026 Board of Commissioners Virtual Meeting
Minutes of May 27, 2026 Board of Commissioners Work Session

BOARD OF COMMISSIONERS COMMENTS

Topic	Presenter	
REPORT	Nominating Committee Report	Matthew Gebhardt, Chair
	Election of Officers for 2026-2027	Matthew Gebhardt, Chair

REPORTS AND RESOLUTIONS

Following Reports and Resolutions:			
26-06	Topic	Presenter/POC	Phone #
01	Authorize Acceptance of Fiscal Year 2025 Audit Report	Linda Uppinghouse Justin Measley, CLA	503.802.8317
02	Naming Recommendation for Peaceful Villa Redevelopment	April Berg Brian Rousseau	503.802.8326 503.802.8505
03	Authorize Property Sale of Mi Casa Group Home	Juli Garvey Chris Hughson	503.802.8457 503.802.8483

THE NEXT MEETING OF THE BOARD OF COMMISSIONERS

The next Board of Commissioners meeting is on Tuesday, July 21, 2026 at 5:30 PM. The next Board Work Session is Thursday, August 6, 2026 at Noon.

EXECUTIVE SESSION

The Board of Commissioners of Home Forward may meet in Executive Session pursuant to ORS 192.660(2). Only representatives of the news media and designated staff are allowed to attend. News media and all other attendees are specifically directed not to disclose information that is the subject of the session. No final decision will be made in the session.

ADJOURN

MINUTES



BOARD OF COMMISSIONERS MONTHLY MEETING
HOME FORWARD
HELD VIRTUALLY
135 SW Ash Street Portland, OR 97204
May 19, 2026

COMMISSIONERS PRESENT

Chair Matthew Gebhardt, Vice President Jenny Kim, Treasurer Jessy Ledesma, Chair Emeritus Damien Hall, Commissioner Cathy Keathley

STAFF PRESENT

Juhi Aggarwal, Rylee Ahnen, Elise Anderson, April Berg, Michael Bonocoure, Rose Cottrill, Ian Davie, Christina Dirks, Juli Garvey, Carolina Gomez, Chris Hughson, Kitty Miller, Jimmy Rattanasouk, Brian Rutzen, Kandy Sage, Shannon Schmidt, Kellie Shaw, Aimee Smith, Celia Strauss, Linda Uppinghouse, Terren Wing. There were also employees that joined the meeting to listen.

LEGAL COUNSEL

Sarah Stauffer Curtiss

Chair Matthew Gebhardt convened the meeting of the Board of Commissioners at 5:31 PM. Chair Gebhardt read a prepared statement assuring the board remains focused on the work ahead and is not planning to resign. Recognizing there is important work to rebuild trust and strengthen outcomes for residents, staff and the broader community, the board is focused on supporting that work. We hope our partners prioritize filling our vacant seats so the agency can benefit from a fully seated governing body.

Chair Gebhardt acknowledged the postponement of the May Work Session. It is important to have Interim Executive Director Michael Buonocore involved in the request for proposals for the external assessment work. In closing Chair Gebhardt acknowledged staff that joined the meeting and committed to considering opportunities to promote dialogue between the Board and staff.

MEETING MINUTES

Minutes of the April 21, 2026 Board of Commissioners Virtual Meeting and Minutes of the May 1, 2026 Special Board of Commissioners Virtual Meeting

Chair Matthew Gebhardt requested a motion authorizing approval of the minutes for the April 21, 2026 Board of Commissioners Virtual Meeting and May 1, 2026 Special Board of Commissioners Virtual Meeting.

There being no discussion, Chair Emeritus Damien Hall moved to approve the meeting minutes. Commissioner Cathy Keathley seconded the motion.

The vote was as follows:

- Chair Matthew Gebhardt—Aye
- Vice Chair Jenny Kim—Aye
- Treasurer Jessy Ledesma—Aye
- Chair Emeritus Damien Hall—Aye
- Commissioner Cathy Keathley—Aye

REPORT

Interim Executive Director Update

On Monday, day one, Interim Executive Director Michael Buonocore reengaged with staff in person at New Columbia and a virtual session. Following a well-attended afternoon press conference, setting the tone we are moving forward. The board can expect a series of budget briefings. The Executive team is working on the scope of work for the organization assessment that we will share later this month at the rescheduled board work session.

Chair Emeritus Damien Hall and Chair Matthew Gebhardt welcomed Buonocore back and were pleased with the positive outcome of the press coverage.

Exercise of Signature Authority Granted by Resolution 26-05-01

Chair Matthew Gebhardt reported that during the period of May 1, 2026 and May 18, 2026, Oregon state law is either retained by the commissioners or delegated to the executive director and other Home Forward staff. Pursuant to the Home Forward Bylaws, the Chair and Executive Director are authorized to execute all notes and contract authorized by the board of commissioners. During this period, this authority was exercised four times. The summary of signature authority were: 1) Emergency Declaration for Townhouse Terrace; 2) Travel Authorization for Christina Dirks; 3 & 4) Peaceful Villa Agreements.

RESOLUTIONS

Resolution 26-05-03 Authorize Sale of Chateau Apartments

Juli Garvey, Director Asset Management, presented the resolution and provided background information of the multifamily property located at 1910 SE Stark Street. The property is mostly vacant and in need of modernization. Following a property assessment and limited redevelopment potential, in 2021 the rental assistance was transferred to the redeveloped T. Joyce Phillips. Due to these changes no resident will involuntarily lose their rental assistance.

The property was listed in late 2025 and is under contract for \$1.5 million. Garvey described a \$125,000 closing credit to the buyer resulting in a \$1,375,000 net proceeds. Closing is scheduled for June 27, 2026, and an appraisal will be conducted to confirm the sales price is at or above fair market value. When assessing the viability of a sale, redevelopment potential was reviewed with the small lot size restricting the ability to effectively increase density.

Treasurer Jessy Ledesma recognized the challenge of disposing of a property and commended staff. Chair Matthew Gebhardt asked about the remaining tenants and Asset Manager and Broker Chis Hughson reported the property is now fully vacant with the remaining tenant transferred. Chair Gebhardt asked how the proceeds would be spent. Chief Financial Officer Kandy Sage said the proceeds were included in 2026 draft budget and would be reinvested. The amended budget will reflect how these proceeds will be used.

There being no further discussion, Chair Matthew Gebhardt requested a motion to approve Resolution 26-05-03. Vice Chair Jenny Kim moved to adopt Resolution 26-05-03. Treasurer Jessy Ledesma seconded the motion.

The vote was as follows:

Chair Matthew Gebhardt—Aye
Vice Chair Jenny Kim—Aye
Treasurer Jessy Ledesma—Aye
Chair Emeritus Damien Hall—Aye
Commissioner Cathy Keathley—Aye

RESOLUTION 26-05-04 Authorize Sale of Taylor Street Group

Juli Garvey, Director Asset Management, presented the resolution and described the property at 9350 SE Taylor Street built in 1999. It has been leased as a licensed group

home and they have opted not to renew the lease. The building is now vacant and requires significant renovation. Garvey described exploring a viable service provider, the capital needs and ongoing operational challenges, concluding disposition represents the most viable path forward. A purchase and sale agreement is currently in place at a price of \$604,000 with anticipated closing the end of May. If the sale were to fall through, staff recommends the approved resolution authorize a sale on similar terms to avoid future delays.

Garvey noted that Oregon Housing and Community Services and the Department of Human Services have agreed to terminate their regulatory restrictions effective on the closing date. At closing, the outstanding loans will be paid off from the sales proceeds.

Chair Gebhardt thanked Garvey and Hughson for the work and appreciated efforts to consider redevelopment and provider opportunities. Garvey added that Taylor Street will continue to be used as a group home.

There being no further discussion, Chair Matthew Gebhardt requested a motion to approve Resolution 26-05-04. Vice Chair Jenny Kim moved to adopt Resolution 26-05-04. Commissioner Cathy Keathley seconded the motion.

The vote was as follows:

- Chair Matthew Gebhardt—Aye**
- Vice Chair Jenny Kim—Aye**
- Treasurer Jessy Ledesma—Aye**
- Chair Emeritus Damien Hall—Aye**
- Commissioner Cathy Keathley—Aye**

Chair Matthew Gebhardt adjourned the regular meeting at 6:01 PM to convene the board of commissioners in an Executive Session for the purpose of discussing a current litigation matter pursuant to ORS 192.660(2)(h).

Concluding the Executive Session, Chair Matthew Gebhardt reconvened the regular Board of Commissioners meeting at 6:35 PM. Commissioner Cathy Keathley was unable to join the meeting due to a previous conflict.

Chief Operating Officer Ian Davie presented a look at the new dashboard report highlighting occupancy with plans to expand the information. We are preparing to share the first iteration with the public soon. Vice Chair Kim felt it was a good start but would like

to identify the challenges in attaining occupancy, such as unit type, location, with Davie affirming this is our goal. Vice Chair Kim adding that this will help educate our jurisdictional partners. In response to Chair Gebhardt’s question, Davie said we will be publishing the graphic on our website this week and it will be updated as new data is available. Treasurer Ledesma would like to see a weekly occupancy update with additional information depending on data availability monthly and financial information quarterly. Chair Emeritus Hall wanted to be sure the information tells the story we want to be told.

PUBLIC COMMENT

Addie Smith returned to provide public comment saying the Willamette Week’s reporting did not include former CEO Mathew’s executive team. Smith spoke about salary increases, bonuses and other compensation for the Chief Operating Officer, Chief Financial Officer and Chief People and Culture Officer. She advocated for their resignation saying they intentionally failed to do their jobs. She would also like to see that Home Forward terminate all contracts with third-party property management companies.

Recognizing there is a lot of work to be done, as a professional with over 30 years of experience in affordable housing with several housing and financially certified professional accreditations, Smith called for the board to hire her as CEO.

There being no further business, Chair Matthew Gebhardt adjourned the meeting at 6:53 PM.

Celia M. Strauss
Recorder, on behalf of
Michael Buonocore, Secretary

ADOPTED: JUNE 16, 2026

Attest:

Home Forward:

Michael Buonocore, Secretary

Matthew Gebhardt, Chair



BOARD OF COMMISSIONERS QUARTERLY WORK SESSION
HOME FORWARD
135 SW Ash Street Portland, OR 97204
May 27, 2026

COMMISSIONERS PRESENT

Chair Matthew Gebhardt, Vice Chair Jenny Kim, Treasurer Jessy Ledesma, Commissioner Cathy Keathley

STAFF PRESENT

Juhi Aggarwal, Rylee Ahnen, Elise Anderson, April Berg, Michael Buonocore, Ian Davie, Juli Garvey, Carolina Gomez, Angelica Jackson, Jennifer McMillian, John Kieren Paul, Kitty Miller, Jimmy Rattansouk, Brian Rutzen, Ian Slingerland, Aimee Smith, Celia Strauss, Jonathan Trutt, Linda Uppinghouse

GUESTS PRESENT

Cathy, Dahlke Manor

Interim Executive Director Michael Buonocore convened the meeting at 12:08 PM. Buonocore discussed the organizational assessment, reviewing considerations: timing and urgency, costs, capacity, context. There was discussion of current organizational structure, history, and rationale.

Buonocore proposed zooming out and looking at the big picture. This would be an assessment of structure, reviewing other PHAs and public entities. A look at their executive leadership structure, departmental responsibilities and reporting lines, managerial and supervisory spans of control, board responsibility and committee structure. We would continue internal refinements, e.g. budgeting. The consultant recommendations can inform search for permanent Executive Director as well as a blueprint for new ED. Recommendations can be adopted before or when new ED starts.

Vice Chair Jenny Kim said there are other public institutions that are not great role models. She suggested a lesson learned approach. Kim also wants to ensure we do not lose the

equity lens work. We need some guidance around organizational strategy, which includes structure, and how we manage the change.

Treasurer Jessy Ledesma would like us to be mindful of external forces and the assessment needs to daylight the strategies and operations, and what needs to change. These are real challenges (e.g. occupancy and community safety) and we need to understand them better. Is this a parallel track where we have internal review along with external review of structure? Can one role be for external review and roll into recommendations?

Commissioner Cathy Keathley would like to understand systemic challenges, and ensure recommendations are moving in the right direction. Goal is to understand our system, which failed, and what caused it, and ensure we are addressing.

Vice Chair Kim acknowledged there are things we can and can't control. We know this is not just Home Forward, but the community is not seeing this as a broader challenge. This is going to be a lot worse before it gets better. We are fighting against the current.

Commissioner Keathley said we should address internal and external challenges and identify our internal system to deal with external influences. Understanding the systemic issues before we do too much work.

Interim ED Buonocore said we are in a good spot with communications and how Rylee Ahnen is framing this. Home Forward never had the ability to explain the issue. Helping the public understand the external challenges helps us and our partners.

Chair Gebhardt said we made this commitment at a particular moment in time where we needed to emphasize the external. We have now brought in an external expert in Buonocore.

Buonocore said if we provide board briefings to address safety and security, we are being responsive to what we committed to the community.

Chair Gebhardt said there were specific issues identified including internal communications and we need to be mindful they are not forgotten. He feels it is important to ensure we can ask for something that the consultant has capacity to do. Chair Gebhardt would like to have regular updates at work sessions.

Chair Gebhardt asked how do we ensure staff have input in this assessment and have an impact? Vice Chair Kim echoed that saying she appreciates the expertise of staff. It would be nice to have a 6-month lookahead to understand what's on the horizon.

Commissioner Keathley said right now we are just being informed regarding operations. We want input, but we also want to get to a point where we have a clear direction to pursue.

Chair Gebhardt is supportive of the approach, so if we need to push back the RFP we can. We would like to be able to communicate that affirmatively. He would also like to know how the Board can review without a work session? Buonocore proposes email option with scope, budget, timing, potential consultants, etc., providing the Board a timeline for response. Vice Chair Kim agreed.

Buonocore affirmed more would be highlighted at the next work session. The board would like to see a consultant with local context, MTW familiarity, etc.

Treasurer Ledesma asked if there are areas where we could get additional information related to these items? Buonocore proposed mapping out a policy and operations plan for how Board receives information. With this review, Treasurer Ledesma said we could identify what is working well or requires more work.

There was discussion about the review process, selection committee and reporting. With a recommendation that the consultant report to interim executive director with briefings to the board at work sessions, board meetings, as well as short term communications. Buonocore committed to a clearly defined process. Chair Gebhardt would like to see a broader range of staff involved in the review.

Procurement Manager Angelica Jackson provided input on the RFP process. The board reiterated their desire for a local presence, a commissioner on the selection committee and involvement with staff.

The Board meeting schedule was discussed with a preference for moving from the third Tuesday to the fourth and a consideration for an earlier starting time. These will be reviewed. A recommendation was made to remove a bylaws reference to the date, as well as a general review of the bylaws. In looking at a revamped meeting schedule, it was recommended a monthly hybrid work session, staggered against the monthly Board

meeting. There was a request to hold some in-person Board meetings in Gresham, Troutdale and at the County building.

There being no further business, Interim Executive Director Buonocore adjourned the meeting at 1:30 PM.

Celia M. Strauss
Recorder, on behalf of
Michael Buonocore, Secretary

ADOPTED: JUNE 16, 2026

Attest:

Home Forward:

Michael Buonocore, Secretary

Matthew Gebhardt, Chair

RESOLUTIONS



MEMORANDUM

To:	Board of Commissioners	Date:	June 16, 2026
From:	Kandy Sage, Chief Financial Officer 503.802.8585 Linda Uppinghouse, Controller 503.802.8317	Subject:	Authorize Approval of Fiscal Year 2025 Audited Financial Statements, Schedule of Closed Grants, and Governance Communication Letter to the Board of Commissioners Resolution 26-06-01

The Board of Commissioners is requested to accept and approve:

1. Independent Auditor's Reports, Basic Financial Statements and Supplementary Information for Year Ended December 31, 2025
2. Auditors' Governance Communication Letter to the Board of Commissioners for Year Ended December 31, 2025

Please note, this audit report covers the period January 1, 2025 to December 31, 2025.

CliftonLarsonAllen (CLA) is the audit firm engaged to audit Home Forward's basic financial statements and compliance with federal programs. On June 11, 2025, CLA met with Home Forward's Audit and Finance committee and presented the audit results for Year Ended December 31, 2025.

HIGHLIGHTS

Key financial highlights from the audit include:

- As in similar years, property transactions had a material impact on the financial statements. During fiscal year 2025, Home Forward Development Enterprises acquired the limited partner's interest in the 1115 SW 11th Avenue Low Income Housing Tax Credit Partnership. Also, during the fiscal year, Home Forward acquired partial ownership in two new Limited Partnerships: Peaceful Villa Limited Partnership and Civic Station Housing Limited Partnership.

- Total assets and deferred outflows of resources decreased \$9.2 million from \$835.7 million at January 1, 2025 to \$826.5 million at December 31, 2025, primarily due to a \$56.9 million decrease in Notes Receivable from partnerships, a \$45.7 million increase in notes and accrued interest receivable, a \$13.7 million decrease in cash and cash equivalents, and a \$25.9 million increase in net capital assets.
- Total liabilities and deferred inflows of resources decreased \$33 million from \$358.4 million at January 1, 2025, to \$325.4 million at December 31, 2025, mainly due to a \$56.9 million decrease in bonds payable to partnerships.
- Total operating revenues were \$335 million.
- Total operating expenses were \$343.5 million.
- Operating results for 2025 yielded an operating loss of \$8.5 million.
- Nonoperating revenues/(expenses) netted 2.5 million.
- Capital contributions were \$29.8 million during the year.
- Overall net position increased \$23.8 million.

ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2025

As a reminder, the basic financial statements are comprised of two main columns of results:

1. The Primary government and any blended component units – this column includes the results for the primary government (Home Forward) and blended component units (including Home Forward Development Enterprises, St. Francis LLC, Gateway Park Limited Partnership, Cecelia Limited Partnership, Woolsey Limited Partnership, Trouton Limited Partnership, Humboldt Limited Partnership, Civic Redevelopment Limited Partnership, 1115 SW 11th Limited Partnership, New Market West Management Services, Home Forward Community Partnerships, Home Forward Insurance Group), and any intercompany eliminations.
2. Discretely presented component units – this column aggregates the calendar year results of 21 low-income housing tax credit partnerships where the limited partners have majority ownership but have delegated the majority of their rights regarding the operations of the partnership to Home Forward (as general partner).

CLA issued an unmodified opinion on the basic financial statements for both the primary government and the discretely presented component units, with the opinion stating that

they present fairly, in all material respects, the financial position as of December 31, 2025. This is the highest level of assurance Home Forward can obtain.

AUDITORS' GOVERNANCE COMMUNICATION TO THE BOARD OF COMMISSIONERS

Finally, the auditors issued a Governance Communication to the Board of Commissioners for Fiscal Year 2025. This document provides communication on matters related to the conduct of the audit and includes information regarding any:

- Qualitative aspects of accounting practices
- Difficulties encountered in performing the audit
- Corrected and uncorrected misstatements
- Disagreements with management
- Management representations
- Management consultations with other independent accounts
- Other findings or issues
- Other comments/recommendations

MOTION TO APPROVE

The Board is requested to accept and approve the reports presented:

- Independent Auditor's Reports, Basic Financial Statements and Supplementary Information for Year Ended December 31, 2025
- Auditors' Governance Communication to Board of Commissioners for Year Ended December 31, 2025

Board of Commissioners
Home Forward
Portland, Oregon

We have audited the 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, 2025, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our statement of work dated April 22, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Home Forward are described in Note 1 to the financial statements.

As described in Note 1 , the entity changed accounting policies related to risk disclosures by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 102, *Certain Risk Disclosures*, in 2025. The financial statement disclosures were not impacted by the implementation of this standard.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of the total OPEB asset and liability are based on management's knowledge and experience about past and current events, assumptions about future events, and actuarial computations performed by outside specialists. We evaluated the key factors and assumptions used to develop the total OPEB asset and liability and evaluate the liabilities' effectiveness in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated REPORT DATE.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor's work

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

With respect to the Affordable Housing and Special Needs Housing combining schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors’ report thereon) is being included in your annual report and is comprised of the Board of Commissioners, Management, and General Counsel listing. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors’ report thereon may be undermined by material inconsistencies between the audited financial statements and other information. 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. Our auditors’ report on the financial statements includes a separate section, “Other Information,” which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

This communication is intended solely for the information and use of the board of commissioners and management of Home Forward and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

HOME FORWARD
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2025

Draft
Subject to Change
6/11/26

**HOME FORWARD
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**HOME FORWARD
BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL
YEAR ENDED DECEMBER 31, 2025**

BOARD OF COMMISSIONERS

Matthew Gebhardt Chair	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Jenny Kim Vice Chair	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Jessy Ledesma Treasurer	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Damien Hall Chair Emeritus	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Cathy Keathley Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Breann Preston Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Teresa Carr Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204

ADMINISTRATIVE OFFICER

Ivory Matthews Chief Financial Officer	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
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GENERAL COUNSEL

Juhi Aggarwal	135 S.W. Ash Street, 6 th Floor 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, 2025, 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, based on our audit and the report of the other auditors, 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, 2025, 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 Beech Street Limited Partnership, East Group Limited Partnership, Lloyd Housing Limited Partnership, North Group Limited Partnership, Square Manor Limited Partnership, Stephens Creek Crossing North Limited Partnership, Stephens Creek Crossing South Limited Partnership, Wests Limited Partnership, Woods East Limited Partnership, FP2 Limited Partnership, 3000 Powell Limited Partnership, Baldwin PSH Limited Partnership, Central Group Limited Partnership, Dekum 2 Limited Partnership, GPT Limited Partnership, Fairfield PSH Limited Partnership, Troutdale Limited Partnership, Peaceful Villa Limited Partnership, Civic Station Housing Limited Partnership, and Killingsworth Limited Partnership, which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units as of December 31, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Beech Street Limited Partnership, East Group Limited Partnership, Lloyd Housing Limited Partnership, North Group Limited Partnership, Square Manor Limited Partnership, Stephens Creek Crossing North Limited Partnership, Stephens Creek Crossing South Limited Partnership, Wests Limited Partnership, Woods East Limited Partnership, FP2 Limited Partnership, 3000 Powell Limited Partnership, Baldwin PSH Limited Partnership, Central Group Limited Partnership, Dekum 2 Limited Partnership, GPT Limited Partnership, Fairfield PSH Limited Partnership, Troutdale Limited Partnership, Peaceful Villa Limited Partnership, Civic Station Housing Limited Partnership, and Killingsworth Limited Partnership are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, 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.

