

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**  
**WITH**  
**REPORT OF INDEPENDENT AUDITORS**

**HOUSING AUTHORITY OF THE CITY OF SALEM  
BOARD OF COMMISSIONERS AND ADMINISTRATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**BOARD OF COMMISSIONERS**

<u>Name and Address</u>	<u>Position</u>	<u>Expiration Date</u>
Virginia Stapleton	Commission Chair	December 31, 2024
Linda Nishioka	Board Member	December 31, 2026
Trevor Phillips	Board Member	December 31, 2024
Deanna Gwyn	Board Member	December 31, 2026
Jose Gonzalez	Board Member	December 31, 2024
Julie Hoy	Board Member	December 31, 2026
Vanessa Nordyke	Board Member	December 31, 2024
Micki Varney	Board Member	December 31, 2026

**HOUSING AUTHORITY OF THE CITY OF SALEM  
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FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners of the  
Housing Authority of the City of Salem:

### ***Opinions***

We have audited the accompanying financial statements of the business-type activities (primary government) and the aggregate discretely presented component units of the Housing Authority of the City of Salem (the "Authority") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities (primary government) and the aggregate discretely presented component units of the Authority as of as of September 30, 2022, and the changes in their net position and where applicable, their cash flows 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 Robert Lindsey Tower Housing, LLC, Salem Housing Preservation 4 Percent LP, Salem Housing Preservation 9 Percent LP, and Parkway West Housing, LLC, which represent 100% of the assets, net position and revenues of the discretely presented component units as of and for the year ended September 30, 2022. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements to conform those financial statements to present in accordance with the the accounting standards issued by the Governmental Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the aforementioned entities prior to these conversion adjustments, is based solely on the reports of the other auditors.

### ***Basis for Opinion***

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. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter***

#### *Correction of Error*

As discussed in Note 15 to the financial statements, certain errors that resulted in understatements of amounts previously reported for long term debt and accrued interest payable as of September 30, 2021, were discovered. Accordingly, net position as of September 30, 2021 has been restated to correct these errors. Our opinion is not modified with respect to this matter.

## ***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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, 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.

## ***Other Matters (continued)***

### *Required Supplementary Information (continued)*

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purpose of additional analysis and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and the financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 and financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

In our opinion, the schedule of expenditures of federal awards and financial data schedule are fairly stated, in all material respects, in relation to the financial statements as a whole.

## ***Other Reporting Required by Oregon State Regulations***

In accordance with the *Oregon State Regulations*, we have also issued our report dated June 22, 2023, on our consideration of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

## ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, the Authority adopted accounting standards changes related to accounting for and disclosing certain leasing arrangements. Our opinion is not modified with respect to this matter.



Richard M. Larsen, Partner  
Novogradac and Company, LLP  
Toms River, New Jersey  
Municipal License #1649  
June 22, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HOUSING AUTHORITY OF THE CITY OF SALEM  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

As management of the Housing Authority of the City of Salem (the “Authority”), we offer the readers of the Authority’s financial statements this narrative overview and analysis of the financial activities of the Authority as of and for the year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the Authority’s financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the City of Salem.

**Overview of the Financial Statements**

The financial statements included in this annual audit report are those of a special-purpose government engaged in a business-type activity.

The following statements are included:

**The Statement of Net Position**

The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflow of resources minus liabilities and deferred inflow of resources, equals “Net Position”, formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as “Current” (convertible into cash within one year) and “Non-current”.

**Components of Net Position are:**

- **Net Investment in Capital Assets:**

This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- **Restricted Net Position:**

This component of net position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

- **Unrestricted Net Position:**

This component of net position consists of net position that does not meet the definition of “Net Investment in Capital Assets” or “Restricted Net Position”.



**HOUSING AUTHORITY OF THE CITY OF SALEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

**Overview of the Financial Statements (continued)**

Statement of Revenue, Expenses, and Changes in Net Position

This statement reports the Authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital contributions. The statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as grant revenue, investment income and interest expense.

Statement of Cash Flows

The Statement of Cash Flows presents information on the effects changes in assets and liabilities have on cash during the course of the Fiscal Year.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

Our analysis of the Authority as a whole begins on the next page. The most important question asked about the Authority's finances is, "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of entity wide net position, revenues, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues when earned and expenses when incurred, regardless of when cash is received or paid.

Our analysis also presents the Authority's net position and changes in it. One can think of the Authority's net position as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The change in net position analysis will assist the reader with measuring the health or financial position of the Authority.

Over time, significant changes in the Authority's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

To fully understand the financial statements of the Authority, one must start with an understanding of what the Authority actually does. The following is a brief description of the programs and services that the Authority provides for the residents of Salem, OR:

***Housing Voucher Cluster (HVC)***

HUD has contracted with the Authority for administration of the Section 8 Housing Choice Vouchers program. The Authority pays housing assistance payments to landlords for low income tenants. The housing assistance payment matches the difference between the total rent that the landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay. For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Authority is not responsible for the upkeep and maintenance of the units and properties associated with this program.

***Public and Indian Housing Program***

The Public and Indian Housing Program is designed to provide low-cost housing within the City. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

***EFA Family Self Sufficiency ("FSS") Forfeitures Program***

The program requires that forfeited FSS escrow funds be used by the Authority for the benefit of any FSS participant(s) in good standing.

***Section 8 Moderate Rehabilitation Program - Single Room Occupancy***

Provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing and HUD subsidizes rents once the units are occupied in such amounts sufficient to cover the developers' debt service payments on the financing.

***State and Local Programs***

Periodically, the Authority administers various grants from the State of Oregon. These activities are contained in this non-federal fund.

***Emergency Solutions Grant***

The ESG program provides funding to engage homeless individuals and families living on the street, improve the number and quality of emergency shelters for homeless individuals and families, help operate these shelters, provide essential services to shelter residents, rapidly re-house homeless individuals and families, and prevent families and individuals from becoming homeless.

***Home Investment Partnership Program***

The purpose of the Home Investment Partnership Program is to to expand the supply of affordable housing, particularly rental housing, for low and very low income Americans; to strengthen the abilities of State and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing; and to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

***Financial Highlights***

**Total Assets and Deferred Outflows of Resources** for FY 2021 were \$65,816,699 and for FY 2022 the amount was \$68,180,307. This represents an overall net increase of \$2,363,608 or 3.6%.

**Capital Assets (net)** decreased from \$15,136,428 in FY 2021 to \$12,293,935 in FY 2022, or by \$2,842,493 or 18.8%. The decrease is the net amount of capital asset additions, deletions, and depreciation expense in FY 2022 in the amounts of \$1,003,234, (\$3,209,610) and (\$636,117), respectively.

**Current liabilities** decreased from \$2,952,564 in FY 2021 to \$1,054,103 in FY 2022 or by \$1,898,461 or 64.3%. The decrease is primarily due to decreases in the amount of unearned revenue in FY 2022.

**Restricted Net Position** increased from \$1,549,410 in FY 2021 to \$2,985,759 in FY 2022 or by \$1,436,349 or 92.7%. The increase was primarily due to the restriction of funds for RAD purposes as well as the monthly required deposits for the restricted escrow accounts.

***Analysis of Entity Wide Assets & Liabilities (Statement of Net Position)***

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>	<u>Percent Variance</u>
Cash & Cash Equivalents	\$ 13,523,532	\$ 10,819,263	\$ 2,704,269	25.0%
Other Current Assets	6,038,866	1,570,429	4,468,437	284.5%
Other Non-Current Assets	34,242,260	36,212,898	(1,970,638)	-5.4%
Net Capital Assets	<u>12,293,935</u>	<u>15,136,428</u>	<u>(2,842,493)</u>	-18.8%
<b>Total Assets</b>	<b><u>66,098,593</u></b>	<b><u>63,739,018</u></b>	<b><u>2,359,575</u></b>	<b>3.7%</b>
Deferred Outflow of Resources	<u>2,081,714</u>	<u>2,077,681</u>	<u>4,033</u>	0.2%
<b>Total Assets/Deferred Inflows of Resources</b>	<b><u>\$ 68,180,307</u></b>	<b><u>\$ 65,816,699</u></b>	<b><u>\$ 2,363,608</u></b>	<b>3.6%</b>
Current Liabilities	\$ 1,054,103	\$ 2,952,564	\$ (1,898,461)	-64.3%
Non Current Liabilities	<u>9,663,493</u>	<u>9,395,141</u>	<u>268,352</u>	2.9%
<b>Total Liabilities</b>	<b><u>10,717,596</u></b>	<b><u>12,347,705</u></b>	<b><u>(1,630,109)</u></b>	<b>-13.2%</b>
Deferred Inflow of Resources	<u>1,285,306</u>	<u>2,844,221</u>	<u>(1,558,915)</u>	-54.8%
<b>Total Deferred Inflows of Resources</b>	<b><u>1,285,306</u></b>	<b><u>2,844,221</u></b>	<b><u>(1,558,915)</u></b>	<b>-54.8%</b>
Net Investment in Capital Assets	7,787,787	10,653,939	(2,866,152)	-26.9%
Restricted Net Position	2,985,759	1,549,410	1,436,349	92.7%
Unrestricted Net Position	<u>45,403,859</u>	<u>38,421,424</u>	<u>6,982,435</u>	18.2%
<b>Total Net Position/Liabilities/Equity</b>	<b><u>\$ 68,180,307</u></b>	<b><u>\$ 65,816,699</u></b>	<b><u>\$ 2,363,608</u></b>	<b>3.6%</b>

**HOUSING AUTHORITY OF THE CITY OF SALEM  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

***Analysis of Entity Wide Revenues***

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ended 2022 were as follows:

<b>Program</b>	<b>Revenues Generated</b>
Public and Indian Housing Program	\$ 2,565,560
Emergency Housing Vouchers	191,173
Section 8 Housing Choice Vouchers (HCV)	25,223,910
Mainstream Vouchers	1,071,456
Section 8 Moderate Rehabilitation Program - Single Room Occupanc	147,406
Public Housing Capital Fund Program (CFP)	315,517
Public and Indian Housing Program - CARES	2,923
Community Development Block Grant (CDBG)	37,599
PIH Family Self-Sufficiency	284,622
EFA FSS Forfeitures	9,905
Emergency Shelter Grant	227,716
Home Investment Partnership Program	77,950
State & Local	4,127,540
Blended Component Unit	281,868
COCC	167,538
Business Activities (BA)	11,747,931
<b>Total Revenue</b>	<b><u>\$ 46,480,614</u></b>

Total revenues for FY 2021 were \$42,731,762 as compared to \$46,480,614 of total revenues for FY 2022. Comparatively, FY 2022 revenues exceeded FY 2021 revenues by \$3,748,852.

***Analysis of Entity Wide Expenses***

**Administrative** expenditures for FY 2022 were \$4,826,411 as compared to \$4,685,963 in FY 2021. This represents an increase of \$140,448 or 3.0%. The main reason for this change was due to a salary study that was completed in 2022 that increased the salaries and due to consulting fees for the component units.

**Tenant services** expenditures for FY 2022 were \$3,258,780 as compared to \$8,591,949 in FY 2021, a decrease of \$5,333,169 or 62.1%. The decrease is primarily due to a decrease in landlord payments funded by the Landlord Compensation Fund.

**Maintenance** expenditures for FY 2022 were \$871,432 as compared to \$1,195,653 in FY 2021, a decrease of \$324,221 or 27.1%. The decrease is primarily due to additional cleaning costs during the pandemic.

**Insurance and general expense** expenditures for FY 2022 were \$424,652 as compared to \$369,935 in FY 2021, an increase of \$54,717 or 14.8%. This is primarily due to increases in insurance expense in the amount of \$42,379 and bad debt expense of \$125,790 in the Authority’s business activities program in FY 2022.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

***Analysis of Entity Wide Expenses (continued)***

**Housing Assistance Payments** expenditures for FY 2022 were \$23,899,773 as compared to \$21,863,704 in FY 2021, an increase of \$2,036,069 or 9.3%. This is primarily due to an increase in unit months leased in FY 2022.