The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

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 GAAS, 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 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 (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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE 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.

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

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations* we have also issued our report dated REPORT DATE on our consideration of Home Forward's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

This section includes a Management's Discussion and Analysis of Home Forward's financial performance during the period of January 1, 2025 to December 31, 2025. 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, Cecelia Limited Partnership, Woolsey Limited Partnership, Trouton Limited Partnership, Humboldt Limited Partnership, New Market West Management Services, Haven Limited Partnership, Home Forward Community Partnerships, Home Forward Insurance Group - and its 19 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 for the period of January 1, 2025 to December 31, 2025

Peaceful Villa - – In 2025, Home Forward transferred this public housing property located in SE Portland neighborhood of Hawthorne and Clinton Street to Peaceful Villa Limited Partnership. This partnership utilizes 4% low-income housing tax credits to redevelop the existing 70 affordable housing units into a modern housing development that consists of three apartment buildings with 166-unit affordable housing property.

Civic Station Housing – In 2025, Home Forward transferred this affordable housing property located near the corner of SW 257th Avenue and E. Historic Columbia River Highway to Civic Station Housing Limited Partnership. This partnership will utilize 9% low-income housing tax credits to renovate this 59-unit affordable housing property.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Highlights

Home Forward's Statement of Net Position reflects growth in net position during the period of January 1, 2025 to December 31, 2025. Specifically:

- Total assets and deferred outflows of resources decreased \$9.2 million from \$835.7 million at January 1, 2025 to \$826.5 million at December 31, 2025, primarily due to a \$56.9 million decrease in notes receivable from partnerships, a \$45.7 million increase in notes and accrued interest receivable, a \$13.7 million decrease in cash and cash equivalents, and a \$25.9 million increase in net capital assets.
- Total liabilities and deferred inflows of resources decreased \$33 million from \$358.4 million at January 1, 2025 to \$325.4 million at December 31, 2025, mainly due to an decrease in bonds payable to partnerships of \$56.9 million.
- Total operating revenues for the period January 1, 2025 to December 31, 2025 were \$335 million and total operating expenses were \$343.5 million. Operating results for this period resulted in an operating loss of \$8.5 million. Nonoperating revenues/(expenses) were \$2.5 million. Overall, net position increased \$23.8 million.

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6/11/26

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Condensed Statement of Net Position

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

(In Thousands of Dollars)	2025	2024	Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current Assets	\$ 192,919	\$ 265,793	\$ (72,874)
Noncurrent Assets	374,340	336,609	37,731
Capital Assets	241,846	215,909	25,937
Total Assets	809,104	818,311	(9,207)
Deferred Outflows of Resources	17,377	17,410	(33)
Total Assets and Deferred Outflows of Resources	<u>\$ 826,481</u>	<u>\$ 835,721</u>	<u>\$ (9,240)</u>
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$ 94,811	\$ 133,264	\$ (38,453)
Noncurrent Liabilities	200,392	199,935	457
Total Liabilities	295,203	333,199	(37,996)
Deferred Inflows of Resources	30,171	25,195	4,976
Total Liabilities and Deferred Inflows of Resources	325,373	358,394	(33,021)
Net Position			
Net Investment in Capital Assets	111,485	93,547	17,938
Restricted	45,646	40,890	4,756
Unrestricted	343,977	342,890	1,087
Total Net Position	501,107	477,327	23,780
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 826,481</u>	<u>\$ 835,721</u>	<u>\$ (9,240)</u>

Year-End Financial Position

Current assets decreased \$72.9 million during the period ending December 31, 2025. This decrease was due to a decrease in cash and cash equivalents and a decrease in the current portion of notes receivable due from partnerships, consistent with the decrease in bonds payable—partnerships.

Noncurrent assets (other than capital assets) increased by \$37.7 million mainly due to an increase in the noncurrent portion of notes receivable from partnerships, offset by an increase in notes and accrued interest receivable.

Net capital assets increased \$25.9 million mainly driven by capital asset additions of \$17.8 million, offset by disposals of \$.6 million, component unit transfers of \$8.8 million related to the acquisition of limited partner interest in the Katherine Gray to Home Forward.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Year-End Financial Position (Continued)

Current liabilities decreased \$38.5 million during the year, mainly due to a decrease in Current Portion Bonds Payable - Partnership of \$49.2 million.

Noncurrent liabilities increased .5 million during the year, mainly due to an increase in Notes Payable due to new notes issued, offset by decreases in Bonds Payable and Bonds Payable - Partnership.

Net position at December 31, 2025 was \$501.1 million, an increase of \$23.8 million from the balance at December 31, 2024.

Capital Assets

At December 31, 2025, Home Forward had \$241.8 million of capital assets, an increase \$25.9 million since December 31, 2024. More detailed information about Home Forward's capital assets is presented in Note 9 to the financial statements.

(In Thousands of Dollars)	2025	2024	Increase (Decrease)
Land	\$ 49,087	\$ 44,972	\$ 4,115
Construction in Progress	23,031	11,284	11,747
Total Capital Assets Not Being Depreciated/Amortized	<u>72,117</u>	<u>56,256</u>	<u>15,861</u>
Buildings and Improvements	301,104	283,486	17,618
Right to Use Assets - Buildings	608	608	0
Equipment	15,320	13,962	1,358
Right to Use Assets - Equipment	375	190	185
Accumulated Depreciation/Amortization	(147,679)	(138,593)	(9,086)
Total Capital Assets Being Depreciated/Amortized	<u>169,728</u>	<u>159,653</u>	<u>10,075</u>
Total Capital Assets, Net	<u>\$ 241,846</u>	<u>\$ 215,909</u>	<u>\$ 25,937</u>

Notes and Bonds Payable

At December 31, 2025, Home Forward had \$130.2 million of notes and bonds payable outstanding (*excluding bonds payable-partnerships*), an increase of \$7.5 million over the prior year. More detailed information about Home Forward's capital debt is presented in Notes 11 and 12 to the financial statements.

(In Thousands of Dollars)	2025	2024	Increase (Decrease)
Current Portion of Notes and Bonds Payable	\$ 5,505	\$ 5,962	\$ (457)
Notes Payable - Long-Term	98,821	88,188	10,633
Bonds Payable - Long-Term	25,846	28,511	(2,665)
Total Notes and Bonds Payable	<u>\$ 130,172</u>	<u>\$ 122,661</u>	<u>\$ 7,511</u>

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

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Results of Operations

Statement of Revenues, Expenses, and Changes in Net Position

(In Thousands of Dollars)	2025	2024	Change
Operating Revenues			
Rental Revenue	\$ 30,363	\$ 29,728	\$ 635
HUD Subsidies and Grants	236,140	205,207	30,933
Development Fee Revenue	15,695	16,247	(552)
State, Local, and Other Grants	46,881	37,788	9,093
Other	5,921	11,837	(5,916)
Total Operating Revenues	<u>335,001</u>	<u>300,807</u>	<u>34,194</u>
Operating Expenses			
Housing Assistance Payments	216,806	183,702	33,104
Administration	30,449	33,050	(2,601)
Tenant Services	18,237	14,307	3,930
Program Expenses	26,009	23,726	2,283
Utilities	9,427	8,669	758
Maintenance	25,793	23,511	2,282
Depreciation/Amortization	9,399	9,127	272
Other	7,411	7,097	314
Total Operating Expenses	<u>343,532</u>	<u>303,189</u>	<u>40,343</u>
Operating Income (Loss)	(8,531)	(2,382)	(6,149)
Nonoperating Revenues (Expenses)			
Investment Income	5,757	5,730	27
Interest Expense	(2,924)	(2,846)	(78)
Investment in Partnership Valuation Charge	(567)	1,051	(1,618)
Financing Costs	(23)	(52)	29
Loss on Sale of Capital Assets	(485)	(607)	122
Gain on Sale of Capital Assets	753	791	(38)
Total Nonoperating Revenues	<u>2,510</u>	<u>4,067</u>	<u>(1,557)</u>
Loss before Capital Contributions	(6,022)	1,685	(7,707)
Capital Contributions			
HUD Nonoperating Contributions	13,279	2,302	10,977
Other Nonoperating Contributions	16,391	31,814	(15,423)
Partner Contributions	131	(336)	467
Total Capital Contributions	<u>29,802</u>	<u>33,780</u>	<u>(3,978)</u>
Increase in Net Position	23,780	35,465	(11,685)
Net Position - Beginning of Year	<u>477,327</u>	<u>441,862</u>	<u>35,465</u>
Net Position - End of Year	<u>\$ 501,107</u>	<u>\$ 477,327</u>	<u>\$ 23,780</u>

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Results of Operations (Continued)

Fiscal year 2025 had an operating loss of \$8.5 million, compared to an operating loss of \$2.4 million in fiscal year 2024. Total operating revenues were \$34.2 million higher while operating expenses increased by \$40.3 million.

Operating revenues of \$335 million increased \$34.2 million from fiscal year 2024. This is mainly due to a \$30.9 million increase in HUD subsidies and grants.

Total operating expenses were \$343.5 million, an increase of \$40.3 million from the prior year. This increase is primarily due to a \$33.1 million increase in housing assistance payments.

Nonoperating revenues/(expenses) were \$2.5 in net revenue, a decrease of \$1.6 million from the prior year. The decrease is primarily due to the decrease in the investment in partnership valuation change.

During 2025, other nonoperating contributions totaled \$29.8 million with funds supporting small capital improvement projects throughout the portfolio. This is a \$4 million decrease.

The impact of the above activity was an increase in net position during fiscal year 2025 of \$35.5 million

FORWARD LOOKING INFORMATION

Significant economic factors affecting Home Forward are as follows:

The national economy experienced a volatile 2025, with real GDP growth contracting 0.6% in the first quarter before rebounding mid-year and slowing again to 0.5% in the fourth quarter. The Federal Reserve cut its benchmark rate three times during the year as inflation stabilized near 3.0%, while elevated tariff uncertainty kept consensus recession risk around 30–40%. Oregon underperformed the nation, with the state's unemployment rate rising to 5.3% by December 2025 and total nonfarm employment declining approximately 1.1% year-over-year, driven by broad-based losses in manufacturing, information, construction, and professional services. The Portland metro area fared worse still, with unemployment reaching 4.9%, continued population loss in Multnomah County, and the region ranking 80th out of 81 markets in national real estate attractiveness. Housing production remained far below the Governor's target of 36,000 units per year, and much of the metro area remained unaffordable for households earning less than \$160,000 annually.

These economic pressures had a direct and material impact on Home Forward's operations. Federal budget reductions—including a \$14 million cut in Housing Choice Voucher funding—combined with rising operating costs, resulted in a projected budget shortfall of approximately \$35 million, forcing the agency to pause new voucher issuances and reduce staffing levels. The real estate portfolio showed increasing financial stress, with the debt service coverage ratio declining from 2.36 in 2020 to 1.14 in 2024, approaching the 1.1 threshold required by most lenders, while elevated vacancy rates—averaging 185 days to fill a unit—contributed to an estimated \$8.4 million in lost revenue. Despite these challenges, Home Forward remains committed to its mission of providing safe, affordable housing and continues to work with local, state, and federal partners to identify sustainable funding strategies and operational efficiencies to preserve essential services for the communities it serves.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

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.

Draft
Subject to Change
6/11/26

**HOME FORWARD
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	Home Forward	Discretely Presented Component Units
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 69,672,353	\$ 11,145,420
Cash and Cash Equivalents - Restricted	49,561,533	17,816,572
Investments - Restricted	1,892,086	-
Accounts Receivable, Net	29,446,027	2,075,698
Due from Partnerships, Net	6,309,597	1,583,033
Prepaid Expenses	1,493,736	18,822,582
Current Portion of Lease Receivable	838,860	-
Current Portion of Notes Receivable - Partnerships, Net	33,704,471	-
Total Current Assets	192,918,663	51,443,305
NONCURRENT ASSETS		
Notes and Accrued Interest Receivable	324,681,622	-
Notes Receivable - Partnerships, Net	31,180,222	-
Lease Receivable	6,685,418	-
Other Assets	105,660	11,551,869
Investments in Partnerships	10,887,350	-
Net OPEB Asset - RHIA	799,267	-
Capital Assets not being Depreciated	72,117,343	105,527,432
Capital Assets being Depreciated, Net	169,728,290	703,065,563
Total Noncurrent Assets	616,185,172	820,144,864
Total Assets	809,103,835	871,588,169
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	17,216,922	-
OPEB RHIA Related	73,053	-
OPEB HBRP Related	86,753	-
Total Deferred Outflows of Resources	17,376,728	-
Total Assets and Deferred Outflows of Resources	\$ 826,480,563	\$ 871,588,169

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025**

	Home Forward	Discretely Presented Component Units
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 11,157,838	\$ 17,064,656
Line of Credit	13,623,521	-
Accrued Interest Payable, Payable from Restricted Assets	3,399,406	19,630,608
Other Accrued Liabilities	9,682,112	50,259,609
Unearned Revenue	12,331,687	593,646
Deposits, Payable from Restricted Assets	5,228,501	425,150
Current Portion of Notes Payable	2,590,218	2,330,638
Current Portion of Bonds Payable	2,914,909	33,704,471
Current Portion of Bonds Payable - Partnerships	33,704,471	-
Current Portion of Lease Liability	178,261	32,806
Total Current Liabilities	94,810,924	124,041,584
NONCURRENT LIABILITIES		
Notes Payable - Long-Term	98,820,904	534,428,387
Bonds Payable - Long-Term	25,846,449	31,180,222
Bonds Payable - Partnerships	31,180,222	-
Accrued Interest - Long-Term	-	-
Net Pension Liability	43,048,013	-
Total OPEB Liability - HBRP	951,325	-
Lease Liability - Long-Term	544,697	34,357,485
Total Noncurrent Liabilities	200,391,610	599,966,094
Total Liabilities	295,202,534	724,007,678
DEFERRED INFLOWS OF RESOURCES		
Pension Related	1,143,707	-
OPEB RHIA Related	30,847	-
OPEB HBRP Related	451,804	-
Prepaid Ground Leases	6,744,517	-
Lease Related	21,799,874	-
Total Deferred Inflows of Resources	30,170,749	-
Total Liabilities and Deferred Inflows of Resources	325,373,283	724,007,678
NET POSITION		
Net Investment in Capital Assets	111,484,860	172,559,638
Restricted:		
Net OPEB Asset	799,267	-
Real Estate Proceeds	13,414,531	-
Residual Receipts	2,537,591	-
Funds Held in Trust	27,805,987	17,011,467
Program Reserves	1,088,264	379,955
Total Restricted	45,645,640	17,391,422
Unrestricted	343,976,780	(42,370,569)
Total Net Position	501,107,280	147,580,491
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 826,480,563	\$ 871,588,169

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025**

	Home Forward	Discretely Presented Component Units
OPERATING REVENUES		
Dwelling Rental	\$ 27,447,993	\$ 33,507,173
Nondwelling Rental	2,914,807	89,130
HUD Operating Subsidies	226,169,642	2,849,052
HUD Grants	9,970,654	-
Development Fee Revenue	15,695,433	-
State, Local, and Other Grants	46,880,987	872,394
Other	5,921,020	3,230,788
Total Operating Revenues	335,000,536	40,548,537
OPERATING EXPENSES		
Housing Assistance Payments	216,806,432	-
Administration	30,449,277	5,774,592
Tenant Services	18,237,300	1,782,753
Program Expense	26,009,090	3,652,712
Utilities	9,427,325	6,736,629
Maintenance	25,792,927	10,286,801
Depreciation and Amortization	9,398,697	23,988,029
General and Other	7,410,829	6,197,153
Total Operating Expenses	343,531,877	58,418,669
OPERATING LOSS	(8,531,341)	(17,870,132)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	5,756,728	285,276
Interest Expense	(2,924,371)	(13,542,415)
Investment in Partnership Valuation Charge	(567,305)	-
Financing Costs	(23,096)	(94,883)
Loss on Disposal of Capital Assets	(484,955)	(169,960)
Gain/Loss on Sale of Capital Assets	752,700	408,699
Total Nonoperating Revenues (Expenses), Net	2,509,701	(13,113,283)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(6,021,640)	(30,983,415)
CAPITAL CONTRIBUTIONS		
HUD Nonoperating Contributions	13,279,453	-
Other Nonoperating Contributions	16,391,362	45,468
Partner Contributions	130,835	54,756,657
Total Capital Contributions	29,801,650	54,802,125
INCREASE IN NET POSITION	23,780,010	23,818,710
Net Position - Beginning of Year	477,327,270	123,761,781
NET POSITION - END OF YEAR	\$ 501,107,280	\$ 147,580,491

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025**

	Home Forward
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from HUD Grants	\$ 243,350,804
Receipts from State, Local, and Other Grants	44,447,024
Receipts from Tenants and Landlords	40,360,517
Receipts from Developer Fees	167,056
Receipts from Others	10,644,406
Receipt of Cash Restricted for Deposits Payable	1,638,330
Payments to Landlords	(217,241,836)
Payments to and on Behalf of Employees	(56,469,874)
Payments to Vendors, Contractors, and Others	(63,425,171)
Net Cash Provided by Operating Activities	3,471,256
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Line of Credit	15,552,142
Payments on Line of Credit	(15,363,975)
Net Cash Provided by Noncapital Financing Activities	188,167
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Line of Credit	17,351,269
Payments on Line of Credit	(15,267,967)
Proceeds from Issuance of Notes Payable	10,810,453
Proceeds from Issuance of Bonds Payable	-
Proceeds from Issuance of Bonds Payable - Partnerships	17,068,910
Interest Paid on Notes and Bonds Payable	(2,903,856)
Principal Payments on Notes Payable	(1,373,363)
Principal Payments on Bonds Payable	(1,925,937)
Principal Payments on Bonds Payable - Partnerships	(74,016,143)
Principal Payments on Lease Liability	55,022
HUD Capital Contributions	13,012,559
Other Nonoperating Contributions, Net	16,522,197
Acquisition and Construction of Capital Assets	(27,003,291)
Proceeds from the Sale of Capital Assets	928,505
Payments on Right to Use Asset	(185,953)
Purchase of Limited Partnership Interest	(9,374,185)
Net Cash Used by Capital and Related Financing Activities	(56,301,780)
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	(4,631)
Financing Fees Paid	14,892,060
Issuance of Notes Receivable	(39,922,058)
Issuance of Notes Receivable - Partnerships	(17,068,910)
Collections on Notes Receivable	-
Collections on Notes Receivable - Partnerships	74,016,143
Change in Due from Partnerships, Net	1,266,124
Change in Investments in Partnerships, Net	7,467
Investment Income Received	5,756,728
Net Cash Provided by Investing Activities	38,942,923
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,699,434)
Cash and Cash Equivalents - Beginning of Year	132,933,320
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 119,233,886

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

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

Operating Loss	\$ (8,531,341)
Adjustments to Reconcile Operating Loss to Cash Flows Used by Operating Activities:	
Depreciation and Amortization	9,398,697
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Accounts Receivable, Net	9,092,936
Developer Fee Receivable	(5,784,004)
Prepaid Expenses	(28,483)
Other Assets	30
Accounts Payable	639,870
Other Accrued Liabilities	428,231
Unearned Revenue	(3,672,222)
Deposits, Payable from Restricted Assets	1,638,330
Deferred Outflows of Resources - Pensions	35,242
Deferred Outflows of Resources - OPEB	(1,951)
Deferred Inflows of Resources - Pensions	(784,223)
Deferred Inflows of Resources - OPEB	(168,486)
Net Pension Liability	1,231,846
Net OPEB Asset and Net OPEB Liability	(23,216)
Net Cash Provided by Operating Activities	<u>\$ 3,471,256</u>

SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS

Change in Investment in Partnerships	\$ (567,305)
Total Noncash Transactions	<u>\$ (567,305)</u>

See accompanying Notes to Financial Statements.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 12 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 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.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

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.

Cecelia Limited Partnership (Cecelia LP) was formed as a Tax Credit Limited Partnership on December 31, 2003 to construct a 131-unit apartment complex located in Portland, Oregon. On June 30, 2022, Banc of America-Alliant Tax Credit Fund XXVIII, Ltd. and Alliant ALP I-30, LLC transferred their interests as Investor Limited Partner and Administrated Limited Partner, respectively, to HFDE.

Civic Redevelopment Limited Partnership (Morrison LP) was formed as a Tax Credit Limited Partnership on June 1, 2005 to construct a 140-unit apartment complex located in Portland, Oregon. On October 17, 2024, Nationwide Affordable Housing Fund XXV,-Apollo Tax Credit Fund-XLVII, LLC and RBC Community Investments Manager II, Inc transferred their interests as Investor Limited Partner and Special Limited Partner, respectively, to HFDE.

Trouton Limited Partnership (Trouton LP) was formed as a Tax Credit Limited Partnership on December 31, 2003 to construct a 250-unit apartment complex located in Portland, Oregon. On December 28, 2022, MMA Trouton, LLC and BFIM Special Limited Partner, Inc. transferred their interests as Investor Limited Partner and Special Limited Partner, respectively, to HFDE.

Woolsey Limited Partnership (Woolsey LP) was formed as a Tax Credit Limited Partnership on June 26, 2003 to construct a 131-unit apartment complex located in Portland, Oregon. On March 31, 2023, Enterprise Housing Partners III Series II Limited Partnership transferred their interests as Investor Limited Partner to HFDE.

1115 SW 11th Avenue (Katherine Gray, LP) was formed as a Tax Credit Limited partnership on June 26, 2003 to construct a 131-unit apartment complex located in Portland, Oregon. On March 31, 2023, Enterprise Housing partners III Series II Limited Partnership transferred their interests as Investor Limited partner to HFDE.

Humboldt Gardens Limited Partnership (Humboldt Gardens LP) was formed as a Tax Credit Limited Partnership on June 1, 2007 to construct a 130-unit apartment complex located Portland, Oregon. On November 30, 2023 EHP XV Investor, LP transferred their interest as the Limited Partner to HFDE.

Home Forward Insurance Group LLC (HFIG) was formed December 14, 2022 to support Home Forward in long term risk management program savings through use of a formalized self-insurance program.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

New Market West Management Services LLC (NMWMS) was formed on October 26, 2017 to support Home Forward by providing management services for housing projects, as defined in the Housing Authorities Law, which are owned by Home Forward and/or located within the area of Home Forward's operation, and by engaging or assisting in the development of operation of such public housing.

Home Forward is legally entitled to or can otherwise access the resources of HFDE, HFCP, HFIG, NMWMS, St. Francis, LLC, Gateway Park LP, Cecelia LP, Woolsey LP, Humboldt Gardens LP, Civic Commons and Trouton LP at the discretion of Home Forward management. Because HFDE, HFCP, HFIG, NMWMS, St. Francis, LLC, Gateway Park LP, Cecelia LP, Woolsey LP, Humboldt LP, Civic Commons, Katherine Gray LP and Trouton 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:

- Beech Street Limited Partnership
- East Group Limited Partnership
- Lloyd Housing Limited Partnership
- North Group Limited Partnership
- Square Manor Limited Partnership
- Stephens Creek Crossing North Limited Partnership
- Stephens Creek Crossing South Limited Partnership
- Wests Limited Partnership
- Woods East Limited Partnership
- FP2 Limited Partnership
- 3000 Powell Limited Partnership
- Baldwin PSH Limited Partnership
- Central Group Limited Partnership
- Dekum 2 Limited Partnership
- GPT Limited Partnership
- Fairfield PSH Limited Partnership
- Troutdale Limited Partnership
- Killingsworth Limited Partnership
- Peaceful Villa Limited Partnership
- Civic Station Housing Limited Partnership

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

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

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, 2025, Home Forward administered approximately 12,601 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 7,936 units of housing. The Affordable Housing portfolio consists of 80 multifamily properties representing 6,725 units, of which 3,726 are owned through tax credit partnerships. The Special Needs portfolio consists of 26 properties representing 252 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, 2025**

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 accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/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, 2025**

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 90 days 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 held in trust to secure the performance of a rental agreement. Tenant security deposits in excess of any outstanding damage or rent charges must be returned to the departing tenants within 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. These balances are reported in Real Estate Sale Proceeds.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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. These balances are reported in Real Estate Sale Proceeds.

Funds Held in Trust consist primarily of replacement reserves held in trust and 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, 2025, the reserves were funded as required under the various agreements.

Program Reserves represents unspent funds that are held for future program use.

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, 2025 was \$34,340.

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.

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 December 31, 2025, all of Home Forward's funds were collateralized.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Investments in Partnerships

Represents Home Forward's equity interest in 20 limited partnerships, which are reported as Home Forward's discretely presented component units (see Note 8). 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.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Lessor)

The Authority determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position (see Note 7).

Lease receivables represent the Authority's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Authority is the lessor of dwelling units to low-income and market rate residents. The low-income rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Authority may cancel the leases only for cause. A significant majority of the capital assets are used in these leasing activities. The Authority has recognized payments received for tenant and short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statement of net position.

Where the individual lease contracts do not provide information about the discount rate implicit in the lease, the Authority has elected to use their incremental borrowing rate of 2.50% to calculate the present value of expected lease payments.

Leases (Lessee/Right-to-Use Assets)

The Authority is a lessee for noncancelable leases of office space and office equipment. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the statement of net position. The Authority recognizes lease liabilities with an initial, individual value of \$5,000 or more.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Lessee/Right-to-Use Assets) (Continued)

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease and option years that the Authority is reasonably certain to exercise.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors change in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported as current and noncurrent on the statement of net position.

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. When debt is issued for construction of capital assets, interest is capitalized during construction up to the placed-in-service date. 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.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 three 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. The deferred inflow related to leases is recognized as revenue over the life of the leases.

Net OPEB (Asset)/Liability

Home Forward has two other post-employment 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).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025. As of December 31, 2025, unearned revenue consisted of the following:

Advanced Grant Funding	\$ 8,373,661
Miscellaneous Prepayments	3,958,026
Total Unearned Revenue	<u>\$ 12,331,687</u>

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

The liability for compensated absences consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. Total accrued compensated absences as of the year ended December 31, 2025 were \$6,396,124 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.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of New Pronouncements

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of GASB No. 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Authority implemented the standard during the year ended December 31, 2025, noting no material impact.

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, 2025, Home Forward earned \$15,695,433 in developer fees and was paid \$9,781,399.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 LOW INCOME HOUSING TAX CREDIT LIMITED PARTNERSHIPS (CONTINUED)

At December 31, 2025, the balance of the development fees owed to Home Forward is \$40.8 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 \$406,714 for the year ended December 31, 2025.

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, 2025, cash and investments consisted of the following:

Cash and Cash Equivalents	\$ 69,672,353
Cash and Cash Equivalents - Restricted	49,561,533
Total Cash and Cash Equivalents	\$ 119,233,886
Investments - Restricted	\$ 1,892,086
Total Investments	\$ 1,892,086

At December 31, 2025, 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, 2025, 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).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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

Investment Risk Disclosures (Continued)

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.

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, 2025, 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, 2025, Home Forward's restricted investments consist of a certificate of deposit of \$331,230, a money market fund of \$500,000, a U.S. Government Security of \$101,788, and 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, \$486,388 and \$101,788, respectively.

Investments restricted at December 31, 2025 mature between January 2027 and May 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).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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

Fair Value of Financial Instruments (Continued)

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
- 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 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, 2025 as compared to December 31, 2024. Investments in derivatives are valued based upon quoted prices for similar assets in active markets.

Certificates of Deposit, Guaranteed Investment Contracts, Money Market Funds, and U.S. Treasury Bills are carried at amortized cost, thus are not included in the fair value hierarchy.

Investments Not Subject to Fair Value Levels:

Certificate of Deposit	\$	331,230
Guaranteed Investment Contract		472,680
Money Market Fund		500,000

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, 2025:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Repurchase Agreement	\$ 486,388	\$ -	\$ 486,388
U.S. Government Securities	101,788	101,788	-

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of the year ended December 31, 2025:

HUD Grants	\$ 12,090,693
State, Local, and Other Grants	6,926,650
Tenants and Landlords	10,563,684
Development	922,947
Other	3,816,949
Total Accounts Receivable	<u>34,320,923</u>
Less: Allowances for Doubtful Accounts	<u>(4,874,896)</u>
Accounts Receivable, Net	<u><u>\$ 29,446,027</u></u>

NOTE 5 DUE FROM PARTNERSHIPS

Due from Partnerships consists of the following as of the year ended December 31, 2025:

Stephen's Creek Crossing North (4%)	\$ 55,854
West's Limited Partnership	546,322
Stephen's Creek Crossing South (9%)	41,968
Woods Limited Partnership	99,965
Square Manor Limited Partnership	516,710
Lloyd Housing Limited Partnership	1,542,421
North Group Limited Partnership	491,739
East Group Limited Partnership	109,462
Central Group Limited Partnership	527,596
Baldwin PSH Limited Partnership	118,735
Fairfield PSH Limited Partnership	130,243
GPT Limited Partnership	91,105
Dekum 2 Limited Partnership	50,124
Killingsworth Limited Partnership	5,530
Troudale Housing Limited Partnership	29,195
Peaceful Villa Limited Partnership	57,349
All Other Partnerships	3,371,377
Total Due from Partnerships	<u>7,785,695</u>
Less: Allowances for Doubtful Accounts	<u>(1,476,098)</u>
Due from Partnerships, Net	<u><u>\$ 6,309,597</u></u>

NOTE 6 NOTES RECEIVABLE AND ACCRUED INTEREST

Notes and accrued interest receivable consist of the following as of December 31, 2025:

Partnerships Notes	\$ 389,744,112
Homeowners Notes	208,300
Total Notes Receivable	<u>389,952,412</u>
Accrued Interest Receivable	17,080,146
Less: Allowances for Doubtful Accounts	<u>(17,466,243)</u>
Total Notes and Accrued Interest Receivables, Net	<u><u>\$ 389,566,315</u></u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 NOTES RECEIVABLE AND ACCRUED INTEREST (CONTINUED)

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.

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.

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.

NOTE 7 LEASE RECEIVABLE

The Authority, acting as lessor, leases land and buildings under long-term, noncancelable lease agreements. The leases expire at various dates through 2085 and provide for various renewal options.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 838,860	\$ 217,140	\$ 1,056,000
2027	809,102	188,775	997,877
2028	651,064	164,946	816,010
2029	529,764	146,701	676,465
2030	395,449	133,003	528,452
2031 - 2035	1,148,219	542,830	1,691,049
2036 - 2040	376,261	442,880	819,141
2041 - 2045	287,129	405,776	692,905
2046 - 2050	412,819	356,495	769,314
2051 - 2055	318,906	309,599	628,505
2056 - 2060	510,399	252,862	763,261
2061 - 2065	769,056	166,192	935,248
2066 - 2070	259,554	80,062	339,616
2071 - 2075	86,179	54,576	140,755
2076 - 2080	117,581	23,175	140,756
2081 - 2085	13,936	182	14,118
Total Minimum Lease Payments	<u>\$ 7,524,278</u>	<u>\$ 3,485,194</u>	<u>\$ 11,009,472</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 8 INVESTMENTS IN PARTNERSHIPS

Investments in partnerships consist of the following as of December 31, 2025:

Investments in Limited Liability Partnerships

St Francis Park Limited Partnership	442,720
Square Manor Limited Partnership	291,267
Powell Limited Partnership	165,175
Lloyd Housing Limited Partnership	7,851,111
Dekum Court Limited Partnership	2,089,676
GPT Limited Partnership	47,101
Killingsworth	100
Troutdale Housing LP	100
Property Peaceful Villa LP	100
Total Investments in Partnerships	<u>\$ 10,887,350</u>

NOTE 9 CAPITAL ASSETS AND LEASES

Land, structures, and equipment activity of Home Forward was as follows for the year ended December 31, 2025:

	Balance January 1, 2025	Additions	Disposals	Transfers	Component Unit Transfer	Balance, December 31, 2025
Land	\$ 44,972,403	\$ 1,351,400	\$ (58,413)	\$ -	\$ 2,821,453	\$ 49,086,843
Construction in Progress	11,284,498	15,656,567	(220,072)	(3,690,493)	-	23,030,500
Total Capital Assets Not Being Depreciated/Amortized	56,256,901	17,007,967	(278,485)	(3,690,493)	2,821,453	72,117,343
Buildings and Improvements	283,485,840	9,885,498	(905,042)	2,571,821	6,066,284	301,104,401
Right to Use Assets - Buildings	608,289	-	-	-	-	608,289
Equipment	13,961,697	109,826	(99,992)	1,266,519	81,821	15,319,871
Right to Use Assets - Equipment	188,888	185,953	-	-	-	374,841
	298,244,714	10,181,277	(1,005,034)	3,838,340	6,148,105	317,407,402
Less Accumulated Depreciation/ Amortization:						
Buildings and Improvements	(127,014,143)	(8,544,570)	475,026	(147,847)	(147,160)	(135,378,694)
Right to Use Assets - Buildings	(65,760)	(65,761)	-	-	-	(131,521)
Equipment	(11,430,658)	(681,249)	99,992	-	(15,518)	(12,027,433)
Right to Use Assets - Equipment	(82,088)	(107,117)	47,741	-	-	(141,464)
	(138,592,649)	(9,398,697)	622,759	(147,847)	(162,678)	(147,679,112)
Total Capital Assets Being Depreciated/Amortized, Net	159,652,065	782,580	(382,275)	3,690,493	5,985,427	169,728,290
Total Capital Assets	\$ 215,908,966	\$ 17,790,547	\$ (660,760)	\$ -	\$ 8,806,880	\$ 241,845,633

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 10 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 October 1, 2029. Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2025, gross draws, including initial draws and draws after repayments, on the line of credit were \$17,351,269 which represents both principal and accrued interest. The remaining outstanding line of credit balance for December 31, 2025 was \$2,083,302.

A summary of activity for Home Forward's line of credit for year ended December 31, 2025 is as follows:

	Balance January 1, 2025	Draws	Repayments	Balance December 31, 2025
Line of Credit	<u>\$ -</u>	<u>\$ 17,351,269</u>	<u>\$ (15,267,967)</u>	<u>\$ 2,083,302</u>

Home Forward has a 10-year, \$18,300,000 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 two properties 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 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, 2025, gross draws, including initial draws and draws after repayments, on the line of credit were \$15,552,142 which represents both closing costs and accrued interest. The remaining outstanding line of credit balance for the year ended December 31, 2025 was \$11,540,219.

A summary of activity for Home Forward's line of credit for the year ended December 31, 2025 is as follows:

	Balance January 1, 2025	Draws	Repayments	Balance December 31, 2025
Line of Credit	<u>\$ 11,352,052</u>	<u>\$ 15,552,142</u>	<u>\$ (15,363,975)</u>	<u>\$ 11,540,219</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 11 NOTES PAYABLE

Notes payable of Home Forward consist of the following as of December 31, 2025:

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	\$ 174,812
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 substanti	Not applicable	N/A	207,741
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 substanti	Not applicable	N/A	381,723
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,	Not applicable	N/A	219,975
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,	Not applicable	N/A	395,388

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 11 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
Fenwick Apts	3.77 %	2045	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	\$ 959,705
Fenwick Apts	-	ale of Proper	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)	Not applicable	N/A	1,137,073
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)	Not applicable	N/A	82,059
Helen Swindells	-	2083	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 curre	Not applicable	N/A	2,720,007

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 11 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
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	If Borrower becomes insolvent, all sums of principal and interest under the Note become automatically due and payable	N/A	\$ 82,219
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, f	Not applicable	N/A	5,728,950
North Interstate	-	Sale of Property	Cash Flow	Trust Deed	Not applicable	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 d	Not applicable	N/A	231,939
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 day	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	57,066

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NOTES TO FINANCIAL STATEMENTS
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NOTE 11 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
Schiller Way	0%	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 compl	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 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	Not applicable	N/A	175,885
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	Not applicable	N/A	116,642
Fairview 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 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 proceedi	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	9,084,606
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 proceedin	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	3,670,219

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NOTE 11 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
Taylor Home	7.00%	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. Payment among default must include the sums required to be paid in the event	Not applicable	N/A	\$ 17,070
Ainsworth Court	-	2052	Cash Flow	Subordination agreement to be secured by certain liens and encumbrances against the property, Lien on the land	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	Not applicable	N/A	914,699
Ainsworth Court	4.77	2034	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	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	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	1,382,110
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 ri	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	829,726
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 foreclo	Not applicable	N/A	350,456
Rockwood Landing	-	2058	Maturity Date	Trust deed, security agreement, and fixture filing	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	Not applicable	N/A	150,000

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NOTES TO FINANCIAL STATEMENTS
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NOTE 11 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
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 deb	Not applicable	N/A	\$ 2,664,000
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 deb	Not applicable	N/A	275,554
Hamilton West	-	ale of Proper	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 deb	Not applicable	N/A	2,039,641
Helen Swindells (Mpower)	-	2083	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 curre	Not applicable	N/A	1,113,664

Subject to 6/11/26

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NOTES TO FINANCIAL STATEMENTS
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NOTE 11 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	3.05%	2029	Monthly	Deed of Trust, Security Agreement and Fixture Filing, Assignment of Leases and Rents	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	N/A	\$ 133,988
St. Francis LLC	3.38	2050	Monthly	Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing	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	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.	3,198,471
St Francis LLC	- % iale of Proper		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 de	Not applicable	N/A	5,194,028

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NOTE 11 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
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 de	Not applicable	N/A	\$ 355,187
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 de	Not applicable	N/A	213,612
Sequoia Square	-	ale of Proper	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 de	Not applicable	N/A	514,486
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 de	Not applicable	N/A	924,767
Development Non-Capital Project	-	2027	Maturity Date	Trust Deed	Failure to pay obligations under the note or other loans when due, failure to comply with covenants, failure to pay general debts when due, failure to disclose material facts, failure to diligently pursue the project and default under other loans.	Not applicable	Acceleration of unpaid balance of principal and accrued interest, interest on default (12%), payment of costs of collections, deliver work product, and provide accounting.	2,000,000

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NOTE 11 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
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	Not applicable	N/A	\$ 4,663,570
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 mater	Not applicable	N/A	3,262,197
4720 North Maryland	5.25	2023	Monthly	Deed of trust	Events of default include: Non Payment- Failure to pay any installment, 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 of	Not applicable	N/A	3,247,685
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	495,000
Haven	3.93	2036	Monthly	Deed of Trust with assignment of leases and rents, security agreement, and fixture filing	Events of default include: failure to pay any amount within 15 days of due date, other non-compliance (failure to comply with any other covenant of Agreement or other Loan Documents, non compliance with governmental regulations, other material breach, mat	Not applicable	N/A	620,799
Cecelia	3.00	2059	Maturity Date	Trust Deed	Events of default include but are not limited to: failure to pay any sum of money in accordance with the Note, failure to comply with any covenants, executing an assignment for the benefit of credits or take any action in furtherance thereof or admit in w	Not applicable	N/A	527,726
Woolsey	2.75	2038	Monthly	Deed of Trust	Events of default include: failure to pay any obligations under note when due, failure to comply with covenants, all or any material portion of the property is condemned, seized, or appropriated by any governmental agency, or a material adverse change in	Not applicable	N/A	515,853

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NOTE 11 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
Woolsey	3.18%	2038	Monthly	Deed of Trust	Events of default include: failure to pay any obligations under note when due, failure to comply with covenants, all or any material portion of the property is condemned, seized, or appropriated by any governmental agency, or a material adverse change in	Not applicable	N/A	\$ 541,594
Woolsey	6.75	2038	Monthly	Deed of Trust	Events of default include: failure to pay any obligations under note when due, failure to comply with covenants, all or any material portion of the property is condemned, seized, or appropriated by any governmental agency, or a material adverse change in	Not applicable	N/A	353,447
The Jeffrey	-	2068	Maturity Date	Trust Deed	Events of default include: failure to pay any obligations under note when due, failure to comply with covenants, failure to obtain lender's consent to transaction, failure to disclose material facts, default under other loans, or discontinued constructio	Not applicable	N/A	8,601,712
New Market West	6.35	2038	Monthly	Deed of Trust	Events of default include: failure to make any payment when due, making false or misleading statements, default in favor of any third party which may materially affect ability or perform under this Deed of Trust, and insolvency. Default may result in the	Not applicable	N/A	2,258,518
Cesar Apartments	- %	2080	Maturity Date	Trust Deed	Events of default include: Failure to pay obligations within 15 days under loan documents, failure to comply with loan documents (if not cured within 30 days), failure to obtain lender consent to transaction, failure to comply with loan agreement, trust	Not applicable	Lender may declare remaining unpaid balance principal and interest due, eligible household and restricted unit rental rate increase, foreclosure, metro bond recapture, notification to obligors to pay rent directly to lender, fee to be paid upon default to	8,997,090
The Morrison	3.00	2038	Maturity Date	Trust Deed	Events of default include: Failure to pay obligations within 10 days under loan documents, failure to comply with covenants (if not cured within 30 days), failure to obtain lender consent to transaction, failure to comply with loan agreement, trust deed,	Not applicable	Lender may declare remaining unpaid balance principal and interest due, notification to obligors to pay rent directly to lender, interest on default rate , foreclosure, foreclosure of lessee's rights-subordination, payment of costs of collection (losin	500,000