**Depreciation Expense** decreased from \$683,649 in FY 2021 to \$636,117 in FY 2022 or by \$47,532 or 7.0%.

The table below illustrates our analysis:

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>	<u>Percent Variances</u>
Administrative	\$ 4,826,411	\$ 4,685,963	\$ 140,448	3.0%
Tenant Services	3,258,780	8,591,949	(5,333,169)	-62.1%
Utilities	143,321	174,591	(31,270)	-17.9%
Maintenance	871,432	1,195,653	(324,221)	-27.1%
Insurance and General Expense	424,652	369,935	54,717	14.8%
Housing Assistance Payments	23,899,773	21,863,704	2,036,069	9.3%
Depreciation Expense	636,117	683,649	(47,532)	-7.0%
<b>Total Expenses</b>	<b><u>\$ 34,060,486</u></b>	<b><u>\$ 37,565,444</u></b>	<b><u>\$ (3,504,958)</u></b>	<b>-9.3%</b>

***Analysis of Capital Asset Activity***

The table below illustrates the changes in Capital Assets throughout the fiscal year:

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>	<u>Percent Variances</u>
Land	\$ 1,554,916	\$ 1,794,468	\$ (239,552)	-13.3%
Buildings	20,380,821	23,574,586	(3,193,765)	-13.5%
Furniture, Equip., & Mach. - Dwelling	1,509,372	1,464,997	44,375	3.0%
Construction in Process	1,003,647	1,860,203	(856,556)	100.0%
<b>Total Fixed Assets</b>	<b><u>24,448,756</u></b>	<b><u>28,694,254</u></b>	<b><u>(4,245,498)</u></b>	<b>-14.8%</b>
Accumulated Depreciation	12,154,821	13,557,826	(1,403,005)	-10.3%
<b>Net Fixed Assets</b>	<b><u>\$ 12,293,935</u></b>	<b><u>\$ 15,136,428</u></b>	<b><u>\$ (2,842,493)</u></b>	<b>-18.8%</b>

**HOUSING AUTHORITY OF THE CITY OF SALEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

***Analysis of Capital Asset Activity (continued)***

In FY 2022, the Authority acquired capital assets in the amount of \$1,003,234, which was offset by dispositions and annual depreciation expense in the amounts of \$3,209,610 and \$636,117, respectively. The FY 2022 capital asset activity resulted in a decrease in the amount of \$2,842,493 or 18.8%.

***Analysis of Long-term Debt***

The Authority's total long-term debt at September 30, 2022, and 2021 was \$4.4 million and \$5.4 million, respectively, a decrease of approximately .9%. During the year, the Authority paid off approximately \$.9 million of borrowings.

***Special Conditions and Economic Factors***

Management is not aware of any facts, decisions, or conditions that would have a significant effect on the future operation of the Authority.

***Contacting the Authority's Financial Management***

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional information should be addressed to Jessica Blakely, Assistant Housing Administrator, Housing Authority of the City of Salem.

## **FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

ASSETS

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Current assets:			
Cash and cash equivalents	\$ 13,523,532	\$ 1,280,468	\$ 14,804,000
Tenant security deposits	84,369	122,322	206,691
Accounts receivable, net	2,325,090	55,646	2,380,736
Prepaid expenses	20,054	99,898	119,952
Inventories, net	<u>3,966</u>	<u>-</u>	<u>3,966</u>
Total current assets	<u>15,957,011</u>	<u>1,558,334</u>	<u>17,515,345</u>
Non-current assets:			
Restricted cash	3,240,589	1,831,253	5,071,842
Notes receivable	30,630,948	-	30,630,948
Accrued interest receivable	3,605,387	-	3,605,387
Other assets	-	188,207	188,207
Lease receivable, net of current portion	305,343	-	305,343
OPEB benefit	65,380	-	65,380
Capital assets, net	<u>12,293,935</u>	<u>60,069,989</u>	<u>72,363,924</u>
Total non-current assets	<u>50,141,582</u>	<u>62,089,449</u>	<u>112,231,031</u>
Total assets	<u>66,098,593</u>	<u>63,647,783</u>	<u>129,746,376</u>

DEFERRED OUTFLOWS OF RESOURCES

State of Oregon P.E.R.S.	2,043,232	-	2,043,232
State of Oregon S.H.B.P.	37,970	-	37,970
OPEB Plan	<u>512</u>	<u>-</u>	<u>512</u>
Total deferred outflow of resources	<u>2,081,714</u>	<u>-</u>	<u>2,081,714</u>
Total assets and deferred outflows of resources	<u>\$ 68,180,307</u>	<u>\$ 63,647,783</u>	<u>\$ 131,828,090</u>

See accompanying notes to financial statements.



**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**STATEMENT OF NET POSITION (continued)**  
**SEPTEMBER 30, 2022**

LIABILITIES

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Current liabilities:			
Accounts payable	\$ 222,488	\$ 68,952	\$ 291,440
Accrued expenses	64,621	3,435	68,056
Tenant security deposits	84,369	122,318	206,687
Unearned revenue	495,990	6,481	502,471
Accrued compensated absences, current	57,924	-	57,924
Notes payable, current	77,215	3,646,014	3,723,229
Accrued interest payable	2,028	3,079,339	3,081,367
Other current liabilities	<u>49,468</u>	<u>290,783</u>	<u>340,251</u>
Total current liabilities	<u>1,054,103</u>	<u>7,217,322</u>	<u>8,271,425</u>
Non-current liabilities:			
Accrued compensated absences, non-current	173,787	-	173,787
Accrued pension liability	4,300,734	-	4,300,734
Notes payable, non-current	4,428,933	37,083,682	41,512,615
Other non-current liabilities	489,675	1,880,618	2,370,293
Accrued OPEB liability	<u>270,364</u>	<u>-</u>	<u>270,364</u>
Total non-current liabilities	<u>9,663,493</u>	<u>38,964,300</u>	<u>48,627,793</u>
Total liabilities	<u>10,717,596</u>	<u>46,181,622</u>	<u>56,899,218</u>

DEFERRED INFLOWS OF RESOURCES

State of Oregon P.E.R.S.	978,059	-	978,059
State of Oregon S.H.B.P.	10,714	-	10,714
Building lease	<u>296,533</u>	<u>-</u>	<u>296,533</u>
Total deferred inflows of resources	<u>1,285,306</u>	<u>-</u>	<u>1,285,306</u>

NET POSITION

Net position:			
Net investment in capital assets	7,787,787	19,340,293	27,128,080
Restricted	2,985,759	1,831,253	4,817,012
Unrestricted	<u>45,403,859</u>	<u>(3,705,385)</u>	<u>41,698,474</u>
Total net position	<u>56,177,405</u>	<u>17,466,161</u>	<u>73,643,566</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 68,180,307</u>	<u>\$ 63,647,783</u>	<u>\$ 131,828,090</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Operating revenues:			
Tenant revenue	\$ 1,712,021	\$ 2,589,207	\$ 4,301,228
HUD operating grants	27,485,248	-	27,485,248
Other government grants	11,727,540	-	11,727,540
Other revenues	<u>3,482,808</u>	<u>58,069</u>	<u>3,540,877</u>
Total operating revenues	<u>44,407,617</u>	<u>2,647,276</u>	<u>47,054,893</u>
Operating expenses:			
Administrative	4,826,411	656,452	5,482,863
Tenant services	3,258,780	-	3,258,780
Utilities	143,321	256,628	399,949
Ordinary repairs and maintenance	871,432	718,017	1,589,449
Insurance	151,099	86,846	237,945
General	251,219	325,391	576,610
Extraordinary maintenance	22,334	-	22,334
Housing assistance payments	23,899,773	-	23,899,773
Depreciation	<u>636,117</u>	<u>2,198,006</u>	<u>2,834,123</u>
Total operating expenses	<u>34,060,486</u>	<u>4,241,340</u>	<u>38,301,826</u>
Operating income (loss)	<u>10,347,131</u>	<u>(1,594,064)</u>	<u>8,753,067</u>
Non-operating revenues (expenses):			
Investment income	816,533	810	817,343
Bad debt expense - mortgages	(6,261,937)	-	(6,261,937)
Interest expense	(31,838)	(1,305,416)	(1,337,254)
Casualty losses, non-capitalized	(16,946)	-	(16,946)
Gain on sale of capital assets	<u>1,126,925</u>	<u>-</u>	<u>1,126,925</u>
Net non-operating revenues (expenses)	<u>(4,367,263)</u>	<u>(1,304,606)</u>	<u>(5,671,869)</u>
Income (loss) before capital grants and special items	5,979,868	(2,898,670)	3,081,198
Capital grants	129,539	-	129,539
Special items - contributions	<u>-</u>	<u>11,383,107</u>	<u>11,383,107</u>
Change in net position	<u>6,109,407</u>	<u>8,484,437</u>	<u>14,593,844</u>
Total net position, beginning of year (as originally reported)	50,624,773	8,981,724	59,606,497
Prior period adjustments:			
Adoption of GASB 87	(3,033)	-	(3,033)
Correction of error	<u>(553,742)</u>	<u>-</u>	<u>(553,742)</u>
Net position, beginning of year (as restated)	<u>50,067,998</u>	<u>8,981,724</u>	<u>59,049,722</u>
Net position, end of year	<u>\$ 56,177,405</u>	<u>\$ 17,466,161</u>	<u>\$ 73,643,566</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Primary Government</u>
Cash Flows from Operating Activities:	
Cash received from tenants and others	\$ 4,157,581
Cash received from grantors	38,478,412
Cash paid to employees	(2,476,806)
Cash paid to vendors and suppliers	<u>(32,518,886)</u>
Net cash provided by operating activities	<u>7,640,301</u>
Cash Flows from Non-Capital Financing Activities:	
Casualty losses	<u>(16,946)</u>
Net cash used in non-capital financing activities	<u>(16,946)</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Capital Grants	129,539
Principal payments of notes payable	(178,919)
Interest paid on notes payable	(35,162)
Purchase of capital assets	(1,003,234)
Proceeds from sale of capital assets	<u>2,153,211</u>
Net cash provided by capital and related financing activities	<u>1,065,435</u>
Cash Flows from Investing Activities:	
Collection of notes receivable	1,367,546
Issuance of notes receivable	(6,376,777)
Investment income	<u>15,283</u>
Net cash used in investing activities	<u>(4,993,948)</u>
Net increase in cash and cash equivalents and restricted cash	3,694,842
Cash and cash equivalents and restricted cash, beginning of year	<u>13,153,648</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 16,848,490</u>
Reconciliation of cash and cash equivalents and restricted cash to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 13,523,532
Tenant security deposits	84,369
Restricted cash	<u>3,240,589</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 16,848,490</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
STATEMENT OF CASH FLOWS (continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Primary Government</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 10,347,131
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	636,117
Bad debt expense	17,784
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable, net	(673,464)
Prepaid expenses	11,826
Inventory, net	7,902
Lease receivable	79,580
Other post employment benefit asset	(65,380)
Deferred outflows of resources	(4,033)
Accounts payable	(642,013)
Accrued expenses	(127,859)
Tenant security deposits liability	(17,753)
Unearned revenue	(1,029,282)
Accrued compensated absences	10,141
Other current liabilities	(19,119)
Accrued pension liability	1,060,989
Other non-current liabilities	(4,568)
Accrued OPEB liability	(6,893)
Deferred inflows of resources	<u>(1,940,805)</u>
Net cash provided by operating activities	<u>\$ 7,640,301</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
SEPTEMBER 30, 2022**

ASSETS					
	Parkway West Housing LLC	Robert Lindsey Tower Housing LLC	Salem Housing Preservation 4 Percent LP	Salem Housing Preservation 9 Percent LP	Total
Current assets:					
Cash and cash equivalents	\$ 358,845	\$ 235,800	\$ 385,927	\$ 299,896	\$ 1,280,468
Tenant security deposits	37,446	38,993	22,480	23,403	122,322
Accounts receivable, net	13,966	29,070	6,521	6,089	55,646
Prepaid expenses	<u>9,349</u>	<u>24,311</u>	<u>22,046</u>	<u>44,192</u>	<u>99,898</u>
Total current assets	<u>419,606</u>	<u>328,174</u>	<u>436,974</u>	<u>373,580</u>	<u>1,558,334</u>
Non-current assets:					
Restricted cash	547,653	1,012,457	249,540	21,603	1,831,253
Other assets	28,875	32,961	66,538	59,833	188,207
Capital assets, net	<u>8,693,462</u>	<u>11,320,036</u>	<u>18,711,634</u>	<u>21,344,857</u>	<u>60,069,989</u>
Total non-current assets	<u>9,269,990</u>	<u>12,365,454</u>	<u>19,027,712</u>	<u>21,426,293</u>	<u>62,089,449</u>
Total assets	<u>\$ 9,689,596</u>	<u>\$ 12,693,628</u>	<u>\$ 19,464,686</u>	<u>\$ 21,799,873</u>	<u>\$ 63,647,783</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
COMBINING STATEMENT OF NET POSITION (continued)  
DISCRETELY PRESENTED COMPONENT UNITS  
SEPTEMBER 30, 2022**

**LIABILITIES**

	Parkway West Housing LLC	Robert Lindsey Tower Housing LLC	Salem Housing Preservation 4 Percent LP	Salem Housing Preservation 9 Percent LP	Total
Current liabilities:					
Accounts payable	\$ 5,476	\$ 59,555	\$ 3,921	\$ -	\$ 68,952
Accrued expenses	-	-	-	3,435	3,435
Tenant security deposits	37,446	38,993	22,478	23,401	122,318
Unearned revenue	-	1,577	1,978	2,926	6,481
Accrued interest payable	740,314	1,555,191	363,414	420,420	3,079,339
Other current liabilities	<u>194,444</u>	<u>73,629</u>	<u>15,644</u>	<u>7,066</u>	<u>290,783</u>
Total current liabilities	<u>977,680</u>	<u>1,728,945</u>	<u>407,435</u>	<u>457,248</u>	<u>3,571,308</u>
Non-current liabilities:					
Note payable, non-current	3,483,253	8,477,163	14,746,671	14,022,609	40,729,696
Other non-current liabilities	<u>-</u>	<u>268,519</u>	<u>262,099</u>	<u>1,350,000</u>	<u>1,880,618</u>
Total non-current liabilities	<u>3,483,253</u>	<u>8,745,682</u>	<u>15,008,770</u>	<u>15,372,609</u>	<u>42,610,314</u>
Total liabilities	<u>4,460,933</u>	<u>10,474,627</u>	<u>15,416,205</u>	<u>15,829,857</u>	<u>46,181,622</u>

**NET POSITION**

Net position:					
Net investment in capital assets	5,210,209	2,842,873	3,964,963	7,322,248	19,340,293
Restricted	547,653	1,012,457	249,540	21,603	1,831,253
Unrestricted	<u>(529,199)</u>	<u>(1,636,329)</u>	<u>(166,022)</u>	<u>(1,373,835)</u>	<u>(3,705,385)</u>
Total net position	<u>5,228,663</u>	<u>2,219,001</u>	<u>4,048,481</u>	<u>5,970,016</u>	<u>17,466,161</u>
Total liabilities and net position	<u>\$ 9,689,596</u>	<u>\$ 12,693,628</u>	<u>\$ 19,464,686</u>	<u>\$ 21,799,873</u>	<u>\$ 63,647,783</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION -  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Parkway West Housing LLC	Robert Lindsey Tower Housing LLC	Salem Housing Preservation 4 Percent LP	Salem Housing Preservation 9 Percent LP	Total
Operating revenues:					
Tenant revenue	\$ 683,752	\$ 895,223	\$ 534,813	\$ 475,419	\$ 2,589,207
Other revenues	<u>11,001</u>	<u>45,513</u>	<u>35</u>	<u>1,520</u>	<u>58,069</u>
Total operating revenues	<u>694,753</u>	<u>940,736</u>	<u>534,848</u>	<u>476,939</u>	<u>2,647,276</u>
Operating expenses:					
Administrative	166,780	233,930	129,976	125,766	656,452
Utilities	62,411	83,236	48,830	62,151	256,628
Ordinary repairs and maintenance	148,350	308,612	118,862	142,193	718,017
Insurance	19,530	35,382	16,437	15,497	86,846
General	31,704	26,200	248,094	19,393	325,391
Depreciation	<u>283,569</u>	<u>349,988</u>	<u>865,754</u>	<u>698,695</u>	<u>2,198,006</u>
Total operating expenses	<u>712,344</u>	<u>1,037,348</u>	<u>1,427,953</u>	<u>1,063,695</u>	<u>4,241,340</u>
Operating loss	<u>(17,591)</u>	<u>(96,612)</u>	<u>(893,105)</u>	<u>(586,756)</u>	<u>(1,594,064)</u>
Non-operating revenues (expenses):					
Investment income	697	81	30	2	810
Interest expense	<u>(257,167)</u>	<u>(368,523)</u>	<u>(391,210)</u>	<u>(288,516)</u>	<u>(1,305,416)</u>
Net non-operating expenses	<u>(256,470)</u>	<u>(368,442)</u>	<u>(391,180)</u>	<u>(288,514)</u>	<u>(1,304,606)</u>
Loss before special items	(274,061)	(465,054)	(1,284,285)	(875,270)	(2,898,670)
Special items - contributions	<u>-</u>	<u>380,554</u>	<u>5,153,507</u>	<u>5,849,046</u>	<u>11,383,107</u>
Change in net position	<u>(274,061)</u>	<u>(84,500)</u>	<u>3,869,222</u>	<u>4,973,776</u>	<u>8,484,437</u>
Net position, beginning of year	<u>5,502,724</u>	<u>2,308,748</u>	<u>179,259</u>	<u>996,240</u>	<u>8,986,971</u>
Net position, end of year	<u>\$5,228,663</u>	<u>\$ 2,224,248</u>	<u>\$ 4,048,481</u>	<u>\$ 5,970,016</u>	<u>\$ 17,471,408</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The Housing Authority of the City of Salem (the "Authority") was created by the City Council of the City of Salem (the "City"). The Authority's primary functions are planning, development, and operation of low-income housing projects funded by the U.S. Department of Housing and Urban Development ("HUD"), and the administration and operation of other programs related to low-income housing assistance.

The Board of Commissioners is appointed by the City Council of the City of Salem and is responsible for all activities of the Authority. The City provides various services to the Authority on a contract basis. The Authority's accounting records are maintained separately from the City's and debts incurred by the Authority are not obligations of the City.

**B. Basis of Accounting / Financial Statement Presentation**

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.



**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Accounting / Financial Statement Presentation (continued)**

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

On October 1, 2021, the Authority adopted Statement No. 87 of the Government Accounting Standards Board, *Leases* ("GASB 87"). GASB 87 increases the transparency and comparability among governmental organizations by requiring the recognition of lease assets and deferred inflows of resources on the statement of net position by lessees and the disclosure of key information about leasing arrangements. Necessary adjustments were recognized through a cumulative effect adjustment.

As a result of the adoption of GASB 87, on October 1, 2021, a lease receivable in the amount of \$384,923 and deferred inflows of resources of \$381,890 were recognized.

The cumulative effect adjustment recording the lease receivable and deferred inflows of resources amounted to \$(3,033), and was recorded as an adjustment to unrestricted net position at September 30, 2021.

**C. Reporting Entity**

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Reporting Entity (continued)**

Based upon the application of these criteria, this report includes the following discretely presented component units:

Parkway West Housing, LLC

Parkway West Housing, LLC ("Parkway") was formed to acquire, rehabilitate and operate a 78-unit low-income housing project located in Salem, Oregon. Parkway is subject to compliance with Section 42 of the Internal Revenue Code ("IRC"). The financial statements presented are for the year ended December 31, 2021.

Robert Lindsey Tower Housing, LLC

Robert Lindsey Tower Housing, LLC ("Robert Lindsey Tower") was formed to acquire, rehabilitate and operate a 108-unit low-income housing project across two properties located in Salem, Oregon. Robert Lindsey Tower is subject to compliance with Section 42 of the IRC. The financial statements presented are for the year ended December 31, 2021.

Salem Housing Preservation 4 Percent LP

Salem Housing Preservation 4 Percent LP ("SHP 4%") was formed in 2019 to acquire, rehabilitate and operate a 54-unit low-income housing project across two properties located in Salem, Oregon. SHP 4% will be subject to compliance with Section 42 of the IRC. The financial statements presented are for the year ended December 31, 2021.

Salem Housing Preservation 9 Percent LP

Salem Housing Preservation 9 Percent LP ("SHP 9%") was formed in 2019 to acquire, rehabilitate and operate a 54-unit low-income housing project across two properties located in Salem, Oregon. SHP 9% will be subject to compliance with Section 42 of the IRC. The financial statements presented are for the year ended December 31, 2021.

The Authority's discretely presented component units are included under the "Discretely Presented Component Unit" column on the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position.

Separately issued financial statements of the discretely presented component units, which reported on a December 31, 2021 fiscal year end, can be obtained by contacting the Director of Finance at (503) 588-6368 or by writing: Housing Authority of the City of Salem, 360 Church Street SE, Salem, OR 97301.

Additionally, based on the application of the above criteria, the Authority's financial statements are not included in any other reporting entity's financial statements.

Included within the financial reporting entity of the Authority as a blended component unit is Southfair Apartments Limited Partnership ("Southfair"). Southfair is wholly owned by the Authority. Southfair was organized for the purpose of owning and operating Southfair Apartments, a 40-unit, mixed-income housing project in Salem, Oregon. A separate set of financial statements for Southfair as of December 31, 2021, have been issued.

**D. Description of Programs**

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Description of Programs (continued)**

Public and Indian Housing Program

The Public and Indian Housing Program is designed to provide low-cost housing within the City. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Mainstream Vouchers Program

The Mainstream Vouchers program is to aid persons with disabilities in obtaining decent, safe, and sanitary rental housing.

Emergency Housing Vouchers Program ("EHV")

EHV funds are to be used to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

EFA Family Self Sufficiency ("FSS") Forfeitures Program

The program requires that forfeited FSS escrow funds be used by the Authority for the benefit of any FSS participant(s) in good standing.

Business Activities

The Authority owns non-federal housing units and various interests in low income housing tax credit partnerships. Revenues earned from these activities are recorded in the Business Activities fund.

State and Local Programs

Periodically, the Authority administers various grants from the State of Oregon. These activities are contained in this non-federal fund.

Emergency Solutions Grant

The ESG program provides funding to engage homeless individuals and families living on the street, improve the number and quality of emergency shelters for homeless individuals and families, help operate these shelters, provide essential services to shelter residents, rapidly re-house homeless individuals and families, and prevent families and individuals from becoming homeless.

CARES Act Funding Program

During the year ended September 30, 2022, the Authority was awarded CARES Act funding as part of the Public and Indian Housing Program. These funds are to be used to prevent, prepare for, and respond to the Coronavirus ("COVID-19"), as well as help the Authority maintain normal operations during the period impacted by COVID-19.

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Description of Programs (continued)**

Section 8 Moderate Rehabilitation Program - Single Room Occupancy

Provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing and HUD subsidizes rents once the units are occupied in such amounts sufficient to cover the developers' debt service payments on the financing.

Community Development Block Grant / Entitlement Program

The primary objective of the Community Development Block Grants (CDBG)/Entitlement Grants program (large cities and urban counties) is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

Home Investment Partnership Program

The purpose of the Home Investment Partnership Program is to to expand the supply of affordable housing, particularly rental housing, for low and very low income Americans; to strengthen the abilities of State and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing; and to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

**E. Use of Management Estimates**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses, pension liability, OPEB asset, depreciable lives of properties and equipment, deferred inflows and outflows of resources, and contingencies. Actual results could differ significantly from these estimates.

**F. Cash and Cash Equivalents**

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. Accounts Receivable, Net**

Rents are due from tenants on the first day of each month. As a result, tenants accounts receivable balances primarily consist of rents past due and vacated tenants. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts earned and billed but not received and for amounts unbilled, but earned as of year end.

**H. Allowance for Doubtful Accounts**

The Authority periodically reviews all accounts, leases and notes receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

**I. Prepaid Expenses**

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

**J. Notes Receivable**

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and rehabilitation of developments through the issuance of mortgage loans. When preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property; the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

**K. Lease Receivable**

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the lease agreement or implicitly determined by the Authority.

**L. Capital Assets, Net**

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position.

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Capital Assets, Net (continued)**

Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

• Buildings	5-7 Years
• Land Improvements	7-10 Years
• Computers	3-5 Years
• Office Equipment and Vehicles	5-10 Years

The Authority has established a capitalization threshold of \$3,000.

**M. Impairment of Long Lived Assets**

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended September 30, 2022, there were no impairment losses incurred.

**N. Accounts Payable and Accrued Liabilities**

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

**O. Unearned Revenue**

The Authority's unearned revenue primarily consist of the prepayment of rent by residents and the receipt of HUD and other grant funding applicable to future periods prior to incurring the corresponding expense.

**P. Compensated Absences**

Compensated absences are those absences for which employees will be paid in accordance with the Authority's Personnel Policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits.

Total unpaid compensated absences at September 30, 2022, were recorded on the books of the Authority based on total vested hours multiplied by current wage rates.