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NOTES TO FINANCIAL STATEMENTS
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NOTE 11 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
Ash Creek	6.25%	2044	Monthly	Deed of Trust	Payment default on debt and other payments, default in favor of 3rd parties, environmental default, false statements, defective collateralization, insolvency, creditor or forfeiture proceedings, property damage or loss, events affecting guarantor, adverse	Not applicable	Lender may upon default declare the entire unpaid principal balance and all accrued unpaid interest due. Lender will have the right to collect rents without notice to Guarantor, to take possession of the property, appoint receiver, lender shall be entitled to recover attorney fees at trial and upon any appeal.	\$ 1,238,048
Katherine Grey	0.10	2061	Cash Flow	Trust Deed	Failure to pay obligations under note and trust deed when due, failure to comply with covenants, failure to obtain lender's consent to transaction, failure to comply to cure the default, failure to pay general debts when due, failure to disclose material	Not applicable	Lender may declare the entire remaining unpaid balance of principal and unpaid accrued interest and other charges payable by Borrower pursuant to the Note or any other Loan Document, to be immediately due and payable in full.	3,718,852
Goose Hollow	-	2080	Cash Flow	Trust Deed	Borrower fails to pay any sum due under the Note within fifteen (15) days after the date it is due or fails to pay any other amount required to be paid by Borrower pursuant to the Trust Deed or the PHB Loan Documents (including, without limitation, taxes,	Not applicable	Upon the violation of any provision of this Agreement, Lender will give written notice to Borrower, specifying the nature of the violation. If Borrower does not correct the violation to the satisfaction of Lender within a reasonable time and not longer than thirty (30) days after the date of the notice, or within such additional time as Lender determines it necessary to correct the violation, Lender may declare an Event of Default under this Agreement by issuing to Borrower a Notice of Event of Default (as defined in the Trust Deed). Upon the occurrence of an Event of Default and at any time thereafter, Trustee or Lender may, at its option, exercise any one or more of the following rights and remedies: Acceleration. Lender may declare the entire remaining unpaid balance of principal and unpaid accrued interest and other charges payable by Borrower pursuant to the Note or any other Loan Document, to be immediately due and payable in full.	6,060,000
							Total	101,411,122
							Less: Current Portion of Notes Payable	(2,590,218)
							Total Notes Payable - Long-Term	\$ 98,820,904

(* Note: Calendar Year of Final Maturity Date)

**HOME FORWARD
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NOTE 11 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 2059 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, 2025 is as follows:

	Balance January 1, 2025	Increase	Decrease	Balance December 31, 2025
Notes Payable	<u>\$ 91,974,032</u>	<u>\$ 10,810,453</u>	<u>\$ (1,373,363)</u>	<u>\$ 101,411,122</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,590,218	\$ 1,400,197
2027	7,775,197	1,307,419
2028	2,317,861	1,214,110
2029	2,189,459	1,122,102
2030	2,086,798	1,024,891
2031 - 2035	14,363,330	4,217,040
2036 - 2040	9,944,633	3,277,485
2041 - 2045	5,094,643	767,353
2046 - 2050	2,198,789	95,795
2051 - 2055	2,478,401	-
2056 - 2060	536,845	-
Total	<u>51,576,174</u>	<u>14,426,393</u>
Notes With No Set Maturity	49,834,948	-
Total	<u>\$ 101,411,122</u>	<u>\$ 14,426,393</u>

**HOME FORWARD
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NOTE 12 BONDS PAYABLE

Bonds payable of Home Forward, which are secured by mortgages on the respective properties, consist of the following as of December 31, 2025:

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	0.03%	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 le	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	\$ 225,828
Pearl Court	Fixed	4.50	2037	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 indebtedness 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	890,000
Gretchen Kafoury	Fixed	4.00	2035	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 indebtedness 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	3,075,000

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NOTES TO FINANCIAL STATEMENTS
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NOTE 12 BONDS PAYABLE (CONTINUED)

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
Hamilton West	Fixed	4.00%	2031	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 indebtedness 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	\$ 2,640,000
Yards at Union Station	Fixed	4.85	2040	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 indebtedness 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	1,680,000
Lovejoy Station	Fixed	1.45	2052	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 indebtedness 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	5,120,000

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NOTE 12 BONDS PAYABLE (CONTINUED)

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
Cecelia	Variable	- %	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.	Not applicable	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 t	\$ 2,770,000
Trouton	Variable	-	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.	Not applicable	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 t	3,795,000

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NOTES TO FINANCIAL STATEMENTS
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NOTE 12 BONDS PAYABLE (CONTINUED)

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
Humboldt Gardens	Fixed	6.17%	2039	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.	Not applicable	If any Event of Default occurs the Issuer shall have the right to direct the Trustee to declare all outstanding bonds immediately due and payable.	\$ 675,000
The Morrison	Variable	-	2038	Trust Estate (deed of trust) and the security for the Bonds, the following: (a) the Bond Mortgage Note, (b) the Credit Facility providing credit enhancement for the Bond Mortgage Loan and liquidity support for the Bonds, (c) the amounts on deposit in the Bond Mortgage Loan Fund, to the extent not disbursed pursuant to the terms and conditions hereof, (d) the Revenues and any other moneys received by the Trustee for the payment of the principal of and interest on the Bonds, (e) amounts otherwise on deposit in the funds and accounts (other than moneys on deposit from time to time, in the Bond Purchase Fund, the Principal Reserve Fund, the Borrower's Contingency Fund, the Rebate Fund and the Cost of Issuance Fund) and (f) investment income (excluding Investment Income earned on amounts on deposit in the Rebate Fund and Investment Income earned on amounts on deposit in the Costs of Issuance Fund);	Event of defaults include: (a) failure to pay the principal or Purchase Price of, premium, if any, or interest on any Bond (other than Purchased Bonds) when due, whether at the stated maturity thereof, or on proceedings for redemption thereof, or on the maturity thereof by declaration; or (b) failure by the Credit Facility Provider to make when due a required payment under the Credit Facility; or (c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Authority (other than those set forth in Section 5.01 hereof) in this Indenture or in the Bonds and the continuance thereof for a period of thirty (30) days after written notice to the Authority from the Trustee or the Holders of not less than 51% of the aggregate principal amount of the Bonds then Outstanding at such time specifying such default and requiring the same to be remedied; provided that the Credit Facility Provider shall have directed in writing that the same shall have constituted an Event of Default; or (d) receipt by the Trustee of written notice from the Construction Phase Credit Facility Provider that the interest portion of the Letter of Credit will not be reinstated. The Trustee and the Authority agree that, notwithstanding the provisions hereof, no default under the terms of this Indenture shall be construed as resulting in a default under the Bond Mortgage Note, the Bond Mortgage, the Reimbursement Mortgage or any other Bond Mortgage Loan Document, unless such event also constitutes an event of default thereunder. The Trustee will immediately notify the Authority, the Servicer (from and after the Conversion Date) and the Credit Facility Provider after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.	Not applicable	Upon the occurrence of an Event of Default upon only receipt from the Credit Facility provider of a notice direction such acceleration by notice in writing to the borrower all principal and interest of bonds is due immediately (along with the trustee at the permission of bondholders)	7,800,000
					Total			28,670,828
					Less: Current Portion of Bonds Payable			<u>(2,914,909)</u>
					Total			25,755,919
					Plus Unamortized Premiums			143,568
					Less: Unamortized Discounts			<u>(53,038)</u>
					Total Long-Term Bonds Payable			<u>\$ 25,846,449</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 12 BONDS PAYABLE (CONTINUED)

A summary of activity of Home Forward's bonds payable for the year ended December 31, 2025 is as follows:

	Balance January 1, 2025	Draws	Repayments	Balance December 31, 2025
Bonds Payable	<u>\$ 30,584,695</u>	<u>\$ -</u>	<u>\$ (1,913,867)</u>	<u>\$ 28,670,828</u>

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>
2026	\$ 2,914,909	\$ 802,788
2027	2,257,441	659,727
2028	1,815,463	579,344
2029	1,886,290	506,651
2030	1,512,939	443,115
2031-2035	13,551,173	1,307,024
2036-2040	4,732,613	79,319
Total	<u>\$ 28,670,828</u>	<u>\$ 4,377,967</u>

NOTE 13 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 8 and Note 19) 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, 2025**

NOTE 13 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
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.	\$ 2,438,398
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 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	11,755,206

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 13 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
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 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 halted 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	\$ 13,919,392

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 13 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
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	\$ 3,749,966
Dekum Court	Fixed	7.18	2026	Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing	Events of default include any representation made by the borrower is incorrect; failure to pay any amounts due; borrower fails to observe or perform any other term, covenant, condition or agreement set forth in the Project Loan Agreement. Default rate as applicable 5% per annum or the maximum interest rate allowable by law. If principal and accrued interest are not paid in full on maturity date, unpaid balances shall accrue at the default rate	Default may result in the lender declaring the Project Loans to be immediately due and payable.	33,021,731
Total							64,884,693
Less: Current Portion of Bonds Payable							(33,704,471)
Total Bonds Payable and Notes Receivable - Partnerships							<u>\$ 31,180,222</u>

*For the variable rate debt, the December 31, 2025, interest rate, as provided above, was used for the future interest calculation.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 13 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

A summary activity of Home Forward’s bonds payable at December 31, 2025 is as follows:

	Balance January 1, 2025	Draws	Repayments	Balance December 31, 2025
Bonds Payable	<u>\$ 121,831,926</u>	<u>\$ 17,068,910</u>	<u>\$ (74,016,143)</u>	<u>\$ 64,884,693</u>

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

<u>Year Ending December 31.</u>	Principal	Interest
2026	\$ 33,704,471	\$ 1,369,697
2027	712,204	1,301,153
2028	742,943	1,270,414
2028	775,010	1,238,348
2030	808,461	1,204,896
2031-2035	8,908,625	5,053,337
2036-2040	4,380,472	3,585,464
2041-2045	5,396,730	2,569,206
2046-2050	6,648,758	1,317,178
2051-2055	2,807,019	113,813
Total	<u>\$ 64,884,693</u>	<u>\$ 19,023,507</u>

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 post-employment 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.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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)

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 2022 Experience Study, which reviewed experience for the four-year period ended on December 31, 2023.

The total pension and OPEB liabilities based on the December 31, 2023 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date:	December 31, 2023
Measurement Date:	June 30, 2025
Experience Study Report:	2022, published July 24, 2023
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation	2.40%
Long-term expected rate of return	6.90%
Discount Rate	6.90%
Projected Salary Increases	3.40%
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service
Mortality:	
	Healthy Retirees and Beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	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, 2025**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annual Return (Geometric)</u>
Global Equity	27.50 %	6.63 %
Private Equity	25.50	8.38
Core Fixed Income	25.00	4.61
Real Estate	12.25	6.69
Master Limited Partnerships	0.75	5.62
Infrastructure	1.50	6.75
Hedge Fund of Funds - Multistrategy	1.25	5.90
Hedge Fund Equity - Hedge	0.63	6.01
Hedge Fund - Macro	5.63	5.52
Total	100.01 %	
Assumed Inflation - Mean		2.31 %

NOTE 15 PENSION

PERS Pension (Defined Benefits)

Home Forward is a participant of the PERS pension program. PERS benefits, as described by the PERS 2025 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.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 15 PENSION (CONTINUED)

PERS Pension (Defined Benefits) (Continued)

Pension Benefits (Continued)

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 \$200 per month for deaths that occur after July 30, 2003.

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 their 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%.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 15 PENSION (CONTINUED)

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 2022 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.

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).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 15 PENSION (CONTINUED)

OPSRP Pension Programs (Continued)

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).

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, 2023 to June 30, 2025 are:

	Tier 1/Tier 2	OPSRP
Pension Contribution Rate	23.03 %	19.79 %
Retiree Health Care Rate	0.05	-
Total Employer Contribution	23.08 %	19.79 %

The amount contributed by Home Forward for the year ended December 31, 2025 was approximately \$9,518,465 which represents the required contributions for both the employee and the employer for the year presented.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 15 PENSION (CONTINUED)

Net Pension Assets and Liabilities

At December 31, 2025, Home Forward reported a liability of \$43,048,013 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to June 30, 2025. Home Forward's proportion of the net pension liability was based on a projection 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, 2025, Home Forward's proportion was 0.18813025%, which increased from its proportion of 0.19276618% measured as of June 30, 2025.

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

For the year ended December 31, 2025, Home Forward recognized pension expense of \$7,607,193 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 4,390,797	\$ -
Net Differences Between Expected and Actual Experience	2,745,934	61,357
Changes in Assumptions	2,501,734	-
Net Differences Between Projected and Actual Earnings on Plan Investments	3,626,695	-
Changes in Proportion	2,460,128	27,626
Difference Between the Employer's Contributions and the Employer's Proportion Share of Contributions	1,491,634	1,054,724
Total	\$ 17,216,922	\$ 1,143,707

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 15 PENSION (CONTINUED)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The amount of \$4,390,797 reported as of the year ended December 31, 2025 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, 2025. 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>
2026	\$ 5,932,999
2027	3,194,568
2028	1,722,857
2029	589,802
2030	242,192
Total	<u>\$ 11,682,418</u>

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:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Net Pension Liability (Asset)	<u>\$ 68,655,244</u>	<u>\$ 43,048,013</u>	<u>\$ 21,606,308</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, 2025 was \$413,438. This balance is recorded in other accrued liabilities on the statement of net position.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2022 (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.

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 \$82,267 for the year ended December 31, 2024. 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, 2025, Home Forward reported an asset of \$799,267 for its proportionate share of the collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2025, and the total OPEB asset used to calculate the collective net OPEB asset was determined by an actuarial valuation as of December 31, 2023, rolled forward to June 30, 2025. 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, 2025 measurement date, Home Forward's proportion was 0.17876543%, which increased from its proportion measured as of June 30, 2024 (0.17131567%).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025, Home Forward recognized a decrease in OPEB expense of \$139,385 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	\$ 43,568	\$ -
Differences Between Expected and Actual Experience	-	10,340
Changes in Assumptions	-	830
Net Differences Between Projected and Actual Earning on Plan Investments	29,485	-
Changes in Proportionate Share	-	19,677
Total	\$ 73,053	\$ 30,847

The amount of \$30,847 reported for the year ended December 31, 2025 as deferred inflow 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, 2025. 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
2026	\$ (6,914)
2027	8,419
2028	(257)
2029	(2,610)
Total	\$ (1,362)

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, 2025**

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, 2025 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%)
Net OPEB Asset	\$ (748,651)	\$ (799,267)	\$ (842,887)

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

The Health Benefit Retiree Program is a post-employment 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 post-employment 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, 2025 there 364 active employees, along with 2 retirees and surviving spouses insured.

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.

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, 2023, Home Forward reported a total OPEB liability of \$951,325 for its implicit benefit subsidy based on a measurement date of December 31, 2025.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 (Continued)

The following table shows the changes in the total OPEB liability for the year ended December 31, 2025:

	Total OPEB Liability
Balance - Beginning of Year	\$ 867,233
Benefit Payments	(25,569)
Service Cost	74,800
Interest on Total OPEB Liability	34,861
Change in Assumptions	-
Experience (Gain) Loss	-
Balance - End of Year	<u>\$ 951,325</u>

For the year ended December 31, 2025, Home Forward recognized OPEB revenue of \$48,465 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	\$ 26,188	\$ 122,965
Changes of Assumptions or Other Inputs	60,565	328,839
Total	<u>\$ 86,753</u>	<u>\$ 451,804</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
2026	\$ (102,841)
2027	(73,386)
2028	(58,602)
2029	(24,118)
2030	(24,118)
All Subsequent Years	(81,986)
Total	<u>\$ (365,051)</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2024. Rates of mortality, retirement, and withdrawal are the same rates that were used in the December 31, 2024 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 2022.

Valuation Date:	December 31, 2024
Measurement Date:	December 31, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market value of assets
Interest Discount Rate:	4.08% per year
Kaiser Medical Cost Annual Trend Rate:	5% in all future years.
Providence Medical Cost Annual Trend Rate:	5% in all future 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 4.08% discount rate assumption is the December 31, 2024 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, 2025 would be if it were calculated using a discount rate that is 1% lower (3.08%) or 1% higher (5.08%) than the current rate:

	1% Decrease (3.08%)	Current Rate (4.08%)	1% Increase (5.08%)
OPEB Liability	<u>\$ 1,031,968</u>	<u>\$ 951,325</u>	<u>\$ 877,085</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025 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.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
OPEB Liability	<u>\$ 841,517</u>	<u>\$ 951,325</u>	<u>\$ 1,081,712</u>

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 \$20,500 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.

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Subject to Change
6/11/26

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 18 BLENDED COMPONENT UNITS

The condensed statements of net position of the blended component units are as follows as of December 31, 2025:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP	New Market West Management Services LLC	Haven	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Katherine Gray	Eliminations	Total
Assets															
Current Assets	\$3,178,517	\$3,886,191	\$571,383	\$1,141,844	\$783,876	\$4,600	\$ -	\$2,017,151	\$1,588,641	\$2,683,505	\$1,364,932	\$4,678,133	\$ 1,570,086	\$ (4,731,537)	\$ 18,737,322
Noncurrent Assets	37,030,272	1,000,000	-	-	-	-	-	-	-	-	27,858	-	-	-	38,058,130
Capital Assets	-	-	-	6,512,068	2,727,303	-	-	6,869,571	6,770,092	16,463,105	14,770,672	8,830,128	8,806,879	-	71,749,818
Total Assets	<u>\$ 40,208,789</u>	<u>\$ 4,886,191</u>	<u>\$ 571,383</u>	<u>\$ 7,653,912</u>	<u>\$ 3,511,179</u>	<u>\$ 4,600</u>	<u>\$ -</u>	<u>\$ 8,886,722</u>	<u>\$ 8,358,733</u>	<u>\$ 19,146,610</u>	<u>\$ 16,163,462</u>	<u>\$ 13,508,261</u>	<u>\$ 10,376,965</u>	<u>\$ (4,731,537)</u>	<u>\$ 128,545,270</u>
Liabilities															
Current Liabilities	\$739,244	\$2,153,215	\$19,080	\$295,483	\$1,179,604	\$4,800	\$ -	\$484,730	\$256,633	\$529,446	\$1,988,369	\$843,138	\$ 147,097	\$ -	\$ 8,640,839
Noncurrent Liabilities	-	-	-	8,308,822	2,918,920	-	-	3,297,726	1,319,795	3,570,000	28,318	8,023,893	3,718,853	-	31,186,327
Total Liabilities	<u>739,244</u>	<u>2,153,215</u>	<u>19,080</u>	<u>8,604,305</u>	<u>4,098,524</u>	<u>4,800</u>	<u>-</u>	<u>3,782,456</u>	<u>1,576,428</u>	<u>4,099,446</u>	<u>2,016,687</u>	<u>8,867,031</u>	<u>3,865,950</u>	<u>-</u>	<u>39,827,166</u>
Net Position															
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	39,469,545	2,732,976	552,303	(950,393)	(587,345)	(200)	-	5,104,266	6,782,305	15,047,164	14,146,775	4,641,230	6,511,015	(4,731,537)	88,718,104
Total Net Position	<u>39,469,545</u>	<u>2,732,976</u>	<u>552,303</u>	<u>(950,393)</u>	<u>(587,345)</u>	<u>(200)</u>	<u>-</u>	<u>5,104,266</u>	<u>6,782,305</u>	<u>15,047,164</u>	<u>14,146,775</u>	<u>4,641,230</u>	<u>6,511,015</u>	<u>(4,731,537)</u>	<u>88,718,104</u>
Total Liabilities and Net Position	<u>\$ 40,208,789</u>	<u>\$ 4,886,191</u>	<u>\$ 571,383</u>	<u>\$ 7,653,912</u>	<u>\$ 3,511,179</u>	<u>\$ 4,600</u>	<u>\$ -</u>	<u>\$ 8,886,722</u>	<u>\$ 8,358,733</u>	<u>\$ 19,146,610</u>	<u>\$ 16,163,462</u>	<u>\$ 13,508,261</u>	<u>\$ 10,376,965</u>	<u>\$ (4,731,537)</u>	<u>\$ 128,545,270</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP	New Market West Management Services LLC	Haven	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Katherine Gray	Eliminations	Total
Operating Revenues															
Dwelling rental	\$-	\$-	\$-	\$1,030,697	\$1,762,511	\$-	\$-	\$1,837,607	\$1,615,920	\$3,525,642	\$1,490,286	\$1,712,686	\$1,163,533	\$-	\$14,138,882
Non-dwelling rental	-	-	-	92,491	1,920	-	-	-	-	-	4,162	39,047	-	-	137,620
Other	-	836,558	22,550	26,725	630,240	14,400	-	17,148	(604,712)	(770,376)	337,775	388,119	5,716	-	904,143
Total Operating Revenues	-	836,558	22,550	1,149,913	2,394,671	14,400	-	1,854,755	1,011,208	2,755,266	1,832,223	2,139,852	1,169,249	-	15,180,645
Operating Expenses															
Administration	101,558	369,930	105,267	163,502	194,837	-	-	419,346	268,697	578,403	95,757	417,173	94,221	-	2,808,691
Tenant Services	-	-	19,995	-	-	-	-	-	-	-	12,178	21,093	83,999	-	137,265
Program Expense	-	-	-	201,688	121,174	-	-	118,676	117,656	226,622	243,941	197,180	385,514	-	1,612,451
Utilities	-	-	-	198,298	522,976	-	-	452,688	404,906	828,812	478,106	307,318	178,054	-	3,371,158
Maintenance	-	1,302,586	-	299,667	649,649	-	-	314,894	373,469	904,990	1,115,105	574,836	274,595	-	5,809,791
Depreciation	-	-	-	210,727	351,415	-	-	188,568	181,643	410,483	341,328	236,119	162,782	-	2,083,065
General and Other	2,650	1,254	363	144,694	269,723	14,500	-	287,929	138,666	505,357	324,126	239,022	67,121	-	1,995,405
Total Operating Expenses	104,208	1,673,770	125,625	1,218,576	2,109,774	14,500	-	1,782,101	1,485,037	3,454,667	2,610,541	1,992,741	1,246,286	-	17,817,826
Operating Income (Loss)	(104,208)	(837,212)	(103,075)	(68,663)	284,897	(100)	-	72,654	(473,829)	(699,401)	(778,318)	147,111	(77,037)	-	(2,637,181)
Nonoperating Revenues (Expenses)															
Investment Income	106,984	2,107,317	27,652	2,985	3,720	-	-	39,791	11,683	63,401	50,443	144,594	39,012	(1,154,562)	1,443,020
Interest Expense	-	-	-	(118,228)	(175,454)	-	-	(15,833)	(56,780)	(166,499)	(42,692)	(257,876)	(3,749)	-	(837,111)
Investment in partnership valuation change	-	-	-	-	-	-	-	-	-	-	-	-	6,617,383	-	6,617,383
Loss on Disposal of Capital Ass	-	-	-	(374,339)	-	-	-	-	-	-	-	(5,656)	(42,586)	-	(422,581)
Total Nonoperating Revenues (Expenses)	106,984	2,107,317	27,652	(489,582)	(171,734)	-	-	23,958	(45,097)	(103,098)	7,751	(118,938)	6,610,060	(1,154,562)	6,800,711
Income/Loss Before Capital Contributions	2,776	1,270,105	(75,423)	(558,245)	113,163	(100)	-	96,612	(518,926)	(802,499)	(770,567)	28,173	6,533,023	(1,154,562)	4,163,530
Capital Contributions HUD Nonoperating Contributions	-	-	-	-	56,526	-	-	-	-	-	-	-	(22,008)	-	34,518
Increase (Decrease) in Net Position	2,776	1,270,105	(75,423)	(524,508)	169,689	(100)	-	96,612	(518,926)	(802,499)	(770,567)	28,173	6,511,015	(1,154,562)	4,231,785
Net Position - Beginning of Year	39,466,769	1,462,871	627,726	(425,885)	(757,034)	(100)	-	5,007,654	7,301,231	15,849,663	14,917,342	4,613,057	-	(3,576,975)	84,486,319
Net Position - End of Year	<u>\$ 39,469,545</u>	<u>\$ 2,732,976</u>	<u>\$ 552,303</u>	<u>\$ (950,393)</u>	<u>\$ (587,345)</u>	<u>\$ (200)</u>	<u>\$ -</u>	<u>\$ 5,104,266</u>	<u>\$ 6,782,305</u>	<u>\$ 15,047,164</u>	<u>\$ 14,146,775</u>	<u>\$ 4,641,230</u>	<u>\$ 6,511,015</u>	<u>\$ (4,731,537)</u>	<u>\$ 88,718,104</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