**Q. Pensions**

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

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**R. Other Post Employment Benefits**

For purposes of measuring the net Other Post Employment Benefits ("OPEB") asset, deferred outflows of resources and deferred inflows of resources related to the net OPEB, and OPEB expense, and information about the fiduciary net position of the Retirement Health Insurance Account ("RHIA") and additions to/deductions from RHIA's fiduciary net position have been determined on the same basis as they are reported by RHIA. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

**S. Deferred Outflows of Resources and Deferred Inflows of Resources**

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

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

**T. Equity Classifications**

Equity is classified as net position and displayed in three components:

Net investment in capital assets — Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position — Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position — All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

**U. Operating Revenues and Expenses**

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded in accordance with GASB 33 and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**V. Regulated Leases**

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases which are twelve months in length are regulated by HUD as to rent, unit size, household composition and tenant income. For the year ended September 30, 2022, rental revenue earned by the primary government under the aforementioned leases totaled \$1,712,021.

**W. Taxes**

The Authority is a unit of local government under the State of Oregon law and is exempt from real estate, sales and income taxes by both the federal and state governments. However, the Authority will pay a payment in lieu of taxes to cover municipal services provided by the local government for certain properties owned throughout the City.

**X. Budgets and Budgetary Accounting**

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards, which are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with GAAP. All appropriations lapse at HUD's program year end or at the end of grant periods.

**Y. Economic Dependency**

The Section 8 programs of the Authority is economically dependent on subsidies from HUD. The program operates at a loss prior to receiving the grants.

**Z. Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

**NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

As of September 30, 2022, the Authority had funds on deposit in checking, savings and money market accounts. The carrying amount of the primary government's cash and cash equivalents (including restricted cash) was \$16,848,490, and the bank balances approximated \$17,013,146.



**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (continued)**

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Unrestricted	\$ 13,523,532	\$ 1,280,468	\$ 14,804,000
Tenant security deposits	84,369	122,322	206,691
Restricted	<u>3,240,589</u>	<u>1,831,253</u>	<u>5,071,842</u>
Total cash and cash equivalents	<u>\$ 16,848,490</u>	<u>\$ 3,234,043</u>	<u>\$ 20,082,533</u>

Of the bank balances, \$250,000 was covered by federal depository insurance and the remaining \$16,763,146 was collateralized with the pledging financial institutions as of September 30, 2022.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of September 30, 2022, the Authority's bank balances were not exposed to custodial credit risk.

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net consists of the following as of September 30, 2022:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts receivable - HUD	\$ 695,870	\$ -	\$ 695,870
Accounts receivable - tenants, net	19,501	55,646	75,147
Accounts receivable - other government	425,507	-	425,507
Accounts receivable - PHA projects	20,845	-	20,845
Accounts receivable - miscellaneous	<u>1,163,367</u>	<u>-</u>	<u>1,163,367</u>
Total accounts receivable, net	<u>\$ 2,325,090</u>	<u>\$ 55,646</u>	<u>\$ 2,380,736</u>

Accounts Receivable - HUD

As of September 30, 2022, Accounts receivable - HUD consisted of amounts due to the Authority for amounts expended under grant agreements that have not yet been reimbursed. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of \$18,117.

Accounts Receivable - Other Government

Accounts receivable - other government represents amounts owed to the Authority by other federal agencies and state and local governments. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 3. ACCOUNTS RECEIVABLE, NET (continued)**

Accounts Receivable - PHA Projects

Accounts receivable - PHA projects represents amounts owed to the Authority by other PHAs under the portability provisions of the Section 8 Housing Choice Vouchers program. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed to the Authority by the discretely presented component units. These balances owed represent monies owed for expense reimbursements and developer fees. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

**NOTE 4. RESTRICTED DEPOSITS**

As of September 30, 2022, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Family Self-Sufficiency program escrows	\$ 361,961	\$ -	\$ 361,961
RAD rehabilitation reserves	1,969,386	-	1,969,386
Reserve for replacement escrows	596,030	874,422	1,470,452
Operating reserve escrows	218,653	887,523	1,106,176
Reserve for debt service	94,559	-	94,559
Insurance reserve escrows	-	69,308	69,308
Tenant security deposits	<u>84,369</u>	<u>122,322</u>	<u>206,691</u>
Total restricted deposits	<u>\$ 3,324,958</u>	<u>\$ 1,953,575</u>	<u>\$ 3,145,280</u>

Family Self-Sufficiency ("FSS") program escrows are restricted for use in the Section 8 Housing Choice Vouchers program by FSS program participants.

RAD rehabilitation reserve funds are restricted to support Rental Assistance Demonstration ("RAD") conversion of public housing properties.

Reserve for replacement escrows are required to be set aside for to fund major repairs, capital expenditures, and replacement of capital items in the projects.

Operating reserve escrows are set aside to be used to fund operating deficits and other needs of the projects.

Reserve for debt service escrows are set aside to be used to fund the debt service of the projects.

Insurance reserve escrows are set aside to fund the required insurance of the projects.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination from the Authority, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 5. NOTE RECEIVABLE**

Notes receivable of the primary government consisted of the following as of September 30, 2022:

<u>Description</u>	<u>Amount</u>
The Authority, its managing member, loaned \$1,710,000 to Robert Lindsey Tower Housing LLC, for rehabilitation of its housing property. Interest accrues at 5% per annum. Principal and interest are due December 31, 2044, secured by a deed of trust on the property.	\$ 1,710,000
The Authority, its managing member, loaned \$2,235,522 to Robert Lindsey Tower Housing LLC, for rehabilitation of its housing property. Interest accrues at 3.27% per annum. Principal and interest are due December 31, 2044, secured by a deed of trust on the property.	2,235,522
The Authority, its managing member, received a seller carry-back note in the amount of \$645,292 from Parkway West Housing LLC relating to the sale of Parkway Village Apartments, LP. Interest accrues at 8% per annum. Principal and interest are due December 31, 2069, secured by a deed of trust on the property.	645,292
The Authority, its managing member, loaned \$249,510 of CDBG funds to Parkway West Housing LLC, for rehabilitation costs. Interest accrues at 0% per annum. Principal is due December 31, 2069, secured by a deed of trust on the property.	249,510
The Authority, its managing member, loaned \$1,136,940 of CDBG funds to Robert Lindsey Tower Housing LLC, for rehabilitation costs. Interest accrues at 0% per annum. Principal is due December 31, 2069, secured by a deed of trust on the property.	1,136,940
The Authority, its managing member, received a seller carry-back note in the amount of \$288,861 from Robert Lindsey Tower Housing LLC relating to the sale of Parkway East rental property. Interest accrues at 5% per annum. Principal and interest are due December 31, 2044, secured by a deed of trust on the property.	288,861
The Authority, its general partner, received a seller carry-back note in the amount of \$8,338,750 from Salem Housing Preservation 4 Percent Limited Partnership relating to the sale of public housing property. Interest accrues at 2.09% per annum. Principal and interest are due December 31, 2069, secured by a deed of trust on the property.	8,338,750
The Authority, its general partner, loaned \$2,939,206 to Salem Housing Preservation 4 Percent Limited Partnership, for rehabilitation of its housing property. Interest accrued at 0% per annum. Principal is due December 31, 2069, secured by a deed of trust on the property.	2,939,250
The Authority, its general partner, loaned \$650,000 to Salem Housing Preservation 4 Percent Limited Partnership, for rehabilitation of its housing property. Interest accrues at 0% per annum. Principal is due December 31, 2069, secured by a deed of trust on the property.	262,099

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 5. NOTE RECEIVABLE (continued)**

<u>Description</u>	<u>Amount</u>
The Authority, its general partner, received a seller carry-back note in the amount of \$9,541,000 from Salem Housing Preservation 9 Percent Limited Partnership relating to the sale of public housing property. Interest accrues at 2.09% per annum. Principal and interest are due December 31, 2069, secured by a deed of trust on the property.	9,541,000
The Authority, its general partner, loaned \$917,333 to Salem Housing Preservation 9 Percent Limited Partnership, for rehabilitation of its housing property. Interest accrues at 0% per annum. Principal and interest are due December 31, 2069, secured by a deed of trust on the property.	917,333
The Authority, its general partner, loaned \$1,475,000 to Salem Housing Preservation 9 Percent Limited Partnership, for rehabilitation of its housing property. Interest accrues at 0% per annum. Principal and interest are due December 31, 2069, secured by a deed of trust on the property.	495,355
The Authority, its managing member, loaned \$230,000 of GHAP funds to Parkway West Housing LLC, for rehabilitation costs. Interest accrues at 3.27% per annum. Principal and interest are due December 31, 2069, secured by a deed of trust on the property.	230,000
The Authority, its managing member, loaned \$222,246 to Robert Lindsey Tower Housing LLC, for rehabilitation of the Parkway East rental housing property. Interest accrues at 3.27% per annum. Principal and interest are due December 31, 2044, secured by a deed of trust on property.	222,246
The Authority, its managing member, loaned \$190,000 to Parkway West Housing LLC, for rehabilitation of its housing property. Interest accrues at 8% per annum. Principal and interest are due December 31, 2069, secured by a deed of trust on property.	190,000
On December 13, 2021 the Authority entered into a note with Yaquina Southfair Housing Limited Partnership in the amount of \$125,790 (the "CDBG loan"). The CDBG loan bears no interest, and matures December 31, 2051. The note is secured by a deferred payment loan trust deed.	125,790

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 5. NOTE RECEIVABLE (continued)**

<u>Description</u>	<u>Amount</u>
On December 13, 2021, the Authority entered into a note with Yaquina Southfair Housing Limited Partnership in the amount of \$353,000. The note bears interest at a rate of 1.90% and matures on December 31, 2071. Payment on the note shall be made from available cash flow or capital proceeds. The note is secured by a deed of trust.	353,000
On December 13, 2021, the Authority entered into a note with Yaquina Southfair Housing Limited Partnership in the amount of \$6,100,000. The note bears interest at a rate of 1.00% and matures on December 31, 2071. Payment on the note shall be made from available cash flow or capital proceeds. The note is secured by a deed of trust. Management does not anticipate collecting the full amount of this note, therefore, an allowance has been established in the amount of \$6,100,000.	6,100,000
On December 13, 2021, the Authority entered into a note with Yaquina Southfair Housing Limited Partnership in the amount of \$750,000. The note bears no interest and matures on December 31, 2071. Payment on the note shall be made from available cash flow or capital proceeds. The note is secured by a deed of trust.	<u>750,000</u>
Total notes receivable	\$ 36,730,948
Less: allowance for doubtful accounts	<u>6,100,000</u>
Notes receivable, net of current portion	<u>\$ 30,630,948</u>

As of September 30, 2022, the current portion of notes receivable amounted to \$0 and the accrued interest totaled \$3,605,387, net of an allowance of \$36,147, and is included on the Authority's Statement of Net Position.

**NOTE 6. CAPITAL ASSETS, NET**

The following is a summary of the primary government's changes in capital assets during the year ended September 30, 2022:

<u>Description</u>	<u>September 30,</u> <u>2021</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>September 30,</u> <u>2022</u>
<u>Non-depreciable:</u>					
Land	\$ 1,794,468	\$ -	\$ (239,552)	-	\$ 1,554,916
Construction in progress	<u>1,860,203</u>	<u>913,520</u>	<u>(1,648,068)</u>	<u>(122,008)</u>	<u>1,003,647</u>
Subtotal	<u>3,654,671</u>	<u>913,520</u>	<u>(1,887,620)</u>	<u>(122,008)</u>	<u>2,558,563</u>
<u>Depreciable:</u>					
Buildings and improvements	23,574,586	11,584	(3,327,357)	122,008	20,380,821
Furniture and equipment	<u>1,464,997</u>	<u>78,130</u>	<u>(33,755)</u>	<u>-</u>	<u>1,509,372</u>
Subtotal	<u>25,039,583</u>	<u>89,714</u>	<u>(3,361,112)</u>	<u>122,008</u>	<u>21,890,193</u>
Less: accumulated depreciation	<u>13,557,826</u>	<u>636,117</u>	<u>(2,039,122)</u>	<u>-</u>	<u>12,154,821</u>
Net capital assets	<u>\$ 15,136,428</u>	<u>\$ 367,117</u>	<u>\$ (3,209,610)</u>	<u>-</u>	<u>\$ 12,293,935</u>

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 6. CAPITAL ASSETS, NET (continued)**

Depreciation expense for the primary government for the year ended September 30, 2022 amounted to \$636,117.

The following is a summary of the discretely presented component unit's changes in capital assets during the year ended September 30, 2022:

Description	September 30, 2021	Additions	Dispositions	Transfers	September 30, 2022
<u>Non-depreciable:</u>					
Land	\$ 4,328,326	\$ -	\$ (1,093,406)	-	\$ 3,234,920
Construction in progress	<u>24,963,936</u>	-	-	<u>(24,956,610)</u>	<u>7,326</u>
Total	<u>29,292,262</u>	<u>-</u>	<u>(1,093,406)</u>	<u>(24,956,610)</u>	<u>3,242,246</u>
<u>Depreciable:</u>					
Buildings and improvements	\$ 30,923,580	\$ 6,096,346	\$ -	24,956,610	\$ 61,976,536
Furniture and equipment	<u>1,778,689</u>	<u>678,964</u>	-	-	<u>2,457,653</u>
Total	<u>32,702,269</u>	<u>6,775,310</u>	<u>-</u>	<u>24,956,610</u>	<u>64,434,189</u>
Less: accumulated depreciation	<u>5,411,016</u>	<u>2,198,006</u>	<u>(2,576)</u>	-	<u>7,606,446</u>
Net capital assets	<u>\$ 56,583,515</u>	<u>\$ 4,577,304</u>	<u>\$ (1,090,830)</u>	<u>-</u>	<u>\$ 60,069,989</u>

Depreciation expense for the discretely presented component unit for the year ended September 30, 2022 amounted to \$2,198,006.

**NOTE 7. LEASE RECEIVABLE**

On September 27, 2019, the Authority entered into a lease agreement (the "lease") as a lessor with Salem Health for the lease of six rooms for transitional housing , two unfurnished offices, one unfurnished room and nonexclusive use of a kitchen and a conference room. The term of the lease was for five (5) years from the commencement date, with an option to renew the lease for one additional year. An initial lease receivable was recorded in the amount of \$384,923. As of September 30, 2022, the value of the lease receivable was \$305,343. Beginning on the commencement of the lease term, quarterly rent shall be paid to the Authority in the amount of \$22,448, increasing by 1% on each anniversary date. For the year ended September 30, 2022, the Authority received payments of \$90,241 on the lease. The implicit interest rate on the lease was 3%. The value of the deferred inflows of resources as of September 30, 2022 was \$296,533. For the year ended September 30, 2022, the Authority recognized lease revenue and interest income on the lease in the amounts of \$85,357 and \$10,660, respectively.

Annual lease payments for principal and interest for the next four years is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2023	\$ 82,907	\$ 8,237	\$ 91,144
2024	86,344	5,711	92,055
2025	89,894	3,081	92,975
2026	<u>46,198</u>	<u>520</u>	<u>46,718</u>
	<u>\$ 305,343</u>	<u>\$ 17,549</u>	<u>\$ 322,892</u>

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 8. NOTES PAYABLE**

Notes payable of the primary government consisted of the following as of September 30, 2022:

<u>Description</u>	<u>Amount</u>
3.31%, \$675,000 mortgage note payable to Columbia Bank, due in monthly installments of \$3,866, including interest, due in full September 2024, secured by real property.	\$ 444,966
2.50%, \$600,000 mortgage note payable to Columbia Bank, due in monthly installments of \$4,013, including interest, due in full August 2031, secured by real property.	383,996
0%, \$191,400 mortgage note payable to the City of Salem, Oregon, due in monthly installments of \$532, due in full December 2027, unsecured.	38,279
0%, \$1,136,940 mortgage note payable to the City of Salem, Oregon, from CDBG funds, no payments due until maturity on December 31, 2069, secured by assets of Robert Lindsey Tower Housing LLC.	1,136,940
0%, \$249,510 mortgage note payable to the City of Salem, Oregon, from CDBG funds, no payments due until maturity in December 2069, secured by assets of Parkway West LLC.	249,510
0%, \$425,000 mortgage note payable to the City of Salem, Oregon from CDBG funds, no payments due until maturity on June 30, 2039, secured by assets of Redwood Crossing, loan is forgivable if certain conditions are met.	425,000
0%, \$125,790 mortgage note payable to the City of Salem, Oregon from CDBG funds, no payments due until maturity in April 2029, secured by assets of Southfair Apartments Limited Partnership.	125,790
0%, \$425,000 loan from Oregon Health Authority, to be forgiven 1/30th each November starting November 2020 through November 2049 when full forgiveness is reached.	396,667
0%, promissory note from Oregon Housing and Community Services under the Local Innovation and Fast Track Housing Program for draws up to \$1,305,000 for the construction and rehabilitation at Redwood Crossing. The loan has converted to a permanent loan in accordance with the promissory note. The note is due and payable in full on December 31, 2040.	<u>1,305,000</u>
Total notes payable	<u>\$ 4,506,148</u>

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 8. NOTES PAYABLE (continued)**

Annual debt service for principal and interest over the next five years and in five-year increments thereafter is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 77,215	\$ 23,554	\$ 100,769
2024	459,234	15,013	474,247
2025	47,280	7,177	54,457
2026	48,328	6,126	54,454
2027	49,404	5,048	54,452
2028-2032	185,731	8,869	194,600
2033-2037	-	-	-
2038-2042	1,730,000	-	1,730,000
2043-2047	-	-	-
2048-2052	522,457	-	522,457
2053-2057	-	-	-
2058-2062	-	-	-
2063-2067	-	-	-
2068-2072	1,386,499	-	1,386,499
2073-2077	-	-	-
	<u>\$ 4,506,148</u>	<u>\$ 65,787</u>	<u>\$ 4,571,935</u>

A summary of the Authority's discretely presented component unit's notes payable is as follows:

<u>Description</u>	<u>Amount</u>
<b>Parkway West</b> - 8%, \$645,292 note payable to the Housing Authority of the City of Salem, annual payments are payable solely from cash flow, as defined, due in full December 2069, secured by real estate.	\$ 645,292
<b>Parkway West</b> - 3.27%, \$230,000 GHAP note payable to the Housing Authority of the City of Salem, annual payments are payable solely from cash flow, as defined, due in full December 2069, secured by real estate.	230,000
<b>Parkway West</b> - 0%, \$249,510 CDBG note payable to the Housing Authority of the City of Salem, annual payments are payable solely from cash flow, as defined, due in full December 2069, secured by real estate.	249,510
<b>Parkway West</b> - 8%, \$190,000 note payable to the Housing Authority of the City of Salem, annual payments are solely from cash flow, as defined, due in full December 2069, secured by real estate	190,000
<b>Parkway West</b> - 6%, \$2,541,032 mortgage note payable to Network for Affordable Housing (NOAH) due in monthly installments of \$16,372, including interest through September 2035, secured by real estate and an assignments of rents, net of unamortized debt issuance costs of \$42,848.	2,168,451
<b>Robert Lindsey Tower Housing LLC</b> - 5%, \$1,710,000 note payable to the Housing Authority of the City of Salem, annual payments are payable solely from cash flow, as defined, due in full December 2044, secured by real estate	1,710,000



**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 8. NOTES PAYABLE (continued)**

<u>Description</u>	<u>Amount</u>
<b>Robert Lindsey Tower Housing LLC - 5%</b> , \$288,861 note payable to the Housing Authority of the City of Salem, annual payments are payable solely from cash flow, as defined, due in full December 2044, secured by real estate	288,861
<b>Robert Lindsey Tower Housing LLC - 0%</b> , \$1,136,940 note payable to the Housing Authority of the City of Salem, annual payments are payable solely from cash flow, as defined, due in full on December 31, 2069, secured by real estate	1,136,940
<b>Robert Lindsey Tower Housing LLC - 3.27%</b> , \$2,235,522 note payable to the Housing Authority of the City of Salem, annual payments are payable solely from cash flow, as defined, due in full December 2044, secured by real estate	2,235,522
<b>Robert Lindsey Tower Housing LLC - 3.27%</b> , \$222,246 note payable to the Housing Authority of the City of Salem, annual payments are payable solely from cash flow, as defined, due in full December 2044, secured by real estate.	222,246
<b>Robert Lindsey Tower Housing LLC - 3.91%</b> , \$3,622,939 mortgage note payable to NOAH, due in monthly installments of \$18,944, including interest through November 2035, secured by real estate and an assignments of rents, net of unamortized debt issuance costs of \$163,752.	2,883,594
<b>Salem Housing Preservation 4 Percent Limited Partnership - 2.09%</b> , seller promissory note to the Housing Authority of the City of Salem, due in annual installments payable solely from cash flow or capital proceeds through maturity of December 2069, secured by a deed of trust.”	8,338,750
<b>Salem Housing Preservation 4 Percent Limited Partnership - 1.82%</b> note payable to Network or Oregon Affordable Housing, due in monthly payments of \$12,726, including interest, through January 2042, secured by a deed of trust.	3,468,671
<b>Salem Housing Preservation 4 Percent Limited Partnership - 0%</b> sponsor promissory note to the Housing Authority of the City of Salem, due in annual installments payable solely from cash flow or capital proceeds through maturity of December 2069, secured by a deed of trust	2,939,250
<b>Salem Housing Preservation 9 Percent Limited Partnership - 2.09%</b> seller promissory note to the Housing Authority of the City of Salem, due in annual installments payable solely from cash flow or capital proceeds through maturity of December 2069, secured by a deed of trust	9,541,000
<b>Salem Housing Preservation 9 Percent Limited Partnership - 0%</b> sponsor promissory note to the Housing Authority of the City of Salem, due in annual installments payable solely from cash flow or capital proceeds through maturity of December 2069, secured by a deed of trust.	917,333

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 8. NOTES PAYABLE (continued)**

<u>Description</u>	<u>Amount</u>
<b>Salem Housing Preservation 9 Percent Limited Partnership</b> - Construction loan to U.S. Bank National Association (an affiliated limited partner) for \$9,547,121 with interest calculated monthly using the LIBOR Rate as defined in the loan agreement. The initial maturity date of the loan is December 2, 2021, with options to extend to March 2, 2022 and again to June 2, 2022 upon request of the Partnership and approval of the Bank. As of December 31, 2021, the Partnership had drawn \$3,564,276 against the construction loan.	<u>3,564,276</u>
Total notes payable	\$ <u>40,729,696</u>

Interest expense for the year ended September 30, 2022 totaled \$31,838 for the primary government and \$1,305,416 for the discretely presented component units.

Accrued interest payable as of September 30, 2022 for the primary government and discretely presented component units totaled \$2,028 and \$3,079,339, respectively.

**NOTE 9. NON-CURRENT LIABILITIES**

Non-current liabilities of the primary government as of September 30, 2022 consisted of the following:

<u>Description</u>	<u>September 30, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>September 30, 2022</u>	<u>Amounts due within one Year</u>
Accrued compensated absences	\$ 221,571	\$ 10,140	\$ -	\$ 231,711	\$ 57,924
Accrued pension liability	1,770,293	2,530,441	-	4,300,734	-
Accrued OPEB liability	277,257	-	(6,893)	270,364	-
Family self-sufficiency escrows	393,615	96,060	-	489,675	-
Notes payable	<u>5,356,577</u>	<u>-</u>	<u>(850,429)</u>	<u>4,506,148</u>	<u>77,215</u>
Total non-current liabilities	\$ <u>8,019,313</u>	\$ <u>2,636,641</u>	\$ <u>(857,322)</u>	\$ <u>9,798,632</u>	\$ <u>135,139</u>

Non-current liabilities for the discretely presented component unit as of September 30, 2022 consisted of the following:

<u>Description</u>	<u>September 30, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>September 30, 2022</u>	<u>Amounts due within one Year</u>
Notes payable	\$ 46,081,971	\$ 3,468,671	\$ 820,946	\$ 40,729,696	\$ -
Developer fee payable	1,043,519	1,350,000	(512,991)	1,880,528	-
Due to related party	<u>1,161,772</u>	<u>59,555</u>	<u>(930,544)</u>	<u>290,783</u>	<u>290,783</u>
Total non-current liabilities	\$ <u>48,287,262</u>	\$ <u>4,878,226</u>	\$ <u>(264,481)</u>	\$ <u>42,901,007</u>	\$ <u>290,783</u>

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 10. PENSION PLAN**

**A. Plan Description**

Employees of SHA are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-SHA ring multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A, and Internal Revenue Code.

Section 40 l(a). Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at: <https://www.oregon.gov/pers/Pages/Financials/Previous-Years.aspx>.

**B. Benefits Provided**

Tier One/Tier Two Retirement Benefit ORS Chapter 238

*Pension Benefits*

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (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.

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

*Death Benefits*

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

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

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 10. PENSION PLAN (continued)**

**B. Benefits Provided (continued)**

*Disability Benefits*

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service.

Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

*Benefit Changes*

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes.

OPSRP Pension Program ("OPSRP DB")

*Pension Benefits*

The Oregon Public Service Retirement Plan ("OPSRP") is part of OPERS and administered by the OPERS Board. The OPERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. 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 OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

*Death Benefits*

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% 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.

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 10. PENSION PLAN (continued)**

**B. Benefits Provided (continued)**

*Benefit Changes After Retirement*

Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living changes. The COLA is capped at 2.0%.