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

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP	New Market West Management Services LLC	Haven	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Katherine Gray	Eliminations	Total
Cash Flows from															
Operating Activities															
Receipts from HUD Grants	\$-		\$-	\$33,737	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$ 33,737
Receipts from Tenants and Landlords	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipts from Others	-	1,673,982	49,987	1,026,170	1,676,860	4,800	-	1,845,547	1,608,813	3,511,718	1,571,250	1,682,993	1,147,350	-	14,075,501
Payments to and on Behalf of Employees	-	-	-	119,216	688,686	14,400	-	17,148	(604,712)	(770,376)	332,182	427,173	(16,292)	(1,154,562)	776,832
Payments to Vendors, Contractors, and Others	-	-	-	(336,898)	(296,148)	-	-	(269,900)	(267,006)	(580,127)	(487,320)	(270,147)	(385,514)	-	(2,893,060)
Total Cash Provided (Used) by Operating Activities	(104,208)	(4,097)	(107,665)	(644,790)	(1,477,688)	(14,500)	-	(1,310,587)	(1,116,229)	(2,431,687)	(1,816,006)	(1,343,272)	(565,909)	(476,866)	(11,413,504)
	(104,208)	1,669,885	(57,678)	197,435	591,710	4,700	-	282,208	(379,134)	(270,472)	(399,894)	496,747	179,635	(1,631,428)	579,506
Cash Flows from															
Capital and Related Financing Activities															
Interest Paid on Notes and Bonds Payable	-	-	-	(109,597)	(175,455)	-	-	(231)	(57,053)	(167,381)	(42,845)	(223,085)	(2,190)	-	(777,837)
Principal Payments on Notes Payable	-	-	-	(80,900)	(326,244)	-	-	-	(87,756)	(215,000)	(27,990)	-	3,718,852	-	2,980,962
Acquisition and Construction of Capital Assets	-	-	-	(104,824)	(56,526)	-	-	-	-	-	(3,538)	(17,149)	(9,012,247)	-	(9,194,284)
Change in Investment in Partnership	-	(86,555)	-	-	-	-	-	-	100,000	-	-	-	6,617,383	-	6,630,828
Total Cash Provided (Used) by Capital and Related Financing Activities	-	(86,555)	-	(295,321)	(558,225)	-	-	(231)	(44,809)	(382,381)	(74,373)	(240,234)	1,321,798	-	(360,331)

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP	New Market West Management Services LLC	Haven	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Katherine Gray	Eliminations	Total
Cash Flows from															
Investing Activities															
Decrease in Notes Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,698	\$ -	\$ -	\$ -	4,698
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	2,738	-	-	2,738
Change in Due from Partnerships	-	-	1,120	(47,906)	11,594	(100)	-	(201,894)	(103,560)	(244,480)	456,086	16,584	8,077	476,869	372,390
Investment Income	106,984	78,567	215	2,985	3,720	-	-	39,791	11,683	63,401	50,443	144,587	39,012	-	541,388
Total Cash Provided (Used) by Investing Activities	106,984	78,567	1,335	(44,921)	15,314	(100)	-	(162,103)	(91,877)	(181,079)	511,227	163,909	47,089	476,869	921,214
Net Increase (Decrease) in Cash and Cash Equivalents	2,776	1,661,897	(56,343)	(142,807)	48,799	4,600	-	119,874	(515,820)	(833,932)	36,960	420,422	1,548,522	(1,154,559)	1,140,390
Cash and Cash Equivalents - Beginning of Year	153,129	1,090,430	627,726	1,247,733	610,378	\$-	(260,221)	1,841,415	1,939,955	3,286,550	1,245,787	4,036,405	-	(3,576,976)	12,242,312
Cash and Cash Equivalents - End of Year	<u>\$ 155,905</u>	<u>\$ 2,752,327</u>	<u>\$ 571,383</u>	<u>\$ 1,104,926</u>	<u>\$ 659,177</u>	<u>\$ 4,600</u>	<u>\$ (260,221)</u>	<u>\$ 1,961,289</u>	<u>\$ 1,424,135</u>	<u>\$ 2,452,618</u>	<u>\$ 1,282,747</u>	<u>\$ 4,456,827</u>	<u>\$ 1,548,522</u>	<u>\$ (4,731,535)</u>	<u>\$ 13,382,702</u>

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**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025 is as follows:

	Central Group	North Group	East Group	1115 SW 11th Avenue	Stephens Creek Crossing South	Stephens Creek Crossing North	Beech Street	Westis
ASSETS								
Cash and Cash Equivalents	\$ 1,088,532	\$ 876,562	\$ 1,113,489	\$ -	\$ 269,732	\$ 410,944	\$ 16,598	\$ 38,488
Cash and Cash Equivalents - Restricted	1,361,804	1,611,002	1,925,947	-	671,388	1,176,171	302,543	2,075,805
Accounts Receivables	4,971,395	173,422	5,908,671	-	27,553	15,262	8,850	88,807
Investments (Restricted)- Long Term	-	-	-	-	-	-	-	-
Other Assets	646,266	526,151	245,189	-	30,197	138,097	33,570	428,390
Capital Assets, Net	63,588,100	71,201,556	61,800,893	-	9,607,858	20,884,123	5,485,497	41,066,239
Total Assets	\$ 71,656,097	\$ 74,388,693	\$ 70,994,189	\$ -	\$ 10,606,728	\$ 22,624,597	\$ 5,847,058	\$ 43,697,729
LIABILITIES AND NET POSITION								
LIABILITIES								
Current Liabilities	\$ 4,513,638	\$ 6,860,055	\$ 7,802,085	\$ -	\$ 209,315	\$ 281,917	\$ 167,781	\$ 2,365,358
Long-Term Liabilities	48,302,540	62,215,511	53,432,459	-	7,482,205	26,011,962	1,181,131	35,495,700
NET POSITION								
Net Investment in Capital Assets	14,673,859	8,682,926	7,853,746	-	2,090,123	(5,209,379)	4,304,367	5,327,846
Funds Held in Trust	1,343,544	1,574,202	1,894,799	-	664,088	1,161,844	301,943	2,050,796
Unrestricted (Deficit)	2,822,516	(4,944,001)	11,100	-	160,997	378,253	(108,164)	(1,541,971)
Total Liabilities and Net Position	\$ 71,656,097	\$ 74,388,693	\$ 70,994,189	\$ -	\$ 10,606,728	\$ 22,624,597	\$ 5,847,058	\$ 43,697,729
Operating Revenues	\$ 3,621,421	\$ 4,796,903	\$ 4,259,180	\$ -	\$ 986,969	\$ 1,671,774	\$ 572,845	\$ 4,121,058
Operating Expenses	(5,303,048)	(6,573,036)	(6,377,120)	-	(1,503,768)	(2,631,416)	(917,460)	(4,994,426)
Operating Income (Loss)	(1,681,627)	(1,776,133)	(2,117,940)	-	(516,799)	(959,642)	(344,615)	(873,368)
Nonoperating Revenues	36,129	26,881	64,880	-	12,513	57,024	4,023	16,725
Nonoperating Expenses	(518,218)	(2,123,277)	(1,518,608)	-	(85,980)	(112,833)	(5,906)	(926,015)
Loss Before Capital Contributions	(2,163,716)	(3,872,529)	(3,571,668)	-	(590,266)	(1,015,451)	(346,498)	(1,782,658)
Capital Contributions	1,274,590	210,889	37,898	-	38,159	59,686	-	-
Transfer of Component Unit	-	-	-	381,479	-	-	-	-
Change in Net Position	(889,126)	(3,661,640)	(3,533,770)	381,479	(552,107)	(955,765)	(346,498)	(1,782,658)
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	-	-
Net Position - Beginning of Year	19,729,045	8,974,767	13,293,415	-	3,467,315	(2,713,517)	4,844,644	7,619,329
NET POSITION - END OF YEAR	\$ 18,839,919	\$ 5,313,127	\$ 9,759,645	\$ 381,479	\$ 2,915,208	\$ (3,669,282)	\$ 4,498,146	\$ 5,836,671

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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

	Woods East	Square Manor	Lloyed Housing	FP2	3000 Powell	Dekum	Baldwin
ASSETS							
Cash and Cash Equivalents	\$ 30,007	\$ 138,927	\$ 92,508	\$ 10,201	\$ 1,151,366	\$ 700,869	\$ 454,500
Cash and Cash Equivalents - Restricted	2,575,611	860,655	1,795,978	262,247	1,417,241	185,967	692,765
Accounts Receivables	295,945	138,944	261,962	25,970	2,348,442	100,623	2,313,804
Investments (Restricted)- Long Term	-	-	-	-	-	-	-
Other Assets	437,422	156,998	360,508	303,001	2,665,957	689,709	474,363
Capital Assets, Net	48,089,946	12,293,704	55,936,540	28,534,316	71,219,718	86,958,885	17,602,821
Total Assets	<u>\$ 51,428,931</u>	<u>\$ 13,589,228</u>	<u>\$ 58,447,496</u>	<u>\$ 29,135,735</u>	<u>\$ 78,802,724</u>	<u>\$ 88,636,053</u>	<u>\$ 21,538,253</u>
LIABILITIES AND NET POSITION							
LIABILITIES							
Current Liabilities	\$ 2,547,423	\$ 2,909,790	\$ 4,106,458	\$ 4,251,082	\$ 3,475,973	\$ 43,658,511	\$ 1,957,345
Long-Term Liabilities	45,326,520	10,581,173	31,232,594	18,219,084	48,780,621	36,629,995	13,222,947
NET POSITION							
Net Investment in Capital Assets	2,476,049	1,641,399	24,507,684	10,279,934	22,339,479	17,105,477	4,379,874
Funds Held in Trust	2,551,687	817,609	1,785,710	247,892	1,247,902	184,247	692,765
Unrestricted (Deficit)	(1,472,748)	(2,360,743)	(3,184,950)	(3,862,257)	2,958,749	(8,942,177)	1,285,322
Total Liabilities and Net Position	<u>\$ 51,428,931</u>	<u>\$ 13,589,228</u>	<u>\$ 58,447,496</u>	<u>\$ 29,135,735</u>	<u>\$ 78,802,724</u>	<u>\$ 88,636,053</u>	<u>\$ 21,538,253</u>
Operating Revenues	\$ 6,408,999	\$ 1,547,985	\$ 2,936,025	\$ 1,216,494	\$ 2,091,422	\$ 1,782,853	\$ 1,687,046
Operating Expenses	(7,467,730)	(2,013,538)	(4,325,938)	(2,122,469)	(4,240,860)	(2,898,849)	(2,439,295)
Operating Income (Loss)	(1,058,731)	(465,553)	(1,389,913)	(905,975)	(2,149,438)	(1,115,996)	(752,249)
Nonoperating Revenues	19,238	282	8,182	61	453	16,379	5,106
Nonoperating Expenses	(1,130,491)	(337,000)	(795,129)	(278,372)	(2,110,978)	(1,170,570)	(58,545)
Loss Before Capital Contributions	(2,169,984)	(802,271)	(2,176,860)	(1,184,286)	(4,259,963)	(2,270,187)	(805,688)
Capital Contributions	-	-	-	2,770,196	29,448,249	-	-
Transfer of Component Unit	-	-	-	-	-	-	-
Change in Net Position	(2,169,984)	(802,271)	(2,176,860)	1,585,910	25,188,286	(2,270,187)	(805,688)
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	-
Net Position - Beginning of Year	5,724,972	900,536	25,285,304	5,079,659	1,357,844	10,617,734	7,163,649
NET POSITION - END OF YEAR	<u>\$ 3,554,988</u>	<u>\$ 98,265</u>	<u>\$ 23,108,444</u>	<u>\$ 6,665,569</u>	<u>\$ 26,546,130</u>	<u>\$ 8,347,547</u>	<u>\$ 6,357,961</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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

	Fairfield	GPT	Killingsworth	Troutdale Housing	Peaceful Villa	Civic Station Housing	Total
ASSETS							
Cash and Cash Equivalents	\$ 241,312	\$ 1,259,421	\$ 111,574	\$ 6,129	\$ 3,134,621	\$ 17,556	\$ 11,163,336
Cash and Cash Equivalents - Restricted	-	873,238	10,297	-	-	-	17,798,659
Accounts Receivables	2,409,702	160,974	36,729	1,841,667	-	98	21,128,820
Investments (Restricted)- Long Term	-	-	-	-	-	-	-
Other Assets	160,929	537,922	617,902	363,815	1,623,222	1,112,259	11,551,867
Capital Assets, Net	22,675,430	43,071,866	45,172,462	43,441,924	51,175,943	8,785,175	808,592,996
Total Assets	<u>\$ 25,487,373</u>	<u>\$ 45,903,421</u>	<u>\$ 45,948,964</u>	<u>\$ 45,653,535</u>	<u>\$ 55,933,786</u>	<u>\$ 9,915,088</u>	<u>\$ 870,235,678</u>
LIABILITIES AND NET POSITION							
LIABILITIES							
Current Liabilities	\$ 2,521,448	\$ 4,589,295	\$ 6,571,240	\$ 6,880,592	\$ 14,353,871	\$ 2,665,915	\$ 122,689,092
Long-Term Liabilities	16,231,704	28,353,113	38,803,143	35,478,967	38,377,293	4,607,430	599,966,092
NET POSITION							
Net Investment in Capital Assets	6,443,725	14,353,728	6,369,445	7,962,957	12,798,650	4,177,745	172,559,634
Funds Held in Trust	-	854,168	308	-	-	-	17,373,504
Unrestricted (Deficit)	290,496	(2,246,883)	(5,795,172)	(4,668,981)	(9,596,028)	(1,536,002)	(42,352,644)
Total Liabilities and Net Position	<u>\$ 25,487,373</u>	<u>\$ 45,903,421</u>	<u>\$ 45,948,964</u>	<u>\$ 45,653,535</u>	<u>\$ 55,933,786</u>	<u>\$ 9,915,088</u>	<u>\$ 870,235,678</u>
Operating Revenues	\$ 869,893	\$ 1,852,355	\$ 125,323	\$ -	\$ -	\$ -	\$ 40,548,545
Operating Expenses	(1,910,338)	(2,263,226)	(743,387)	(23,865)	(50,381)	-	(58,800,150)
Operating Income (Loss)	(1,040,445)	(410,871)	(618,064)	(23,865)	(50,381)	-	(18,251,605)
Nonoperating Revenues	-	16,875	525	-	-	-	285,276
Nonoperating Expenses	(161,066)	(1,486,017)	(561,804)	(17,750)	-	-	(13,398,559)
Loss Before Capital Contributions	(1,201,511)	(1,880,013)	(1,179,343)	(41,615)	(50,381)	-	(31,364,888)
Capital Contributions	-	15,033,466	34,243	-	3,253,003	2,641,743	54,802,122
Transfer of Component Unit	-	-	-	-	-	-	381,479
Change in Net Position	(1,201,511)	13,153,453	(1,145,100)	(41,615)	3,202,622	2,641,743	23,818,713
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	-
Net Position - Beginning of Year	7,935,732	(192,440)	1,719,681	3,335,591	-	-	124,143,260
NET POSITION - END OF YEAR	<u>\$ 6,734,221</u>	<u>\$ 12,961,013</u>	<u>\$ 574,581</u>	<u>\$ 3,293,976</u>	<u>\$ 3,202,622</u>	<u>\$ 2,641,743</u>	<u>\$ 147,961,973</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 2025:

	Balance 12/31/2024	Additions and Transfers In	Disposals and Transfers Out	Balance 12/31/2025
Land	\$ 10,921,004	\$ 284,631	\$ (2,821,453)	\$ 8,384,182
Construction in Progress	92,664,368	119,193,202	(114,714,320)	97,143,250
Total Capital Assets not Being Depreciated	103,585,372	119,477,833	(117,535,773)	105,527,432
Buildings and Improvements	635,155,475	106,903,005	(13,168,208)	728,890,272
Right-of-Use Assets	79,432,394	7,268,966	(809,919)	85,891,441
Equipment	18,976,577	2,106,928	(740,525)	20,342,980
Total	733,564,446	116,278,899	(14,718,652)	835,124,693
Less: Accumulated Depreciation	(115,604,224)	(23,988,029)	7,533,123	(132,059,130)
Total Capital Assets Being Depreciated	617,960,222	92,290,870	(7,185,529)	703,065,563
Total Capital Assets, Net	<u>\$ 721,545,594</u>	<u>\$ 211,768,703</u>	<u>\$ (124,721,302)</u>	<u>\$ 808,592,995</u>

Summarized Notes Payable – Discretely Presented Component Units

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

	December 31, 2025
Notes Payable - General Partner	\$ 241,194,498
Mortgages and Other Housing Related Notes	295,564,527
Total	536,759,025
Less: Current Portion	(2,330,638)
Noncurrent Portion	<u>\$ 534,428,387</u>

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

	Balance January 1, 2025	Increase	Decrease	Balance December 31, 2025
Component Units	<u>\$ 422,037,718</u>	<u>\$ 233,223,886</u>	<u>\$ (107,787,626)</u>	<u>\$ 547,473,978</u>

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

	Balance January 1, 2025	Increase	Decrease	Balance December 31, 2025
Component Units	<u>\$ 102,082,539</u>	<u>\$ 105,505,022</u>	<u>\$ (85,755,635)</u>	<u>\$ 121,831,926</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 20 COMMITMENTS AND CONTINGENCIES

Leases

At December 31, 2025, Home Forward has approximately 12,601 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, 2025 was approximately \$208,416,319. These leases are not subject to GASB 87, *Leases*.

Construction Commitments

As of December 31, 2025, Home Forward had construction commitments of approximately \$299,908,867.