OPSRP Individual Account Program ("OPSRP IAP")

Beginning January 1, 2004, OPERS active Tier one and Tier Two members became members of the Individual Account Program ("IAP") of the OPSRP, which is a defined contribution plan. OPERS members retain their existing plan accounts, but member contributions are now deposited into the member's IAP account, not into the member's Defined Benefit Plan account. Accounts are credited with earnings and losses net of administrative expenses.

*Pension Benefits*

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5, 10, 15, or 20 year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits*

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

*Recordkeeping*

OPERS contracts with VOYA Financial to maintain IAP participant records.

**C. Contributions**

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the July 1, 2020 actuarial valuation. The rates based on a percentage of payroll, first became effective September 30, 2022. Employer contributions for the year ended September 30, 2022 were \$644,547 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended September 30, 2022 were 26.52% for Tier One/Tier Two General Service Member, 23.53% for OPSRP Pension Program General Service Members, and 6% for OPSRP Individual Account Program.

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 10. PENSION PLAN (continued)**

**D. Pension Liabilities, Pension Expense, Deferred Outflow of Resources and  
Deferred Inflow of Resources Related to Pensions**

At September 30, 2022, the Authority reported a liability of \$4,300,734 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Authority's proportion was 0.02808733%.

For the year ended September 30, 2022, the Authority recognized a pension benefit of \$815,076. Deferred inflows of resources and deferred outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers have reported the following deferred inflows of resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings

Differences between expected and actual experience, changes in assumptions, and changes in employer proportion are amortized over the average remaining lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal year ended June 30, 2022 - 5.5 years
- Fiscal year ended June 30, 2021 - 5.4 years
- Fiscal year ended June 30, 2020 - 5.3 years
- Fiscal year ended June 30, 2019 - 5.2 years
- Fiscal year ended June 30, 2018 - 5.2 years
- Fiscal year ended June 30, 2017 - 5.3 years
- Fiscal year ended June 30, 2016 - 5.3 years
- Fiscal year ended June 30, 2015 - 5.4 years
- Fiscal year ended June 30, 2014 - 5.6 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

In addition, employers may need to recognize a difference between their actual employer contributions and their proportionate share of contributions, which is not reflected in the Comprehensive Annual Financial Report and Actuarial Valuation. GASB 68 requires employers to amortize that difference over the remaining services lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employer contributions made after the measurement date are also excluded from the Comprehensive Annual Financial Report and Actuarial Valuation. Appropriate treatment of such amounts is the responsibility of the employer.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 10. PENSION PLAN (continued)**

**D. Pension Liabilities, Pension Expense, Deferred Outflow of Resources and  
Deferred Inflow of Resources Related to Pensions (continued)**

At September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 674,808	\$ 6,165
Differences between projected and actual investment earnings	-	768,888
Differences between expected and actual experience	208,766	26,820
Changes in employer proportion	305,780	176,186
Authority contributions subsequent to the measurement date	<u>853,878</u>	<u>-</u>
Total	<u>\$ 2,043,232</u>	<u>\$ 978,059</u>

The amount reported as deferred outflows of resources related to the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the OPERS financial statements as of June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense.

**E. Actuarial Assumptions**

The employer contribution rates effective July 1, 2021 through June 30, 2022 were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the OPERS Deferred Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 10. PENSION PLAN (continued)**

**E. Actuarial Assumptions (continued)**

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 24, 2021
<b>Actuarial Assumptions:</b>	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
Cost of living adjustments	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Health 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.</p> <p>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.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

**F. Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2022, the OPERS 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.



**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 10. PENSION PLAN (continued)**

**F. Long-Term Expected Rate of Return (continued)**

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

**G. Discount Rate**

The discount rate used to measure the total pension liability of the pension plan was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from pension 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 pension plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	\$ <u>7,626,974</u>	\$ <u>4,300,734</u>	\$ <u>1,516,828</u>

**I. Pension Plan Fiduciary Net Position**

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

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS PLAN**

**City County Insurance Plan ("CIS")**

**A. Plan Description**

SHA offers a defined benefit healthcare plan through CIS, which offers pooled medical premium rates for fully insured and community-rated plans. Benefit provisions are established through negotiations between SHA and representatives of collective bargaining units. The healthcare plan provides post-retirement medical, dental and vision coverage for eligible retirees, their spouses, domestic partners and dependents. Premiums are paid by the retiree.

The Authority's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulates that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims costs (which because of the effect of age is generally higher in comparison to all plan members) and the amount of retiree healthcare premiums represents the Authority's implicit employer contribution. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis.

*Benefits provided:* The level of benefits provided by the plans are the same as those afforded to active employees. Coverage is provided to retirees, spouses and domestic partners until they become eligible for Medicare, typically age 65, and eligible dependents until age 18.

*Employees covered by benefit terms:* At September 30, 2022, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	5
Retirees entitled to but not receiving benefits	<u>42</u>
Active employees	<u>47</u>

The Authority' total OPEB liability of \$270,364 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020 with results actuarially projected on a "no gain/ no loss" basis to get to the July 1, 2020 measurement date.

*Actuarial Assumptions and other inputs:* The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation Rate	2.50%
Salary Increases	3.50%
Discount Rate	2.16%
Healthcare cost trend rates	5.25%
Retiree contributions	Retiree contributions are assumed increase according to health care trend rates

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS PLAN (continued)**

	<u>Total OPEB Liability</u>
Balance at September 30, 2021	\$ <u>277,257</u>
Changes for the year:	
Service cost	12,417
Interest	6,112
Effect of assumptions changes or inputs	973
Benefit payments	<u>(26,395)</u>
Net changes	<u>(6,893)</u>
Balance at September 30, 2022	\$ <u><u>270,364</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21 percent at the beginning of the year to 2.16 percent at the end of the year.

*Sensitivity of the total OPEB liability to changes in the discount rate:* The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Authority's proportionate share of the net OPEB liability	\$ <u>289,836</u>	\$ <u>270,364</u>	\$ <u>251,770</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:* The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Authority's proportionate share of the net OPEB asset	\$ <u>243,527</u>	\$ <u>270,364</u>	\$ <u>301,929</u>

For the year ended September 30, 2022, SHA recognized OPEB expense of \$22,156.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS PLAN (continued)**

At September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 18,277	\$ -
Contributions made subsequent to the measurement date	<u>19,693</u>	<u>-</u>
Total	<u>\$ 37,970</u>	<u>\$ -</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

	<u>Amount</u>
Year ending March 31:	
2023	\$ 3,627
2024	3,627
2025	3,627
2026	3,627
2027	3,627
Thereafter	<u>142</u>
	<u>\$ 18,277</u>

**OPERS RHIA Cost-sharing, Multiple-Employer Defined Benefit OPEB Plan**

**A. Plan Description**

OPERS also administers the RHIA cost-sharing, multiple-employer defined benefit other post employment benefits plan (the "OPEB Plan") for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. OPEB Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the OPEB Plan. Contributions are mandatory for each employer that is a member of OPERS. As of June 30, 2022, there were 812 participating employers.

OPERS is administered in accordance with ORS Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the OPERS Board to administer and manage the system. All members of the OPERS Board are appointed by the governor and confirmed by the State Senate. The governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree, and three members must have experience in business management, pension management, or investing.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS PLAN (continued)**

**B. Plan Membership**

RHIA was established by ORS 238.420 and authorizes a payment of up to \$60 from RHIA toward monthly costs of health insurance. The plan was closed to new entrants on or after August 29, 2003. To be eligible to receive this monthly payment toward the healthcare premium cost the member must:

- have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS
- receive both Medicare Parts A and B coverage
- enroll in a OPERS-sponsored health plan

As of June 30, 2022, the inactive RHIA plan participants currently receiving benefits totaled 38,259 active and 12,409 inactive members who meet the requirements to receive RHIA benefits when they retire.

**C. Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of the projected benefits and assumptions about the probability of events for 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 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2021

Actuarial Assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Health care cost trend rate	Not applicable

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS PLAN (continued)**

**C. Actuarial Methods and Assumptions (continued)**

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 employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Disabled retirees: PUB-2010 disable retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**D. OPEB Assets, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

At September 30, 2022, the Authority reported an asset of \$65,380, for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022.

For the year ended September 30, 2022, the Authority recognized an OPEB benefit of \$31,146. Deferred inflows of resources and deferred outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2022, employers will report the following deferred inflows of resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings. One-year's amortization is recognized in the employer's total OPEB expense for the measurement period.

Differences between expected and actual experience, changes in assumptions, and changes in employer proportion are amortized over the average remaining lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period.

The average remaining service lives determined as of the beginning of each measurement period are described below:

- Fiscal year ended June 30, 2022 - 2.5 years
- Fiscal year ended June 30, 2021 - 2.7 years
- Fiscal year ended June 30, 2020 - 2.9 years
- Fiscal year ended June 30, 2019 - 3.1 years

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS PLAN (continued)**

**D. OPEB Assets, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB (continued)**

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period. Employer contributions made after the measurement date are not reflected in the schedule of OPEB amounts by employer. Appropriate treatment of such amounts is the responsibility of the employer.

At September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 512	\$ 2,179
Changes in Employer Proportion	-	1,777
Differences between expected and actual experience	-	1,772
Net differences between projected and actual investment earnings on OPEB plan investments	<u>-</u>	<u>4,986</u>
Total	<u>\$ 512</u>	<u>\$ 10,714</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

	<u>Amount</u>
Year ending September 30, 2022:	
2023	\$ 2,551
2024	2,551
2025	2,550
2026	<u>2,550</u>
	<u>\$ 10,202</u>

**E. Discount Rate**

The discount rate used to measure the total OPEB asset at June 30, 2022 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from OPEB plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current OPEB plan members.

Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 11. OTHER POST EMPLOYMENT BENEFITS PLAN (continued)**

**F. Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate**

The following presents the Authority's proportionate share of the net OPEB asset calculated using the discount rate of 6.90%, as well as what the Authority's proportionate share of the OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the current rate.

	1% Decrease <u>(5.90%)</u>	Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
Authority's proportionate share of the net OPEB asset	\$ <u>58,934</u>	\$ <u>65,380</u>	\$ <u>70,912</u>

**G. Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's ("OIC") investment advisors. The Milliman's table below shows 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. 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>Compounded Annual Return (Geometric)</u>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Funds Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Assumed Inflation - Mean		2.40%



**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 12. RESTRICTED NET POSITION**

Restricted net position consists of the following as of September 30, 2022:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Reserve for replacement escrows	\$ 596,030	\$ 874,422	\$ 1,470,452
RAD rehabilitation reserves	1,969,386	-	1,969,386
EFA FSS Forfeiture reserves	8,705	-	8,705
Operating reserve escrows	346,258	887,523	1,233,781
Insurance escrow reserves	-	69,308	69,308
OPEB asset	<u>65,380</u>	<u>-</u>	<u>65,380</u>
Total restricted net position	<u>\$ 2,985,759</u>	<u>\$ 1,831,253</u>	<u>\$ 2,769,613</u>

Reserve for replacement escrows are required to be set aside for to fund major repairs, capital expenditures, and replacement of capital items in the projects.

RAD rehabilitation reserve funds are restricted to support RAD conversion of public housing properties.

EFA FSS Forfeiture reserves are restricted for use in the EFA Forfeitures program for future program expenditures.

Operating reserve escrows are set aside to be used to fund operating deficits and other needs of the projects.

Insurance reserve escrows are set aside to fund the required insurance of the projects.

OPEB assets are restricted for future benefits in the Authority's OPEB Plan.

**NOTE 13. CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNIT**

	<u>Southfair Apartments, LP</u>
Assets:	
Current assets	\$ <u>421,087</u>
Total assets	<u>421,087</u>
Liabilities:	
Current	<u>2,792</u>
Total liabilities	<u>2,792</u>
Net Position:	
Unrestricted	<u>418,295</u>
Net position	<u>\$ 418,295</u>

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2022**

**NOTE 13. CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNIT (continued)**

	Southfair Apartments, LP
Operating revenues:	
Tenant revenue	\$ 57,268
Government grants	14,394
Other revenues	145,634
Total operating revenues	217,296
Operating expenses:	
Administrative	47,142
Tenant services	20,538
Maintenance, utilities and taxes	24,928
Insurance and general	20,959
Depreciation	63,932
Total operating expenses	177,499
Other income	
Interest income	37
Interest expense	(6,249)
Gain on sale of capital assets	64,535
Total other income	58,323
Net income	\$ 98,120

**NOTE 14. GAIN ON SALE OF CAPITAL ASSETS**

During the year ended September 30, 2022, the Authority sold five (5) properties and one (1) piece of equipment. The book value of the properties and equipment totaled \$2,037,736 and the proceeds received were \$3,164,661. The Authority recorded a gain of \$1,115,139 on the properties and \$11,786 on the equipment.