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 2025 and 2084. 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 \$13,545,057.

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, 2025, 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.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 21 RISK MANAGEMENT (CONTINUED)

Marsh’s comprehensive insurance provides coverage for 2,900 affordable units, which include 93.9 Blended Component Units, 1 New Market West property, 348 public housing units, 219 special needs units, 1 parcel of land being held for future development, and 48 vehicles. It also includes actions by Home Forward employees, directors, officers, and departments. This does not include the 414 units Home Forward’s Asset Management manages as part of our inter-governmental agreement with the City of Portland.

Marsh coverage as of December 31, 2025 includes:

Liabilities	Deductible	Coverage
Property/Earthquake/Flood/Business Interruption	\$ 100,000	\$ 100,000,000
Boiler/Machinery/Equipment	100,000	100,000,000
General Liability	250,000	5,000,000
Automobile	250,000	5,000,000
Professional Liability	250,000	5,000,000
Umbrella Liability	-	7,000,000
Directors & Officers Liability	100,000	2,000,000
Fidelity and Crime	25,000	1,000,000
Special Risks	-	1,000,000
Cyber Liability	50,000	5,000,000
Lloyds/Roanoke Property Terrorism	10,000	50,000,000

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 four liability claims as of December 31, 2025.

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 Directors and Officers insurance coverage. Home Forward continues to explore additional types of insurance for future policy years.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST TEN 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
June 30, 2025	0.19%	\$ 43,048,013	\$ 43,602,705	98.73%	79.90%
June 30, 2024	0.19%	41,816,167	36,467,264	114.67%	79.30%
June 30, 2023	0.19%	35,290,351	30,125,434	117.14%	81.70%
June 30, 2022	0.18%	28,250,387	26,324,526	107.32%	84.50%
June 30, 2021	0.15%	18,244,562	23,403,663	77.96%	87.60%
June 30, 2020	0.15%	31,862,281	22,943,155	138.87%	75.80%
June 30, 2019	0.14%	24,774,611	18,423,720	134.47%	80.20%
June 30, 2018	0.14%	21,456,770	17,367,082	123.55%	82.10%
June 30, 2017	0.15%	20,664,424	17,227,380	119.95%	83.12%
March 30, 2016	0.16%	23,852,957	17,299,181	137.88%	80.50%

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, 2024	\$ 5,551,087	\$ 5,551,087		\$36,467,264	15.22%
December 31, 2023	4,463,479	4,463,479		30,125,434	14.82%
December 31, 2022	3,641,714	3,641,714		26,324,526	13.83%
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%

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.

**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 EIGHT FISCAL YEARS***

OTHER POST EMPLOYMENT BENEFITS

Retirement Health Insurance Account (RHIA)

Schedule of Changes in Net OPEB Asset and Related Ratios*

Measurement Date	Proportion of the Net OPEB Asset	Proportionate Share of the Net OPEB Asset	Covered Payroll	Percentage of Covered Payroll
June 30, 2025	0.17876543 %	\$ 799,267	\$ 43,602,705	1.83
June 30, 2024	0.17131567 %	\$ 691,959	\$ 34,467,264	2.01
June 30, 2023	0.13880812	508,268	30,125,434	1.69
June 30, 2022	0.15691889	557,588	26,324,526	2.12
June 30, 2021	0.11964643	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

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, 2025	\$ 98,379	\$ 98,379	-	\$ 43,602,705	23.00%
December 31, 2024	82,267	82,267	-	34,467,264	24.00%
December 31, 2023	58,827	58,827	-	30,125,434	20.00%
December 31, 2022	27,301	27,301	-	26,324,526	26.00%
December 31, 2021	67,196	67,196	-	23,403,663	29.00%
December 31, 2020	61,211	61,211	-	22,943,155	27.00%
December 31, 2019	73,049	73,049	-	18,423,720	40.00%
December 31, 2018***	66,536	66,536	-	17,367,082	38.00%

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 seven 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 EIGHT 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, 2025***	December 31, 2024***	December 31, 2023***	December 31, 2022***	December 31, 2021***	December 31, 2020***	December 31, 2019***	December 31, 2018***
Beginning of Year - January 1	\$ 867,233	\$ 945,367	\$ 890,571	\$ 986,737	\$ 932,648	\$ 887,379	\$ 900,487	\$ 1,415,327
Benefit Payments	(25,569)	(51,499)	(44,322)	(32,264)	(48,271)	(60,911)	(98,600)	(66,832)
Service Cost	74,800	72,271	66,813	64,554	83,100	80,290	50,593	36,662
Interest on Total OPEB Liability	34,861	34,210	32,305	20,577	19,260	18,167	34,899	42,494
Change in Assumptions	-	(76,184)	-	(189,381)	-	119,179	-	(512,048)
Experience (Gain) Loss	-	(56,932)	-	40,348	-	(111,456)	-	(15,116)
Total Changes	84,092	(78,134)	54,796	(96,166)	54,089	45,269	(13,108)	(514,840)
End of Year - December 31	\$ 951,325	\$ 867,233	\$ 945,367	\$ 890,571	\$ 986,737	\$ 932,648	\$ 887,379	\$ 900,487
Covered Payroll**	\$ 43,602,705	\$ 36,467,264	\$ 30,125,434	\$ 26,324,526	\$ 25,168,303	\$ 22,943,155	\$ 17,030,216	\$ 16,454,315
Total Liability as a Percentage of its Covered Payroll	2.18%	2.38%	3.14%	3.38%	3.92%	4.07%	5.21%	5.47%

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 eight 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.

SUPPLEMENTARY INFORMATION

Draft
Subject to Change
6/11/26

**HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING
DECEMBER 31, 2025**

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	Ainsworth Court	Fairviews
ASSETS AND DEFERRED OUTFLOWS											
CURRENT ASSETS											
Cash and Cash Equivalents	\$ 14,716,225	\$ 1,102,536	\$ 622,101	\$ 2,418,304	\$ 24,535	\$ 41,444	\$ 64,269	\$ 640,474	\$ 39,636	\$ 330,653	\$ 4,759,228
Cash and Cash Equivalents - Restricted	-	255,562	11,830	75,555	169,193	583,261	547,489	1,775,061	1,318,270	873,317	2,944,023
Accounts Receivable, Net	-	22,634	1,158,225	1,537,612	15,418	39,897	364,371	182,673	88,948	407,234	120,921
Prepaid Expenses	-	-	15,645	11,784	-	10,762	50	5,970	1,000	2,861	22,967
Total Current Assets	14,716,225	1,380,732	1,807,801	4,043,255	209,146	675,364	976,179	2,604,178	1,447,854	1,614,065	7,847,139
NONCURRENT ASSETS											
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	1,171,247	-	-	-	-	18,481
Capital Assets not being Depreciated	-	579,600	74,720	233,201	306,440	432,880	138,456	952,468	4,134,089	1,115,635	943,432
Capital Assets being Depreciated, Net	-	1,467,120	1,645,263	624,387	1,366,330	1,408,945	114,415	280,291	993,553	629,863	7,989,310
Total Noncurrent Assets	-	2,046,720	1,719,983	857,588	1,672,770	3,013,072	252,871	1,232,759	5,127,642	1,745,498	8,951,223
Total Assets	\$ 14,716,225	\$ 3,427,452	\$ 3,527,784	\$ 4,900,843	\$ 1,881,916	\$ 3,688,436	\$ 1,229,050	\$ 3,836,937	\$ 6,575,496	\$ 3,359,563	\$ 16,798,362
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
Accounts Payable	\$ -	\$ 93,061	\$ 40,661	\$ 402,133	\$ 124,239	\$ 548,671	\$ 688,633	\$ 313,220	\$ 1,465,892	\$ 4,731	\$ 1,849,838
Accrued Interest Payable	-	4,110	-	-	2,640	-	2,073	352,359	1,842,354	10,986	23,851
Other Accrued Liabilities	-	71,611	36,902	26,983	9,821	3,651	308,730	105,004	2,174	15,663	32,920
Deferred Revenue	-	5,308	56,795	132,805	4,809	23,455	17,213	44,880	54,146	13,060	46,702
Deposits, Payable from Restricted Assets	-	6,029	11,830	15,306	11,078	24,321	22,165	51,244	59,719	33,407	233,635
Current Portion of Notes and Bonds Payable	-	70,591	-	-	777,023	-	143,911	500,227	100,000	123,327	299,387
Total Current Liabilities	-	250,710	146,188	577,227	929,610	600,098	1,182,725	1,366,934	3,524,285	201,174	2,486,333
NONCURRENT LIABILITIES											
Notes Payable	-	832,342	-	-	1,219,132	3,833,672	-	57,066	2,664,000	2,296,808	9,084,606
Bonds Payable	-	-	-	-	-	-	225,785	890,000	3,075,000	-	-
Total Noncurrent Liabilities	-	832,342	-	-	1,219,132	3,833,672	225,785	947,066	5,739,000	2,296,808	9,084,606
Total Liabilities	-	1,083,052	146,188	577,227	2,148,742	4,433,770	1,408,510	2,314,000	9,263,285	2,497,982	11,570,939
Deferred Inflows of Resources - Leases	-	-	-	-	-	1,079,856	-	-	-	-	15,637
NET POSITION	14,716,225	2,344,400	3,381,596	4,323,616	(266,826)	(1,825,190)	(179,460)	1,522,937	(2,687,789)	861,581	5,211,786
Total Liabilities and Net Position	\$ 14,716,225	\$ 3,427,452	\$ 3,527,784	\$ 4,900,843	\$ 1,881,916	\$ 3,688,436	\$ 1,229,050	\$ 3,836,937	\$ 6,575,496	\$ 3,359,563	\$ 16,798,362

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2025

	Rockwood Station	Willow Tree	The Alexis	Ash Creek	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial	Commercial Space at Lloyd Housing	Yards at Union Station	Rockwood Landing
ASSETS AND DEFERRED OUTFLOWS											
CURRENT ASSETS											
Cash and Cash Equivalents	\$ 1,045,261	\$ 78,580	\$ 30,349	\$ 186,978	\$ 181,994	\$ 25,247	\$ 95,480	\$ 9,232	\$ -	\$ 496,026	\$ 7,917
Cash and Cash Equivalents - Restricted	1,719,456	278,632	292,438	149,951	140,524	190,874	152,067	-	-	1,147,021	197,472
Accounts Receivable, Net	191,446	10,496	91,876	15,223	18,057	36,872	6,767	29,357	176	120,149	6,930
Prepaid Expenses	28,427	579	29	280	3,000	3,611	465	190	-	11,571	2,779
Total Current Assets	<u>2,984,590</u>	<u>368,287</u>	<u>414,692</u>	<u>352,432</u>	<u>343,575</u>	<u>256,604</u>	<u>254,779</u>	<u>38,779</u>	<u>176</u>	<u>1,774,767</u>	<u>215,098</u>
NONCURRENT ASSETS											
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	1,029	-	-	-	-	-	261,447	-	3,610	-
Capital Assets not being Depreciated	702,000	162,767	465,000	363,581	207,198	2,248,609	188,664	-	-	671,000	225,000
Capital Assets being Depreciated, Net	2,326,775	516,459	6,267,192	535,970	1,837,468	1,213,331	513,063	14,084	2,100,645	447,435	554,369
Total Noncurrent Assets	<u>3,028,775</u>	<u>680,255</u>	<u>6,732,192</u>	<u>899,551</u>	<u>2,044,666</u>	<u>3,461,940</u>	<u>701,727</u>	<u>275,531</u>	<u>2,100,645</u>	<u>1,122,045</u>	<u>779,369</u>
Total Assets	<u>\$ 6,013,365</u>	<u>\$ 1,048,542</u>	<u>\$ 7,146,884</u>	<u>\$ 1,251,983</u>	<u>\$ 2,388,241</u>	<u>\$ 3,718,544</u>	<u>\$ 956,506</u>	<u>\$ 314,310</u>	<u>\$ 2,100,821</u>	<u>\$ 2,896,812</u>	<u>\$ 994,467</u>
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
Accounts Payable	\$ 1,040,106	\$ 7,907	\$ 349,912	\$ 52,609	\$ 592,818	\$ 771,584	\$ 24,907	\$ 37,465	\$ 7,656	\$ 810,431	\$ 13,631
Accrued Interest Payable	9,655	1,512	11,411	7,219	12,147	-	459	-	-	16,846	554
Other Accrued Liabilities	14,479	4,742	84,640	11,235	357,488	125,000	5,507	29,266	-	89,336	9,876
Deferred Revenue	117,803	202	4,139	100	8,092	14,749	2,619	21,654	-	12,450	905
Deposits, Payable from Restricted Assets	111,264	4,900	8,617	7,836	8,612	32,390	5,250	-	-	51,131	15,153
Current Portion of Notes and Bonds Payable	124,765	28,813	103,345	30,779	37,999	-	32,519	-	-	467,849	36,620
Total Current Liabilities	<u>1,418,072</u>	<u>48,076</u>	<u>562,064</u>	<u>109,778</u>	<u>1,017,156</u>	<u>943,723</u>	<u>71,261</u>	<u>88,385</u>	<u>7,656</u>	<u>1,448,043</u>	<u>76,739</u>
NONCURRENT LIABILITIES											
Notes Payable	3,670,219	498,365	4,663,323	1,245,617	680,163	4,107,346	432,675	-	-	231,939	283,988
Bonds Payable	-	-	-	-	-	-	-	-	-	1,680,000	-
Total Noncurrent Liabilities	<u>3,670,219</u>	<u>498,365</u>	<u>4,663,323</u>	<u>1,245,617</u>	<u>680,163</u>	<u>4,107,346</u>	<u>432,675</u>	<u>-</u>	<u>-</u>	<u>1,911,939</u>	<u>283,988</u>
Total Liabilities	<u>5,088,291</u>	<u>546,441</u>	<u>5,225,387</u>	<u>1,355,395</u>	<u>1,697,319</u>	<u>5,051,069</u>	<u>503,936</u>	<u>88,385</u>	<u>7,656</u>	<u>3,359,982</u>	<u>360,727</u>
Deferred Inflows of Resources - Leases	-	948	-	-	-	-	-	249,737	-	-	-
NET POSITION	<u>925,074</u>	<u>501,153</u>	<u>1,921,497</u>	<u>(103,412)</u>	<u>690,922</u>	<u>(1,332,525)</u>	<u>452,570</u>	<u>(23,812)</u>	<u>2,093,165</u>	<u>(463,170)</u>	<u>633,740</u>
Total Liabilities and Net Position	<u>\$ 6,013,365</u>	<u>\$ 1,048,542</u>	<u>\$ 7,146,884</u>	<u>\$ 1,251,983</u>	<u>\$ 2,388,241</u>	<u>\$ 3,718,544</u>	<u>\$ 956,506</u>	<u>\$ 314,310</u>	<u>\$ 2,100,821</u>	<u>\$ 2,896,812</u>	<u>\$ 994,467</u>

**HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2025**

	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Dekum Court	Haven	The Jeffrey	Cora Park Apartments	Chateau Apartments	East Area A Scattered Sites	The Apartments at Bud Clark Commons	Cesar Apartments	Totals
ASSETS AND DEFERRED OUTFLOWS														
CURRENT ASSETS														
Cash and Cash Equivalents	\$ 24,054	\$ 37,049	\$ 129,933	\$ 512,566	\$ -	\$ -	\$ 5,731	\$ 2,327	\$ -	\$ 402,088	\$ 294,858	\$ 538,881	\$ 49,176	\$ 28,913,132
Cash and Cash Equivalents - Restricted	774,006	241,063	97,842	1,650,174	-	-	407,182	824,051	-	-	-	1,043,981	-	17,860,295
Accounts Receivable, Net	64,116	22,465	7,343	94,812	-	-	53,139	27,160	-	-	2,579	145,989	877	4,883,762
Prepaid Expenses	6,939	85	336	25,329	-	-	717	7,867	-	-	-	8,970	-	172,213
Total Current Assets	869,115	300,662	235,454	2,282,881	-	-	466,769	861,405	-	402,088	297,437	1,737,821	50,053	51,829,402
NONCURRENT ASSETS														
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	145,924	-	-	-	98,669	-	-	-	343,621	-	2,044,028
Capital Assets not being Depreciated	406,124	2,090,478	90,000	1,997,915	-	-	-	2,306,544	-	-	103,231	7,098	1,480,770	22,626,900
Capital Assets being Depreciated, Net	3,272,620	1,653,372	698,837	7,186,570	-	-	2,306,902	5,763,599	-	1,806	61,970	18,707,940	11,293,104	83,792,988
Total Noncurrent Assets	3,678,744	3,743,850	788,837	9,330,409	-	-	2,306,902	8,168,812	-	1,806	165,201	19,058,659	12,773,874	108,463,916
Total Assets	\$ 4,547,859	\$ 4,044,512	\$ 1,024,291	\$ 11,613,290	\$ -	\$ -	\$ 2,773,671	\$ 9,030,217	\$ -	\$ 403,894	\$ 462,638	\$ 20,796,480	\$ 12,823,927	\$ 160,293,318
LIABILITIES AND NET POSITION														
CURRENT LIABILITIES														
Accounts Payable	\$ 328,702	\$ 498,050	\$ 429,068	\$ 444,711	\$ -	\$ -	\$ 28,520	\$ 113,343	\$ -	\$ 1,859	\$ 15,399	\$ 2,672,190	\$ 3,856,409	\$ 17,628,356
Accrued Interest Payable	57,848	4,332	999	98,545	-	-	2,179	-	-	-	-	-	-	2,462,079
Other Accrued Liabilities	11,444	10,038	-	20,750	-	-	58,873	68,535	-	1,025	748	267,358	-	1,783,799
Deferred Revenue	37,182	12,324	7,876	39,902	-	-	7,004	1,700	-	3	2	28,643	-	716,522
Deposits, Payable from Restricted Assets	36,744	10,876	650	104,584	-	-	12,300	15,689	-	885	504	-	29,173	925,292
Current Portion of Notes and Bonds Payable	143,822	74,635	25,706	801,699	-	-	44,673	-	-	-	-	4,103	-	3,971,793
Total Current Liabilities	615,742	610,255	464,299	1,510,191	-	-	153,549	199,267	-	3,772	16,653	2,972,294	3,885,582	27,487,841
NONCURRENT LIABILITIES														
Notes Payable	2,315,194	1,083,285	1,153,538	924,766	-	-	620,799	8,601,712	-	-	-	6,723	8,997,090	59,504,368
Bonds Payable	2,640,000	-	-	5,222,600	-	-	-	-	-	-	-	-	-	13,733,385
Total Noncurrent Liabilities	4,955,194	1,083,285	1,153,538	6,147,366	-	-	620,799	8,601,712	-	-	-	6,723	8,997,090	73,237,753
Total Liabilities	5,570,936	1,693,540	1,617,837	7,657,557	-	-	774,348	8,800,979	-	3,772	16,653	2,979,017	12,882,672	100,725,594
Deferred Inflows of Resources - Leases	-	-	-	137,527	-	-	-	96,869	-	-	-	321,229	-	1,901,803
NET POSITION	(1,023,077)	2,350,972	(593,546)	3,818,206	-	-	1,999,323	132,369	-	400,122	445,985	17,496,234	(58,745)	57,665,921
Total Liabilities and Net Position	\$ 4,547,859	\$ 4,044,512	\$ 1,024,291	\$ 11,613,290	\$ -	\$ -	\$ 2,773,671	\$ 9,030,217	\$ -	\$ 403,894	\$ 462,638	\$ 20,796,480	\$ 12,823,927	\$ 160,293,318

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING
YEAR ENDED DECEMBER 31, 2025

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	Ainsworth Court	Fairviews
OPERATING REVENUES											
Dwelling Rental	\$ -	\$ 461,813	\$ 307,567	\$ 486,731	\$ 291,443	\$ 312,323	\$ 690,330	\$ 1,550,085	\$ 1,140,740	\$ 948,018	\$ 4,775,478
Nondwelling Rental	-	-	95,448	-	360	141,173	893	19,344	5,845	1,173	34,138
HUD Operating Subsidies	-	487,649	449,480	1,087,383	-	-	-	-	-	-	-
HUD grants	-	2,245	-	-	-	-	-	-	-	-	13,470
Other	-	10,018	5,108	6,399	916	15,131	6,886	19,840	23,170	12,288	57,810
Total Operating Revenues	-	961,725	857,603	1,580,513	292,719	468,627	698,109	1,589,269	1,169,755	961,479	4,880,896
OPERATING EXPENSES											
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-
Administration	-	121,172	352,920	353,810	70,381	477,333	192,508	362,255	521,449	159,396	611,514
Financing Costs	-	-	-	-	-	-	-	-	-	-	-
Program Expense	-	81,687	37,490	14,764	-	-	-	-	34,687	-	-
Tenant Services	-	3,113	(242)	-	3,600	10,852	14,400	-	49,791	-	-
Utilities	-	158,852	192,592	107,852	52,537	128,718	118,604	331,575	216,154	118,866	470,755
Maintenance	-	344,097	287,249	648,586	71,741	248,982	173,793	13,799	317,996	217,145	1,049,587
Depreciation	-	186,033	149,035	76,070	69,622	108,095	12,205	384,457	309,799	170,558	877,425
General and Other	-	65,759	93,798	414,880	31,890	84,726	122,114	348,715	257,911	83,129	587,575
Total Operating Expenses	-	960,713	1,112,842	1,615,962	299,771	1,058,706	633,624	1,440,801	1,707,787	749,094	3,596,856
OPERATING INCOME (LOSS)	-	1,012	(255,239)	(35,449)	(7,052)	(590,079)	64,485	148,468	(538,032)	212,385	1,284,040
NONOPERATING REVENUES (EXPENSES)											
Investment income	-	36,568	2,549	64,274	1,412	45,592	16,451	32,981	19,506	7,951	419,974
Interest expense	-	(50,314)	-	-	(32,911)	(141)	(15,181)	(64,931)	(241,527)	(92,582)	(290,294)
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	-	(13,746)	2,549	64,274	(31,499)	45,451	1,270	(31,950)	(222,021)	(84,631)	129,680
CAPITAL CONTRIBUTIONS											
HUD Nonoperating Contributions	-	-	-	-	-	-	-	-	832,403	-	-
Other Nonoperating Contributions	-	-	-	-	-	391,272	82,996	495,927	1,781,268	-	(5,000,000)
Total Capital Contributions	-	-	-	-	-	391,272	82,996	495,927	2,613,671	-	(5,000,000)
INCREASE (DECREASE) IN NET POSITION	-	(12,734)	(252,690)	28,825	(38,551)	(153,356)	148,751	612,445	1,853,618	127,754	(3,586,280)
Net Position - Beginning of Year	14,716,225	2,355,587	3,634,902	4,294,791	(228,275)	(1,712,652)	(24,761)	1,011,492	(4,541,407)	733,827	8,797,036
Adjustments to Net Position (as previously reported)	-	1,547	(616)	-	-	40,818	(303,450)	(101,000)	-	-	1,030
NET POSITION - END OF YEAR	<u>\$ 14,716,225</u>	<u>\$ 2,344,400</u>	<u>\$ 3,381,596</u>	<u>\$ 4,323,616</u>	<u>\$ (266,826)</u>	<u>\$ (1,825,190)</u>	<u>\$ (179,460)</u>	<u>\$ 1,522,937</u>	<u>\$ (2,687,789)</u>	<u>\$ 861,581</u>	<u>\$ 5,211,786</u>

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Rockwood Station	Willow Tree	The Alexis	Ash Creek	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial	Commercial Space at Lloyd Housing	Yards at Union Station	Rockwood Landing
OPERATING REVENUES											
Dwelling Rental	\$ 2,466,846	\$ 227,480	\$ 473,055	\$ 429,542	\$ 127,915	\$ 568,781	\$ 204,549	\$ -	\$ -	\$ 1,278,367	\$ 292,869
Nondwelling Rental	25,123	10,838	3,790	-	58,150	1,240	267	54,673	-	-	1,870
HUD Operating Subsidies	(40)	-	-	-	-	-	-	-	-	-	-
HUD grants	8,531	449	-	-	-	-	898	-	-	-	6,286
Other	39,448	1,858	31,718	542	310	11,251	85	74,117	-	39,916	5,637
Total Operating Revenues	2,539,908	240,625	508,563	430,084	186,375	581,272	205,799	128,790	-	1,318,283	306,662
OPERATING EXPENSES											
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-
Administration	777,406	48,429	80,304	79,941	58,759	268,409	39,767	7,063	-	376,953	48,472
Financing Costs	-	-	-	18,908	-	10,220	-	-	-	-	-
Program Expense	-	-	-	-	40,443	39,994	-	-	-	-	-
Tenant Services	830	-	-	-	-	14,796	-	-	-	-	-
Utilities	307,727	30,953	203,320	98,622	164,713	172,555	31,799	74,876	-	250,314	81,923
Maintenance	942,883	48,948	143,687	148,436	65,283	253,299	78,490	57,314	-	264,479	253,538
Depreciation	407,623	111,654	185,318	112,401	153,980	131,148	58,442	1,492	96,195	389,377	164,298
General and Other	537,601	15,810	160,291	32,498	32,096	186,408	16,879	2,447	-	379,674	46,639
Total Operating Expenses	2,974,070	255,794	772,920	490,806	515,274	1,076,829	225,377	143,192	96,195	1,660,797	594,870
OPERATING INCOME (LOSS)	(434,162)	(15,169)	(264,357)	(60,722)	(328,899)	(495,557)	(19,578)	(14,402)	(96,195)	(342,514)	(288,208)
NONOPERATING REVENUES (EXPENSES)											
Investment income	126,944	3,289	27	2,165	3,589	1,319	29	6,626	2	28,961	190
Interest expense	(118,123)	(18,709)	(136,020)	(83,327)	(15,331)	(20,457)	(6,195)	-	-	(109,751)	(8,700)
Gain (Loss) on Sale of Assets	-	-	-	-	(4,568)	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	8,821	(15,420)	(135,993)	(81,162)	(16,310)	(19,138)	(6,166)	6,626	2	(80,790)	(8,510)
CAPITAL CONTRIBUTIONS											
HUD Nonoperating Contributions	-	-	-	-	60,554	-	-	-	-	-	-
Other Nonoperating Contributions	(1,000,000)	-	352,000	-	47,608	1,801,657	-	-	28,268	308,343	75,000
Total Capital Contributions	(1,000,000)	-	352,000	-	108,162	1,801,657	-	-	28,268	308,343	75,000
INCREASE (DECREASE) IN NET POSITION	(1,425,341)	(30,589)	(48,350)	(141,884)	(237,047)	1,286,962	(25,744)	(7,776)	(67,925)	(114,961)	(221,718)
Net Position - Beginning of Year	2,350,415	531,633	2,035,847	38,472	1,241,791	(2,524,297)	478,314	(19,349)	2,161,090	(278,209)	855,458
Adjustments to Net Position (as previously reported)	-	109	(66,000)	-	(313,822)	(95,190)	-	3,313	-	(70,000)	-
NET POSITION - END OF YEAR	\$ 925,074	\$ 501,153	\$ 1,921,497	\$ (103,412)	\$ 690,922	\$ (1,332,525)	\$ 452,570	\$ (23,812)	\$ 2,093,165	\$ (463,170)	\$ 633,740

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Dekum Court	Haven	The Jeffrey	Cora Park Apartments	Chateau Apartments	East Area A Scattered Sites	The Apartments at Bud Clark Commons	Cesar Apartments	Totals
OPERATING REVENUES														
Dwelling Rental	\$ 1,311,031	\$ 578,081	\$ 159,005	\$ 2,018,527	\$ -	\$ 1,092	\$ 528,425	\$ 745,127	\$ -	\$ 88,617	\$ 80,640	\$ 1,114,001	\$ (46,972)	\$ 23,611,506
Nondwelling Rental	44,473	-	160	205,954	-	-	-	65,280	-	-	-	17,970	-	788,162
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	-	-	989,274	-	3,013,746
HUD grants	-	2,103	-	-	-	-	-	-	-	-	-	-	-	33,982
Other	9,574	8,272	3,616	67,236	-	-	20,768	13,450	-	(701)	1,711	302,309	-	788,683
Total Operating Revenues	1,365,078	588,456	162,781	2,291,717	-	1,092	549,193	823,857	-	87,916	82,351	2,423,554	(46,972)	28,236,079
OPERATING EXPENSES														
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	493,325	179,491	42,812	396,922	-	-	141,364	390,374	-	7,508	1,307	149,902	-	6,811,246
Financing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	29,128
Program Expense	-	34,451	-	-	-	-	-	-	-	13,012	9,569	464,185	-	770,282
Tenant Services	-	3,913	-	-	-	-	-	-	-	636	22,191	497,696	-	621,576
Utilities	292,674	178,230	23,435	312,648	-	-	137,659	120,946	-	16,542	26,286	375,066	-	4,796,793
Maintenance	264,192	100,074	56,277	328,510	(231)	-	161,491	214,285	-	27,423	29,724	1,138,497	-	7,949,574
Depreciation	220,214	55,966	46,276	264,608	-	-	60,509	162,983	-	22,964	7,919	540,386	11,776	5,548,828
General and Other	298,503	68,891	17,152	375,145	-	-	54,841	112,393	-	8,843	9,974	173,360	-	4,619,942
Total Operating Expenses	1,568,908	621,016	185,952	1,677,833	(231)	-	555,864	1,000,981	-	96,928	106,970	3,339,092	11,776	31,147,369
OPERATING INCOME (LOSS)	(203,830)	(32,560)	(23,171)	613,884	231	1,092	(6,671)	(177,124)	-	(9,012)	(24,619)	(915,538)	(58,748)	(2,911,290)
NONOPERATING REVENUES (EXPENSES)														
Investment income	14,442	1,864	395	75,277	-	-	6,801	12,968	-	-	-	29,592	3	961,741
Interest expense	(124,654)	(54,476)	(11,275)	(247,450)	-	-	(26,932)	-	-	-	-	(426)	-	(1,769,707)
Gain (Loss) on Sale of Assets	(214,652)	-	-	(13,353)	-	-	-	-	-	-	-	(80,103)	-	(312,676)
Total Nonoperating Revenues (Expenses)	(324,864)	(52,612)	(10,880)	(185,526)	-	-	(20,131)	12,968	-	-	-	(50,937)	3	(1,120,642)
CAPITAL CONTRIBUTIONS														
HUD Nonoperating Contributions	-	102,772	-	-	-	-	-	-	-	-	-	-	-	995,729
Other Nonoperating Contributions	151,000	1,388,118	-	99,899	-	-	-	-	-	-	-	-	-	1,003,356
Total Capital Contributions	151,000	1,490,890	-	99,899	-	-	-	-	-	-	-	-	-	1,999,085
INCREASE (DECREASE) IN NET POSITION	(377,694)	1,405,718	(34,051)	528,257	231	1,092	(26,802)	(164,156)	-	(9,012)	(24,619)	(966,475)	(58,745)	(2,032,847)
Net Position - Beginning of Year	(653,799)	945,254	(559,495)	3,277,918	(842,871)	(30,037)	2,026,125	294,722	(2,153)	409,134	470,604	18,446,916	-	59,690,248
Adjustments to Net Position (as previously reported)	8,416	-	-	12,031	842,640	28,945	-	1,803	2,153	-	-	15,793	-	8,520
NET POSITION - END OF YEAR	<u>\$ (1,023,077)</u>	<u>\$ 2,350,972</u>	<u>\$ (593,546)</u>	<u>\$ 3,818,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,999,323</u>	<u>\$ 132,369</u>	<u>\$ -</u>	<u>\$ 400,122</u>	<u>\$ 445,985</u>	<u>\$ 17,496,234</u>	<u>\$ (58,745)</u>	<u>\$ 57,665,921</u>

**HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – SPECIAL NEEDS HOUSING
DECEMBER 31, 2025**

ASSETS	<u>Carriage Hill</u>	<u>Project Open Door</u>	<u>Total</u>
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 15,402	\$ 25,481	\$ 40,883
Cash and Cash Equivalents - Restricted	17,732	88,181	105,913
Accounts Receivable Net	-	6,189	6,189
Total Current Assets	<u>33,134</u>	<u>119,851</u>	<u>152,985</u>
NONCURRENT ASSETS			
Capital Assets not being Depreciated	75,424	71,104	146,528
Capital Assets being Depreciated, Net	<u>165,732</u>	<u>228,962</u>	<u>394,694</u>
Total Noncurrent Assets	<u>241,156</u>	<u>300,066</u>	<u>541,222</u>
Total Assets	<u>\$ 274,290</u>	<u>\$ 419,917</u>	<u>\$ 694,207</u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 35,492	\$ 244,999	\$ 280,491
Accrued Interest Payable	-	29	29
Other Accrued Liabilities	392	990	1,382
Unearned Revenue	4,825	7,917	12,742
Deposits, Payable from Restricted Assets	175	882	1,057
Current Portion of Notes and Bond Payable	-	17,906	17,906
Total Current Liabilities	<u>40,884</u>	<u>272,723</u>	<u>313,607</u>
NONCURRENT LIABILITIES			
Notes Payable	<u>175,885</u>	<u>16,572</u>	<u>192,457</u>
Total Liabilities	216,769	289,295	506,064
NET POSITION			
Total Liabilities and Net Position	<u>\$ 274,290</u>	<u>\$ 419,917</u>	<u>\$ 694,207</u>

**HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – SPECIAL NEEDS HOUSING
YEAR ENDED DECEMBER 31, 2025**

	Carriage Hill	Project Open Door	Total
OPERATING REVENUES			
Dwelling Rental	\$ 36,780	\$ 80,992	\$ 117,772
Total Operating Revenues	<u>36,780</u>	<u>80,992</u>	<u>117,772</u>
OPERATING EXPENSES			
Administration	143	122	265
Program Expense	5,096	12,296	17,392
Utilities	7,626	26,545	34,171
Maintenance	2,944	111,922	114,866
Depreciation	10,965	21,857	32,822
General and Other	4,890	8,457	13,347
Total Operating Expenses	<u>31,664</u>	<u>181,199</u>	<u>212,863</u>
OPERATING LOSS	5,116	(100,207)	(95,091)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	956	1,839	2,795
Interest Expense	-	(426)	(426)
Total Nonoperating Revenues (Expenses)	<u>956</u>	<u>1,413</u>	<u>2,369</u>
DECREASE IN NET POSITION	6,072	(98,794)	(92,722)
Net Position - Beginning of Year	<u>51,449</u>	<u>229,416</u>	<u>280,865</u>
NET POSITION - END OF YEAR	<u>\$ 57,521</u>	<u>\$ 130,622</u>	<u>\$ 188,143</u>

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
Home Forward
Portland, Oregon

We have audited the 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, 2025, and the related notes to the financial statements, which collectively comprise Home Forward's basic financial statements, and have issued our report thereon dated REPORT DATE. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Minimum Standards for Audits of Oregon Municipal Corporations*. Our auditors' report includes a reference to other auditors. Novogradac & Company LLP and Jones & Roth PC audited the financial statements of the aggregate discretely presented component units. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditors.

Compliance

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

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

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

In connection with our testing, nothing came to our attention that caused us to believe Home Forward was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of ORS as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

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

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

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

Purpose of this Report

This report is intended solely for the information and use of the board of commissioners, management of Home Forward, and the Oregon Secretary of State and is not intended to be, and should not be, used by anyone other than these specified parties.

Mandy L. Merchant
CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

**HOME FORWARD
SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2025**

Draft
Subject to Change
6/11/26

**HOME FORWARD
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Draft
Subject to Change
6/11/26

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

Board of Commissioners
Home Forward
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward, as of December 31, 2025, and the related notes to the financial statements, which collectively comprise Home Forward's basic financial statements, and have issued our report thereon dated REPORT DATE. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units as described in our report on Home Forward's financial statements. The audits of the aggregate discretely presented component units were not performed in accordance with *Government Auditing Standards* and, accordingly, this report does not include the results of the other auditors' testing of internal control over financial reporting or instances of reportable noncompliance that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

Draft
Subject to Change
6/11/26

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Home Forward
Portland, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Home Forward's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Home Forward's major federal programs for the year ended December 31, 2025. Home Forward's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Home Forward complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Other Matter – Federal Expenditures Not included in the Compliance Audit

Home Forward's basic financial statements include the operations of discretely presented component units which may have received federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2025. Our compliance audit, described in the Opinion on Each Major Federal Program, did not include the operations of the aggregate discretely presented component units because other auditors were engaged to perform audits of compliance, if applicable.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Home Forward's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Home Forward's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Home Forward's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Home Forward's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Home Forward's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and aggregate discretely presented component units of Home Forward as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Home Forward’s basic financial statements. We have issued our report thereon, dated REPORT DATE, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

Portland, Oregon
REPORT DATE

Draft
Subject to Change
6/11/26

**HOME FORWARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025**

Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct:				
Multifamily Housing Service Coordinators	14.191	Not applicable	\$ -	\$ 448,831
Section 8 Project-Based Cluster:				
Section 8 Moderate Rehabilitation Single Room Occupancy Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.249	Not applicable	-	185,878
Subtotal Section 8 Project-Based Cluster	14.856	Not applicable	-	195,966
			-	381,844
Continuum of Care Program	14.267	Not applicable	-	8,446,545
Demolition and Revitalization of Severely Distressed Public Housing	14.866	Not applicable	-	140,234
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	Not applicable	-	59,911,772
Emergency Housing Vouchers	14.871	Not applicable	-	9,414,964
Section 8 Mainstream Vouchers	14.879	Not applicable	-	3,668,918
Subtotal Housing Voucher Cluster			-	72,995,654
Moving to Work Demonstration Program	14.881	Not applicable	-	173,550,540
Family Self-Sufficiency Program	14.896	Not applicable	-	933,544
Subtotal Direct Programs			-	256,897,192
Total U.S. Department of Housing and Urban Development			-	256,897,192
U.S. Department of the Treasury				
Pass-through from the City of Portland:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	-	626,557
Total U.S. Department of the Treasury			-	626,557
U.S. Department of Homeland Security				
Direct:				
Emergency Food and Shelter National Board Program	97.024	Not applicable	-	67,676
Total U.S. Department of Homeland Security			-	67,676
Department of Health and Human Services				
Direct:				
Grants to States for Medicaid	93.778	Not applicable	-	1,960,236
Total Department of Health and Human Services			-	1,960,236
Total Expenditures of Federal Awards			\$ -	\$ 259,551,661

**HOME FORWARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2025**

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards (Schedule) presents the activities of all federal award programs of Home Forward. Home Forward's reporting entity is defined in Note 1 of Home Forward's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Home Forward, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of Home Forward.

Home Forward's reporting entity includes the operations of discretely presented component units which may have expended federal awards that are not included in the schedule of expenditures of federal awards for the year ended December 31, 2025.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting and include capitalized expenditures. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

Home Forward did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 LOANS OUTSTANDING

Home Forward participates in federal award programs that sponsor revolving loan programs, which are administrated by Home Forward and the city of Portland, Oregon (City). The City contracts Home Forward to collect loan repayments for these programs through servicing and trust arrangements. The funds are returned to the City upon repayment of the principal and interest. The federal government has imposed certain significant continuing compliance requirements with respect to the loans rendered under the Home Investment Partnerships (HOME) Program (assistance listing number 14.239). The City is responsible to administer the continuing compliance requirements and report the outstanding loan balances. During the year ended December 31, 2025, Home Forward did not incur expenditures related to new loans under the HOME program.

**HOME FORWARD
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x no
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Numbers

14.881
93.778

Name of Federal Program or Cluster

Moving to Work Demonstration
Grants to States for Medicaid

Dollar threshold used to distinguish between Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

_____ yes x no

**HOME FORWARD
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Draft
Subject to Change
6/11/26



MEMORANDUM

To:	Board of Commissioners	Date:	June 10, 2026
From:	April Berg Assistant Director of Development 503.802.8326	Subject:	Naming Recommendation for Peaceful Villa Redevelopment Resolution 26-06-02
	Brian Rousseau Development Coordinator 503.802.8505		

The Board of Commissioners is requested to authorize a resolution renaming the new redevelopment at Peaceful Villa as Meadowlark Place.

A naming committee consisting of staff, board, and community members recommended this name to honor the Meadowlark—the Oregon state bird—as a symbol of renewal and hope for the redeveloped and reimagined residential community.

NAMING POLICY BACKGROUND

The Board of Commissioners adopted a naming policy in January 2020. This policy states that Home Forward may name properties that meet the following secondary criteria:

Names may honor a person who has made a significant contribution to the provision of housing for people earning low-incomes or people with disabilities in Multnomah County.

When existing properties are acquired, the existing name may be retained.

Names may be associated with the geographical location of the property or reflect a natural or historical feature.

Taking into consideration the intentional nature-centered design of the interior and exterior, the renaming committee selected Meadowlark Place, a name that reflects a core feature of

the redevelopment.

This effort aligns with the strategic plan goal of using our development expertise to advance innovative solutions that expand supply and address community needs.

MEADOWLARK PLACE: PROJECT BACKGROUND

Home Forward chose to redevelop Peaceful Villa because the 4-acre site, with housing originally built in 1947, had significant capital needs and presented an opportunity to add additional affordable housing. The redevelopment will add 87 new family-sized homes, in a desirable amenities-rich neighborhood of SE Portland.

The redeveloped site will include three new buildings, complete with courtyards, community facilities and parking. Meadowlark Place will feature 166 total units consisting of; 14 studios, 61 one-bedroom, 53 two-bedroom, 34 three-bedroom, and 4 four-bedroom units. All of the units will be reserved for households earning 50% or less of Area Median Income (AMI). Home Forward and Immigrant and Refugee Community Organization (IRCO) will provide on-site resident services.

Design and Energy Efficiency Strategies:

- Inclusive, universal design strategies that exceed basic accessibility requirements, supporting a range of ability levels, aging-in-place, intergenerational living and culturally specific needs.
- Resident-centered sustainability strategies that promote health and comfort and encourage a safe pedestrian environment with defined transitions between private, semi-private and public spaces.
- A variety of distributed community spaces, both active and quiet, indoor and outdoor, to encourage informal interactions amongst residents, friends and neighbors.
- Preservation of the existing tree canopy to provide shade, cooling and reduce the heat island effect.
- Large south-facing sloped roofs that provide optimal solar orientation and minimize the summer heat gain, reduce utility bills and maximize the solar harvest.
- Energy Trust of Oregon “Path to Net Zero” status using solar, energy saving and mechanical systems.