**NOTE 15. CORRECTION OF ERROR**

The Authority's financial statements have been restated as of September 30, 2021 due to the correction of error related to long term debt and accrued interest payable. As a result of the correction, net position was increased by \$559,808.

**NOTE 16. CONTINGENCIES**

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of September 30, 2022, the Authority estimates that no material liabilities will result from such audits.

**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2022**

**NOTE 17. SUBSEQUENT EVENTS**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through June 22, 2023 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**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***

To the Board of Commissioners of the  
Housing Authority of the City of Salem:

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 (primary government) and the aggregate discretely presented component units of the Housing Authority of the City of Salem (the "Authority") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated June 22, 2023. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units.

***Report on Internal Control Over Financial Reporting***

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

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 may exist that have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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



Richard M. Larsen, Partner  
Novogradac and Company, LLP  
Toms River, New Jersey  
Municipal License #1649  
June 22, 2023

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

To the Board of Commissioners of the  
Housing Authority of the City of Salem:

***Report on Compliance for Each Major Federal Program***

***Opinion on Each Major Federal Program***

We have audited Housing Authority of the City of Salem's (the "Authority") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on the major federal programs are not modified with respect to these matters.

*Government Auditing Standards* require the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## ***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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002, to be significant deficiencies.

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

## ***Authority's Response to Findings***

*Government Auditing Standards* require the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## ***Purpose of this Report***

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.



Richard M. Larsen, Partner  
Novogradac and Company, LLP  
Toms River, New Jersey  
Municipal License #1649  
June 22, 2023



**INDEPENDENT AUDITORS' REPORT REQUIRED  
BY OREGON STATE REGULATIONS**

To the Board of Commissioners of the  
Housing Authority of the City of Salem:

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 Housing Authority of the City of Salem's (the "Authority") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 22, 2023.

***Report on Compliance and Other Matters***

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

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

- Deposit of public funds with financial institutions (ORS Chapter 295)
- Indebtedness limitations, restrictions and repayment
- Budgets legally required (ORS Chapter 294) - exempt based on ORS 294.35 through 294.565
- Insurance and fidelity bonds in force or required by law
- Programs funded from outside sources
- Authorized investment of surplus funds (ORS Chapter 294)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

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

***Internal Control over Financial Reporting***

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

### ***Internal Control over Financial Reporting (continued)***

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 may exist that have not been identified.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance with certain provisions of laws, regulations, contracts, and grants, and the results of that testing based on provisions of the Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-320, and not to provide an opinion on the effectiveness of the Authority's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.



Richard M. Larsen, Partner  
Novogradac and Company, LLP  
Toms River, New Jersey  
Municipal License #1649  
June 22, 2023

**SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF THE CITY OF SALEM  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>Federal Grantor/Program Title</u>	<u>Federal ALN Number</u>	<u>Total Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	\$ 24,961,709
Mainstream Vouchers	14.879	1,109,158
Emergency Housing Vouchers	14.EHV	<u>262,787</u>
Total Housing Voucher Cluster		26,333,654
Section 8 Project Based Cluster		
Section 8 Housing Assistance Payments Program	14.195	14,394
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	<u>147,395</u>
Total Section 8 Project Based Cluster		161,789
Public Housing Capital Fund	14.872	315,517
Home Investment Partnership Program	14.239	77,950
Public and Indian Housing	14.850	676,436
Public and Indian Housing - CARES Act	14.PHC	2,923
PIH Family Self-Sufficiency Program	14.896	<u>284,622</u>
Subtotal United States Department of Housing and Urban Development - Direct Programs		<u>27,852,891</u>
U.S. Department of Housing and Urban Development - Pass Through Programs:		
City of Salem, Oregon		
Community Development Block Grants/Entitlement #B-20-MW-41-0004	14.218	37,599
Mid-Willamette Valley Community Action - The ARCHES Project Emergency Solutions Grant	14.231	<u>227,716</u>
Subtotal U.S. Department of Housing and Urban Development - Pass Through Programs		<u>265,315</u>
Total Expenditures of Federal Awards		<u>\$ 28,118,206</u>

See Notes to Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended September 30, 2022. The information in the 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 operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3. INDIRECT COST RATE**

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

**HOUSING AUTHORITY OF THE CITY OF SALEM  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 4. SCHEDULE OF CAPITAL FUND COSTS AND ADVANCES**

The total amounts of Capital Fund Program Costs and Advances incurred and earned by the Authority as of and for the year ended September 30, 2022 are provided herein:

	<u>501-15</u>	<u>501-16</u>	<u>501-17</u>	<u>501-18</u>	<u>501-19</u>	<u>501-20</u>	<u>501-21</u>	<u>Totals</u>
<u>Budget</u>	\$ <u>451,948</u>	\$ <u>482,147</u>	\$ <u>482,754</u>	\$ <u>752,405</u>	\$ <u>731,261</u>	\$ <u>789,847</u>	\$ <u>467,704</u>	\$ <u>4,158,066</u>
<u>Advances:</u>								
Cumulative through 9/30/21	\$ 451,948	\$ 482,147	\$ 26,787	\$ -	\$ -	\$ -	\$ -	\$ 960,882
Current Year	<u>-</u>	<u>-</u>	<u>1,216</u>	<u>233,498</u>	<u>11,389</u>	<u>-</u>	<u>56,838</u>	<u>302,941</u>
Cumulative through 9/30/22	<u>451,948</u>	<u>482,147</u>	<u>28,003</u>	<u>233,498</u>	<u>11,389</u>	<u>-</u>	<u>56,838</u>	<u>1,263,823</u>
<u>Costs:</u>								
Cumulative through 9/30/21	451,948	482,147	26,787	21,755	-	-	3,697	986,334
Current Year	<u>-</u>	<u>-</u>	<u>1,216</u>	<u>233,498</u>	<u>11,389</u>	<u>-</u>	<u>69,414</u>	<u>315,517</u>
Cumulative through 9/30/22	<u>451,948</u>	<u>482,147</u>	<u>28,003</u>	<u>255,253</u>	<u>11,389</u>	<u>-</u>	<u>73,111</u>	<u>1,301,851</u>
Excess / (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,755)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,273)</u>	<u>\$ (38,028)</u>

1) CFP Grant No. OR16P011501-15 with an approved funding of \$451,948 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.

2) CFP Grant No. OR16P011501-16 with an approved funding of \$482,147 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

I. Summary of Auditors' Results

Financial Statement Section

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditors' report issued:                    | Unmodified    |
| 2. | Internal control over financial reporting           |               |
|    | a. Material weakness(es) identified?                | No            |
|    | b. Significant deficiency(ies) identified?          | None Reported |
| 3. | Noncompliance material to the financial statements? | No            |

Federal Awards Section

- |    |  |            |
|----|--|------------|
| 1. | Internal Control over compliance:  |            |
|    | a. Material weakness(es) identified?   | No         |
|    | b. Significant deficiency(ies) identified?   | Yes        |
| 2. | Type of auditors' report on compliance for major programs:   | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No         |

4. Identification of major programs:

<u>ALN Number</u>	<u>Name of Federal Program</u>
-------------------	--------------------------------

Housing Voucher Cluster:

14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers
14.EHV	Emergency Housing Vouchers

- |    |  |           |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$843,546 |
| 6. | Auditee qualified as low-risk Auditee?                                   | No        |

**HOUSING AUTHORITY OF THE CITY OF SALEM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

**Finding 2022-001:**

Federal Agency: U.S. Department of Housing and Urban Development  
Federal Program Titles: Section 8 Housing Choice Vouchers Program  
Federal Catalog Numbers: 14.871  
Noncompliance – E. Eligibility – Tenant Files  
Non Compliance Material to the Financial Statements: No  
Significant Deficiency in Internal Control over Compliance for Eligibility

Criteria: Tenant Files. The PHA must do the following: As a condition of admission or continued occupancy, require the tenant and other family member to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516). These files are required to be maintained and available for examination at the time of audit.

Condition: Based upon inspection of the Authority's files and on discussion with management, there were documents that were unavailable for examination at the time of audit.

Context: There are approximately 2,723 Section 8 Housing Choice Vouchers units and 123 Mainstream Vouchers units. Of a sample size of forty-seven (47) tenant files, the following was noted:

- Lead based paint form was missing in 14 files
- Annual inspection report was missing in 1 file

Our sample size is statistically valid.

Cause: There is a significant deficiency in internal controls over the compliance for the eligibility type of compliance related to the maintenance of tenant files. The Authority has not properly considered, designed, implemented, maintained and monitored a system of internal controls that assures the program is in compliance.

Effect: The Section 8 Housing Choice Vouchers Program is in non-compliance with the eligibility type of compliance related to the maintenance of tenant files.

Recommendation: We recommend the Authority design and implement internal control procedures that will assure compliance with the Uniform Guidance and the compliance supplement.

Authority Response: The Authority accepts the recommendations of the auditor and has issued several administrative advisories to staff in order to prevent future recurrence of similar issues. Due to the conditions of the COVID-19 pandemic, SHA was unable to contract a third party inspector to conduct inspections of units that it owns and operates, as required by HUD regulations. This led to a gap of more than 24 months between an initial inspection and a biennial inspection for a resident living in a SHA-owned unit. Inspections of SHA-owned units have since been completed under an agreement with a neighboring housing authority and will continue to be completed in accordance with HUD regulations and requirements going forward.



**HOUSING AUTHORITY OF THE CITY OF SALEM**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

III. Federal Award Findings and Questioned Costs (continued)

**Finding 2022-002:**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Titles: Section 8 Housing Choice Vouchers Programs

Federal Catalog Numbers: 14.871

Noncompliance – N. Special Tests and Provisions - Housing Quality Standards

Non Compliance Material to the Financial Statements: No

Significant Deficiency in Internal Control over Compliance for Special Tests and Provisions

Criteria: Housing Quality Standards Inspections. The PHA must inspect the unit leased to a family at least annually to determine if the unit meets the Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)). For units that fail inspection the PHA must correct all life threatening HQS deficiencies within 24 hours and all other deficiencies within 30 days.

Condition: Based upon inspection of the Authority's files and on discussion with management, there were failed inspections that did not pass reinspection within 30 days without penalty.

Context: There were approximately 741 failed inspections during the audit period. Of a sample size of twenty-five (25) failed inspections, four (4) failed inspections did not pass reinspection within 30 days. HAP was not abated nor was the tenant evicted.

Our sample size is statistically valid.

Cause: There is a significant deficiency in internal controls over the compliance for the special tests and provisions type of compliance related to HQS inspections. The Authority has not properly performed HQS inspections in compliance with program requirements following the expiration of HUD waivers as a result of insufficient staffing .

Effect: The Section 8 Housing Choice Vouchers Program is in non-compliance with the special tests and provisions type of compliance related to HQS inspections.

Recommendation: We recommend the Authority design and implement a corrective action plan that will assure compliance with the Uniform Guidance and the compliance supplement.

Authority Response: The Authority accepts the recommendation of the auditor, and will make the several changes to its inspection process to ensure enforcement of Housing Quality Standards (or any subsequent replacement).