RENAMING PROCESS OVERVIEW

Consistent with Home Forward’s Naming Policy, staff organized a naming committee for the Project. The committee included Home Forward staff from development, property management, resident services, a board commissioner, an IRCO development staff member, and input from the relocated residents. The committee hired researcher, Yaejoon Kwon, PhD to help identify potential names with connections to immigrant/refugee communities, the advancement of outdoor community spaces and/or ties to the neighborhood. This recommendation centers the nature-centered design of the development. The committee recommends the new project name, Meadowlark Place. The research cited below is credited to Yaejoon Kwon, PhD from various sources and conversations with the naming committee.

MEADOWLARK PLACE

A *place* is more than just a physical space—it is a space imbued with meaning. The redevelopment was designed with the explicit intent of creating active and passive places for residents to gather—a place for children to play and families to build homes. The design prioritized existing trees, adding raised garden beds, and creating a diverse array of community-centered green spaces for people to connect. The landscaping will include native plants and transitions from the woodlands, foothills, wetlands, and meadows with a final transition to a community plaza. Inside, the colors and textures are inspired by nature and highlight the natural beauty of our local region. The art planned for the interior also includes one of the trees removed from the site repurposed into art. But the specific feature that inspired the committee is a sculptural installation of a soaring flock of birds planned for the interior. Inspired by the Western Meadowlark—Oregon’s state bird—*Meadowlark Place* evokes a sense of hope, renewal, and connection to the landscape. Centering the redesign that draws inspiration from the habitats that support meadowlarks and other life, *Meadowlark Place* is the committee’s choice to represent this community.

The meadowlark, and specifically the western meadowlark, was first documented by Meriweather Lewis in 1805 and became Oregon’s state bird in 1927. Known for its distinct flute-like song, they often invoke a sense of hope and optimism. They are most commonly found in the grasslands of the western and central United States but migrate north to Canada and south to Mexico. And importantly, their presence signals a healthy grassland and prairie ecosystems.

The meadowlark became Oregon’s state bird after the Oregon Audubon Society held a state-wide contest open to Oregon school children. Children from every single county voted and the meadowlark won with over half of the 80,000 votes. The meadowlark is an empowering reminder of the power of children and the importance of the democratic decision-making

process. Collectively, the children of Oregon helped select this beautiful migratory songbird to represent their state.

The meadowlark also marks the importance of healthy native ecosystems. Understanding that we, as people, play an active role in habitat loss, restoration, and preservation is an important reminder. The meadowlark symbolizes resilience and adaptability as they migrate to find suitable environments. They can migrate as far north as Canada and south to the southern states and Mexico.

Meadowlark Place symbolizes the beauty of continuing to sing our songs as we migrate, adapt to changing environments, and contribute to building healthy environments. And finally, the name honors the Oregon state bird and the importance of participatory democracy in creating meaningful communities.

CONCLUSION

Home Forward staff requests that the Board of Commissioners approve the resolution naming the redevelopment Project as Meadowlark Place. The resolution was reviewed at the June 5 READ Committee meeting.



RESOLUTION 26-06-02

RESOLUTION 26-06-02 AUTHORIZES THE NAMING OF “MEADOWLARK PLACE”, AN AFFORDABLE HOUSING DEVELOPMENT, LOCATED AT 2840 SE 46th AVE, 4660 & 4680 SE CLINTON ST, PORTLAND, OREGON 97206

WHEREAS, Home Forward, a housing authority and a public body corporate and politic of the State of Oregon, seeks to encourage the provision of long-term housing for persons with low income residing in Multnomah County, Oregon; and

WHEREAS, Home Forward is redeveloping the former Peaceful Villa site located on SE Clinton St between SE 46th & 47th the (“The Project”); and

WHEREAS, Home Forward has a Naming Policy, adopted by the Board of Commissioners in January 2020;

WHEREAS, Home Forward’s Naming Policy states, “Home Forward may name properties that meet the following secondary criteria. . . Names may be associated with the geographical location of the property or reflect a natural or historical feature”;

WHEREAS, consistent with its Naming Policy, Home Forward convened a naming committee which recommends naming the Project, Meadowlark Place, to honor the Oregon State bird and symbolizes the beauty of continuing to sing our songs as we migrate, adapt to changing environments, and contribute to building healthy environments; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward approves the name Meadowlark Place for the Project located at 2840 SE 46th Ave, 4660, and 4680 SE Clinton St. Portland, OR 97206.

ADOPTED: JUNE 16, 2026

Attest:

Home Forward:

Michael Buonocore, Secretary

Matthew Gebhardt, Chair



MEMORANDUM

To: Board of Commissioners
Date: June 16, 2026

From: Juli Garvey
Director, Asset Management
503.802.8457
Subject: Authorize the Property Sale of the
Mi Casa Group Home located at
217 NE 192nd Ave
Resolution 26-06-03

Chris Hughson
Asset Manager
503.802.8483

The Board of Commissioners is requested to authorize the sale of the Mi Casa Group Home, a residential property located at 217 NE 192nd Avenue, Portland OR 97230 (“Mi Casa”) in the Rockwood neighborhood in Gresham.

BACKGROUND

The Mi Casa group home is a two-story wood frame property built in 1996. The property consists of 5 bedrooms and 6.5 bathrooms, that make up approximately 2,932 square feet of rentable space, located on a 4,750 square foot (.11 acre) lot. The property was previously leased to Cascadia Behavioral Healthcare and is currently vacant.

Per an assessment of Mi Casa’s small size and its limited redevelopment potential, Home Forward has decided to sell the property in line with strategic goals.

OVERVIEW

Small properties such as Mi Casa typically have limited rental income and are very difficult to finance and operate over a long-term lifespan. They often require significant capital infusions and are less attractive to commercial banks due to the limited size of the loans. Given Home Forward’s portfolio size, the economies of scale are simply not present in a five-bedroom group home like Mi Casa.

Home Forward has historically master leased the group home at below-market rental rates to nonprofit mission-based partners.

The property was listed in April 2026 and is under contract at a gross sales price of \$600,000, with a standard 2.5% credit to compensate the Buyer's Agent at closing. The inspection period is underway and depending on the findings, Home Forward may need to make a reasonable price concession prior to closing. The transaction is scheduled to close on June 26, 2026. Should this transaction not move forward, staff recommend that the approved resolution also authorize a sale on substantially similar terms in order to avoid future delays.

In assessing the viability of a sale, Home Forward also reviewed potential redevelopment opportunities. Current zoning (Gresham LDR-5 – Low Density Residential) is primarily intended for single detached dwellings, townhouses and cottage clusters. The small lot size nonetheless restricts our ability to cost effectively increase density.

There is no debt on the property, and the original Project Use Agreement has since expired. Because Mi Casa is not a viable redevelopment candidate, has limited rental income, and is very difficult to finance and operate long-term, we recommend that Home Forward be authorized to sell the property on the open market.

CONCLUSION

The Board of Commissioners is requested to authorize the sale of the Mi Casa Group Home, located at 217 NE 192nd Avenue, Portland OR 97230. The resolution was reviewed at the June 5, 2026 READ Committee meeting.



RESOLUTION 26-06-03

RESOLUTION 26-06-03 AUTHORIZES THE EXECUTIVE DIRECTOR OR DESIGNEE TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO SELL THE MI CASA GROUP HOME, LOCATED AT 217 NE 192ND AVENUE, PORTLAND, OR 97230

WHEREAS, the Mi Casa Group Home is a five-bedroom property that was built in 1996, is currently owned by Home Forward free of debt and will be vacant prior to any sale;

WHEREAS, cash flow and property reserves are insufficient to continue operating the small property; and

WHEREAS, redevelopment opportunities are not a viable option as the small lot size makes redevelopment impractical and cost prohibitive; and

WHEREAS, No resident will involuntarily lose their rental assistance due to this proposed disposition; and

WHEREAS, the Board wishes to ensure that, in the event the current purchase and sale agreement does not close, staff may proceed with a sale on substantially similar terms; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Home Forward hereby authorizes the sale of the Mi Casa Group Home, located at 217 NE 192nd Avenue, Portland OR 97230.

ADOPTED: JUNE 16, 2026

Attest:

Home Forward:

Michael Buonocore, Secretary

Matthew Gebhardt, Chair

STAFF REPORTS

**Procurement & Contracts Department
MONTHLY CONTRACT REPORT
Contracts Approved 04/01/26 - 05/31/26**

PUBLIC IMPROVEMENT
(CONSTRUCTION & MAINTENANCE SERVICES)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3828		Get It Done PDX LLC	\$214,462.78	Ruth Haefner Plaza fire emergency, flooding	Property Management	4/14/2026	7/31/2026
C3882		Prime Legacy GC	\$1,950.00	Medallion laundry room - replace missing wall insulation; approximately 12" - 16" from ground was removed. Replace sheet rock at base of wall; 12" was removed from most of the perimeter of room. Paint walls to match existing paint and texture	Property Management	4/14/2026	7/31/2026
C3841		CME Playgrounds (cascade mini excavating playgrounds)	\$4,405.04	Repair a damaged kids playground slide at Sequoia Square Apartments. CME ships the equipment over; does not perform any on site work. Subs out Emerald green to install	DCR	4/24/2026	7/30/2026
C3894		Prime Legacy	\$106,980.50	Emergency rehab of multiple units at Townhouse Terrace	Property Management	5/13/2026	5/30/2026
C3868		EV United	\$54,768.00	EV charger install at Sellwood Center	IFS	5/18/2026	12/31/2026
Subtotal			\$382,566.32				5

GOODS & SERVICES

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3844		Peterson Power Systems Inc	\$8,130.00	annual generator service schrunk	Property Management	4/6/2026	12/30/2026
C3845		Peterson Power Systems Inc	\$2,218.00	annual generator service ruth haefner	Property Management	4/6/2026	12/30/2026
C3846		Peterson Power Systems Inc	\$2,222.00	annual generator service holgate house	Property Management	4/6/2026	12/30/2026
C3847		Peterson Power Systems Inc	\$2,154.00	annual generator service gallagher plaza	Property Management	4/6/2026	12/30/2026
C3848		Peterson Power Systems Inc	\$2,866.00	annual generator service hollywood east	Property Management	4/6/2026	12/30/2026
C3849		Peterson Power Systems Inc	\$2,166.00	annual generator service dahlke	Property Management	4/6/2026	12/30/2026
C3850		Peterson Power Systems Inc	\$2,748.00	annual generator service northwest tower	Property Management	4/6/2026	12/30/2026

C3865		Prime Legacy	\$3,682.00	Flooring work at Humboldt Gardens	Property Management	4/6/2026	4/31/26
C3864		Andersen Mechanical	\$24,850.00	Dekum HRV filter replacement bi annual service	Property Management	4/7/2026	5/1/2027
C3749		Recology Portland	\$149,631.40	Weekly garbage service Humboldt Gardens	Property mgmt	4/8/2026	4/12/3031
C3855		Water Solutions NW Inc.	\$7,920.00	Monthly chemical water treatment for heating/cooling system at NMW	IFS	4/8/2026	11/30/2027
C3860		AAA Heating and Cooling Inc	\$438.00	evaluate and fix the HVAC system not working in the office at Eastwood Ct	Property Management	4/8/2026	6/30/2026
C3880		Get It Done PDX LLC	\$7,030.00	Landscaping at SCC	Property Management	4/8/2026	4/10/2026
C3879		Get It Done PDX LLC	\$7,125.00	prime and paint at Hattie Redmond	Property Management	4/9/2026	4/14/2026
C3858		S&J Cutting Tree Service	\$4,000.00	Remove maple tree at Fir Acres behind unit #105. Tree split in two. remove tree, cut stump low and haul.	Property Management	4/14/2026	6/30/2026
C3886		Better Air Northwest	\$1,225.00	dryer vent cleaning for all 7 laundry rooms at Hollywood East	Property Management	4/17/2026	7/31/2026
C3876		Quadient Leasing	\$6,359.40	postage meter and maintenance at HWE	Property Management	4/20/2026	3/31/1931
C3881		Interstate Roofing	\$4,300.00	Preventative maintenance at Richmond Place	Asset Management	4/22/2026	8/1/2026
C3836		Harrity Tree Specialists Inc	\$7,765.00	Property tree inspection report for Sequoia Square Apartments ; tree removal after arson damage	DCR	4/24/2026	8/1/2026
C3895		To Dos Maintenance	\$2,450.00	Flooring install at HWE #812	Property Management	4/30/2026	5/8/2026
C3877		IAMSPS	\$54,000.00	Medallion/Williams security	Property Management	5/4/2026	4/14/2027
C3903		MercuryPDX	\$25,000.00	All HF mail courier services	IFS	5/6/2026	4/30/2030
C3904		Graffiti Removal Services	\$5,997.00	Graffiti removal and wax coating at NMW	IFS	5/6/2026	8/1/2026
C3906		Town & Country Glass	\$560.00	Broken door glass replacement at Richmond Place (item purchase only)	Asset Mgmt	5/7/2026	8/31/2026
C3905		Cosco Fire Protection Inc	\$2,899.00	Sellwood center: Recalibrate flow switch and retest pre-action in main office	Property Management	5/8/2026	8/31/2026
C3907		MJ General Contractor LLC	\$2,500.00	Paint over graffiti on Taylor House	Asset Mgmt	5/11/2026	5/31/2026
C3887		MercuryPDX	\$25,000.00	Mail courier services at NMW	IFS	5/12/2026	4/30/2030
C3892		Budget Blinds	\$38,975.00	Window blinds purchase only at Sequoia Square	DCR	5/12/2026	8/3/2026
C3866		EV United	\$62,736.00	EV charger install at Williams Plaza	IFS	5/18/2026	12/31/2026

C3867		EV United	\$77,088.00	EV charger install at Rockwood Landing	IFS	5/18/2026	12/31/2026
C3918		Chargepoint	\$17,220.00	Cut resistant EV charger cables	IFS	5/18/2026	8/1/2026
C3888		United Fire	\$15,000.00	On-call fire safety services	IFS	5/22/2026	3/31/2028
C3908		RP Painting	\$720.00	Drywall cutting and patching in multiple units at HWE to find leak	Property Management	5/22/2026	5/8/2026
C3909		Rodda-Miller	\$250,000.00	Antimicrobial Paint Supply	IFS	5/29/2026	5/10/2031
Subtotal			\$826,974.80				34

PERSONAL SERVICE CONTRACTS

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3839		Trash for Peace	\$17,809.00	Youth Services at The Ellington	Community Services	4/2/2026	12/31/2026
C3817		Fresh Lyfe	\$15,000.00	Youth support services at the Ellington	Community Services	4/6/2026	12/31/2026
C3863		Peggie Hurst	\$2,500.00	Arts & Crafts Facilitator at Humboldt	Community Services	4/6/2026	12/31/2026
C3878		Community Alliance of Tenants	\$50,000.00	Tenant education for HCV participants	Rent Assistance	4/6/2026	4/15/2027
C3891		Gard Communications	\$10,000.00	provide general communications support and capacity to the Communications Department, and will advise on strategies related to crisis communications as needed.	Executive	4/29/2026	4/15/2027
C3890		Oregon Restoration Co	\$1,280.00	32 attic inspections at Sequoia Square Apartments.	DCR	5/1/2026	7/31/2026
C3896		Addie Boswell	\$-	Ellington mural	Community Services	5/6/2026	8/31/2026
C3902		QED Lab	\$15,000.00	Window and blower door testing at Gresham Civic Station project	DCR	5/6/2026	12/31/2027
3913		Stephen Fowler	\$3,000.00	Facilitate two sessions of the Equity Team Learning Cohort	Executive	5/12/2026	8/31/2026
Subtotal			\$114,589.00				9

PROFESSIONAL SERVICE CONTRACTS (A&E)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
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C3851		GTG Consultants, PC	\$43,250.00	CNA madrona	DCR	4/6/2026	9/30/2026
Total			\$43,250.00				1

AMENDMENTS TO EXISTING CONTRACTS

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C3771	1	EV United	\$15,397.00	change in approach due to site conditions	IFS	4/1/2026	6/30/2026
C3854	1	River City Roofing	\$-	specifying materials, authorizing work	Asset Management	4/2/2026	6/30/2026
C3304	16	Baldwin General Contracting Inc	\$-	BOLI PWRL incorporation	DCR	4/3/2026	5/31/2026
C2965	15	LMC, Inc	\$92,698.46	Scope and schedule changes -- TCO changed from 12/17 to 12/24/26 ("OCO-008")	DCR	4/3/2026	2/1/2027
C3787	1	Impact Northwest	\$217,186.61	CHSP Case Management Rule 46-0340	Community Services	4/6/2026	12/31/2026
C3788	1	Pegasus Moving & Cleaning	\$292,089.60	Housekeeping services for CHSP clients extending thru end of year	Community Services	4/6/2026	12/31/2026
C3303	9	Bremik Construction	\$112,390.00	GCS CO #03	DCR	4/6/2026	6/30/2027
C3534	2	Home Instead Senior Care	\$100,150.00	extending contract duration to cover gap between programming changes for personal care and housekeeping services at CHSP sites	Community Services	4/6/2026	12/31/2026
C3824	1	Creative Financial Staffing LLC	\$6,500.00	Extending time for project completion	Finance	4/7/2026	4/9/2026
C3250	9	Holst Architects	\$56,385.00	ASR 5, additional engineering services	DCR	4/7/2026	5/1/2029
C3304	15	Baldwin General Contracting Inc	\$58,883.71	Sequoia Square pcco #019	DCR	4/7/2026	4/1/2026
C3731	1	B2G Now	\$150,000.00	UBE Tracking Software; extending contract	Procurement	4/8/2026	3/31/2030
C3304	17	Baldwin General Contracting Inc	\$87,416.76	Sequoia Square pcco #20	DCR	4/8/2026	5/31/2026
C3625	1	Fair Housing Council of Oregon	\$9,000.00	Fair housing trainings; amended to extend contract	T&OD	4/8/2026	12/31/2029
C3705	1	Ilima R. Umbhau	\$8,000.00	Extending contract	Exec	4/14/2026	12/31/2026
C3725	1	Keith Ferrante	\$2,129.00	Final pricing of interior art was higher than estimated	DCR	4/14/2026	7/30/2026
C3714	1	Centric Elevator	\$-	Extending--long material lead time delayed work	Property mgmt	4/16/2026	4/30/2026

C3830	1	Squires Electric, Inc.	\$262.50	Lighting replacements at Sellwood Center, adding elevator car lights	Property Management	4/17/2026	7/31/2026
C2448	16	O'Neill/Walsh Community Builders	\$74,342.00	Killingsworth CO #13	DCR	4/17/2026	12/31/2026
C3301	1	Squires Electric, Inc.	\$62,500.00	Increase contract amount	IFS	4/21/2026	2/13/2027
C3362	2	EVREN Northwest Inc.	\$-	Extending contract through end of construction	DCR	4/22/2026	12/31/2026
C3636	1	Northwest Surveying Inc	\$-	Survey work for replat at Dekum Court; amended to extend contract	DCR	4/22/2026	12/31/2026
C3227	9	Walsh Construction Co.	\$219,191.76	GKC Punch list Fire Alarm Control panel, common space smoke sensor replacements, power supplies.	Asset Mgmt	4/23/2026	4/30/2026
C3419	1	Quadient, Inc	\$1,890.00	Parcel lockers at TJP building and install ongoing monthly software and support. \$105.00 monthly for software	DCR	4/24/2026	3/25/2027
C3553	4	Walsh Construction	\$76,974.18	CO #1, emergency maintenance work	DCR	4/29/2026	11/30/2026
C3549	1	Eclipse Security Professionals LLC	\$61,728.00	Security services at Demar downs, floresta, harlod lee, hunters run, powellhurst woods, tillicum south, tillicum north, townhouse terrace; amended to extend contract	Property Management	4/29/2026	12/31/2026
C2965	16	LMC, Inc	\$128,055.77	scope changes for all bathrooms and laundry rooms	DCR	4/30/2026	2/17/2027
C3331	5	Buildskape	\$127,759.91	Schiller way PCO 20, 28, 7, 27,31, 34, 36, 38, 40, 41, 10	Asset Management	5/6/2026	7/30/2026
C2857	22	Bremik Construction	\$51,434.00	Replacement of light poles	DCR	5/7/2026	8/7/2026
C3547	3	Prime Legacy GC	\$-	Additional time for painting and gutter cleaning	DCR	5/29/2026	8/30/2026
Subtotal			\$2,012,364.26				30

OTHER AGREEMENTS (Revenue contracts, 3rd Party contracts, MOU's, IGA's)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
Subtotal			\$0.00				0
Total			\$3,379,744.38				79

**Procurement & Contracts Department
FUTURE FORMAL PROCUREMENTS
Look Ahead - June 2026**

Estimated Contract Amount	Description	Dept.	Solicitation Period
\$13 million	Madrona Rehab	DCR	In Progress
\$500k	Goose Hollow Apts Renovations	DCR	June 2026
TBD	Agency-wide legal services	Exec	Fall 2026
\$1.5 million	CHSP Housekeeping & Personal Care	Community Services	TBD