IV. Schedule of Prior Year Federal Audit Findings

None.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
REQUIRED PENSION INFORMATION  
SEPTEMBER 30, 2022**

**SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS\*\*\***

	September <u>30, 2014</u>	September <u>30, 2015</u>	September <u>30, 2016</u>	September <u>30, 2017</u>	September <u>30, 2018</u>	September <u>30, 2019</u>	September <u>30, 2020</u>	September <u>30, 2021</u>	September <u>30, 2022</u>
Contractually required contribution	\$ 292,912	\$ 301,485	\$ 297,420	\$ 319,769	\$ 368,475	\$ 413,176	\$ 486,305	\$ 528,678	\$ 710,088
Contributions in relation to the contractually required contribution	<u>292,912</u>	<u>301,485</u>	<u>297,420</u>	<u>319,769</u>	<u>368,475</u>	<u>413,176</u>	<u>486,305</u>	<u>528,678</u>	<u>710,088</u>
(Over) / under funded	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	<u>\$ 2,014,670</u>	<u>\$ 2,083,839</u>	<u>\$ 2,075,387</u>	<u>\$ 2,177,776</u>	<u>\$ 2,239,888</u>	<u>\$ 2,358,930</u>	<u>\$ 2,347,057</u>	<u>\$ 2,472,045</u>	<u>\$ 1,773,736</u>
Contributions as a percentage covered-employee payroll	<u>14.54 %</u>	<u>14.47 %</u>	<u>14.33 %</u>	<u>14.68 %</u>	<u>16.45 %</u>	<u>17.52 %</u>	<u>20.72 %</u>	<u>21.39 %</u>	<u>40.03 %</u>

See report of independent auditors.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
REQUIRED PENSION INFORMATION  
SEPTEMBER 30, 2022**

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR THE LAST TEN FISCAL YEARS\*\*\***

	September 30, 2014	September 30, 2015	September 30, 2016	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022
Authority's proportion of the net pension liability (asset)	<u>0.0307</u> %	<u>0.0273</u> %	<u>0.0261</u> %	<u>0.0252</u> %	<u>0.0247</u> %	<u>0.0295</u> %	<u>0.0267</u> %	<u>0.0271</u> %	<u>0.0281</u> %
Authority's proportionate share of the net pension liability	<u>\$ (694,144)</u>	<u>\$ 1,568,635</u>	<u>\$ 3,915,632</u>	<u>\$ 3,392,744</u>	<u>\$ 3,745,859</u>	<u>\$ 5,103,906</u>	<u>\$ 5,833,762</u>	<u>\$ 3,239,745</u>	<u>\$ 4,300,734</u>
Authority's covered-employee payroll	<u>\$ 2,346,011</u>	<u>\$ 2,063,886</u>	<u>\$ 2,160,512</u>	<u>\$ 2,075,885</u>	<u>\$ 2,095,494</u>	<u>\$ 2,185,810</u>	<u>\$ 2,196,309</u>	<u>\$ 2,591,122</u>	<u>\$ 1,773,736</u>
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>(29.59)</u> %	<u>76.00</u> %	<u>181.24</u> %	<u>163.44</u> %	<u>178.76</u> %	<u>233.50</u> %	<u>265.62</u> %	<u>125.03</u> %	<u>242.47</u> %
Plan fiduciary net position as a percentage of the total pension liability	<u>92.00</u> %	<u>103.60</u> %	<u>91.90</u> %	<u>83.10</u> %	<u>82.10</u> %	<u>80.20</u> %	<u>75.80</u> %	<u>87.60</u> %	<u>84.50</u> %

\*\*\* = Until a full 10 year trend is compiled the Authority is presenting information for those years that are available.

See report of independent auditors.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION  
OPERS RHIA PLAN  
SEPTEMBER 30, 2022**

**SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS\*\*\***

	September 30, <u>2022</u>
Statutorily required contribution	\$ 452
Contributions in relation to the statutorily required contribution	<u>452</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>
Authority's covered-employee payroll	\$ <u><u>1,773,736</u></u>
Contributions as a percentage of covered-employee payroll	<u><u>0.03</u></u> %

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THEIR NET OPEB ASSET FOR THE LAST TEN FISCAL YEARS\*\*\***

	September 30, <u>2018</u>
Authority's proportion of the net OPEB asset	<u><u>0.0184</u></u> %
Authority's proportionate share of the net OPEB (asset)	\$ <u><u>(65,380)</u></u>
Authority's covered-employee payroll	\$ <u><u>1,773,736</u></u>
Authority's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	<u><u>(3.69)</u></u> %
Plan fiduciary net position as a percentage of the total OPEB asset	<u><u>194.60</u></u> %

\*\*\* = Until a full 10 year trend is compiled the Authority is presenting information for those years that are available.

See report of independent auditors.

**HOUSING AUTHORITY OF THE CITY OF SALEM  
REQUIRED OTHER POST EMPLOYMENT BENEFITS INFORMATION  
CITYCOUNTY INSURANCE SERVICES  
SEPTEMBER 30, 2022**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS\*\*\***

Total/Net OPEB Liability:	September 30, <u>2018</u>	September 30, <u>2019</u>	September 30, <u>2020</u>	September 30, <u>2021</u>	September 30, <u>2022</u>
Service cost	\$ 11,726	\$ 11,720	\$ 10,835	\$ 9,570	\$ 12,417
Interest	6,657	8,458	8,855	9,000	6,112
Differences between expected and actual experience	(1,556)	(11,609)	86,627	-	-
Changes of assumptions	19,183	(9,069)	(9,835)	24,419	973
Benefits paid to retirees	<u>(15,628)</u>	<u>(20,044)</u>	<u>(16,375)</u>	<u>(26,395)</u>	<u>(26,395)</u>
Net change in total OPEB liability	<u>20,382</u>	<u>(20,544)</u>	<u>80,107</u>	<u>16,594</u>	<u>(6,893)</u>
Plan fiduciary net position - beginning	<u>210,792</u>	<u>231,174</u>	<u>210,630</u>	<u>260,663</u>	<u>277,257</u>
Plan fiduciary net position - ending	\$ <u>231,174</u>	\$ <u>210,630</u>	\$ <u>290,737</u>	\$ <u>277,257</u>	\$ <u>270,364</u>
Covered payroll	\$ <u>2,321,028</u>	\$ <u>2,402,264</u>	\$ <u>2,453,402</u>	\$ <u>2,472,045</u>	\$ <u>1,773,736</u>
Authority's net OPEB liability (asset) as a percentage of its covered-employee payroll	9.96 %	8.77 %	11.85 %	11.22 %	15.24 %

\*\*\* = Until a full 10 year trend is compiled the Authority is presenting information for those years that are available.

Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2022

	Project Total	6.1 Component Unit Discretely Presented	6.2 Component Unit Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program
111 Cash - Unrestricted	\$2,051,006	\$1,280,468	\$398,199		\$6,607,256	\$88,546	
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted	\$201,204	\$1,831,253			\$2,677,424		
114 Cash - Tenant Security Deposits	\$49,162	\$122,322			\$35,207		
115 Cash - Restricted for Payment of Current Liabilities	\$0						
100 Total Cash	\$2,301,372	\$3,234,043	\$398,199	\$0	\$11,319,887	\$88,546	\$0
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects	\$38,028			\$36,864		\$7,454	
124 Accounts Receivable - Other Government					\$1,799		
125 Accounts Receivable - Miscellaneous			\$0		\$1,468,710		
126 Accounts Receivable - Tenants	\$31,585	\$70,497			\$4,733		
126.1 Allowance for Doubtful Accounts - Tenants	-\$17,894	-\$14,851	\$0		-\$223		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery							
128.1 Allowance for Doubtful Accounts - Fraud							
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$51,719	\$55,646	\$0	\$36,864	\$1,475,019	\$7,454	\$0
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$11,792	\$99,898			\$4,162		
143 Inventories	\$5,389						
143.1 Allowance for Obsolete Inventories	-\$1,423						
144 Inter Program Due From	\$0	\$0	\$22,888				
145 Assets Held for Sale							
150 Total Current Assets	\$2,368,849	\$3,389,587	\$421,087	\$36,864	\$12,799,068	\$96,000	\$0
161 Land	\$762,486	\$3,234,920			\$792,430		
162 Buildings	\$9,550,114	\$58,607,847			\$9,319,688		
163 Furniture, Equipment & Machinery - Dwellings	\$240,012	\$2,457,653			\$108,478		
164 Furniture, Equipment & Machinery - Administration	\$398,061				\$61,949		
165 Leasehold Improvements							
166 Accumulated Depreciation	-\$8,433,632	-\$7,606,446			-\$3,055,443		
167 Construction in Progress	\$113,189	\$7,326			\$890,458		
168 Infrastructure	\$1,413,537	\$3,368,689			\$97,482		
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,043,767	\$60,069,989	\$0	\$0	\$8,215,042	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current					\$34,703,663		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets	\$45,724	\$188,207			\$1,034		
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$4,089,491	\$60,258,196	\$0	\$0	\$42,919,739	\$0	\$0
200 Deferred Outflow of Resources	\$246,157				\$418,251		
290 Total Assets and Deferred Outflow of Resources	\$6,704,497	\$63,647,783	\$421,087	\$36,864	\$56,137,058	\$96,000	\$0

Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2022

	Project Total	6.1 Component Unit Discretely Presented	6.2 Component Unit Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$14,991	\$68,952	\$380		\$35,838		
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$5,408	\$3,435	\$2,412		\$19,717		
322 Accrued Compensated Absences - Current Portion	\$2,712				\$20,755		
324 Accrued Contingency Liability							
325 Accrued Interest Payable		\$3,079,339			\$2,028		
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government	\$72,107				\$15,690		
341 Tenant Security Deposits	\$49,162	\$122,318			\$35,207		\$35,207
342 Unearned Revenue	\$6,585	\$6,481			\$27,138	\$96,000	
344 Current Portion of Long-term Debt - Operating Borrowings					\$77,215		
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities	\$12	\$101,585			\$209		
346 Accrued Liabilities - Other	\$16,440	\$189,198					
347 Inter Program - Due To	\$34,213			\$36,864	\$3,544,360		
348 Loan Liability - Current							
310 Total Current Liabilities	\$201,630	\$3,571,308	\$2,792	\$36,864	\$3,778,157	\$96,000	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$40,729,696			\$4,471,261		
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other	\$127,714	\$1,880,618					
354 Accrued Compensated Absences - Non Current	\$8,138				\$62,271		
355 Loan Liability - Non Current		\$0			\$425,000		
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities	\$485,403				\$983,801		
350 Total Non-Current Liabilities	\$621,255	\$42,610,314	\$0	\$0	\$5,942,333	\$0	\$0
300 Total Liabilities	\$822,885	\$46,181,622	\$2,792	\$36,864	\$9,720,490	\$96,000	\$0
400 Deferred Inflow of Resources	\$231,740				\$373,396		
508.4 Net Investment in Capital Assets	\$4,043,767	\$19,340,293			\$3,241,566	\$0	\$0
511.4 Restricted Net Position	\$246,928	\$1,831,253			\$2,711,504	\$0	\$0
512.4 Unrestricted Net Position	\$1,359,177	-\$3,705,385	\$418,295	\$0	\$40,090,102	\$0	\$0
513 Total Equity - Net Assets / Position	\$5,649,872	\$17,466,161	\$418,295	\$0	\$46,043,172	\$0	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$6,704,497	\$63,647,783	\$421,087	\$36,864	\$56,137,058	\$96,000	\$0

Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2022

	14.871 Housing Choice Vouchers	14.231 Emergency Shelter Grants Program	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EFA FSS Escrow Forfeiture Account	14.216 Community Development Block Grants/Entitlement Accounts
111 Cash - Unrestricted	\$2,378,525					
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted	\$361,961					
114 Cash - Tenant Security Deposits						
115 Cash - Restricted for Payment of Current Liabilities	\$0					
100 Total Cash	\$2,740,486	\$0	\$0	\$0	\$0	\$0
121 Accounts Receivable - PHA Projects	\$4,405					
122 Accounts Receivable - HUD Other Projects	\$602,718		\$10,806			
124 Accounts Receivable - Other Government		\$31,714				\$37,599
125 Accounts Receivable - Miscellaneous						
126 Accounts Receivable - Tenants						
126.1 Allowance for Doubtful Accounts - Tenants						
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0			\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$607,123	\$31,714	\$10,806	\$0	\$0	\$37,599
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$562					
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From				\$78,972	\$8,705	
145 Assets Held for Sale						
150 Total Current Assets	\$3,348,171	\$31,714	\$10,806	\$78,972	\$8,705	\$37,599
161 Land						
162 Buildings						
163 Furniture, Equipment & Machinery - Dwellings						
164 Furniture, Equipment & Machinery - Administration	\$260,669					
165 Leasehold Improvements						
166 Accumulated Depreciation	-\$253,874					
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,795	\$0	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets	\$761					
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$7,556	\$0	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources	\$939,804					
290 Total Assets and Deferred Outflow of Resources	\$4,295,531	\$31,714	\$10,806	\$78,972	\$8,705	\$37,599



Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2022

	14.871 Housing Choice Vouchers	14.231 Emergency Shelter Grants Program	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EFA FSS Escrow Forfeiture Account	14.216 Community Development Block Grants/Entitlements
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$2,448	\$108		\$43		
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	\$25,576			\$264		
322 Accrued Compensated Absences - Current Portion	\$24,188			\$331		
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs	\$417					
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government						
341 Tenant Security Deposits						
342 Unearned Revenue	\$62,503		\$5,559	\$16,163		
344 Current Portion of Long-term Debt - Operating Borrowings						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities						
346 Accrued Liabilities - Other						
347 Inter Program - Due To		\$31,641				\$37,599
348 Loan Liability - Current						
310 Total Current Liabilities	\$115,132	\$31,749	\$5,559	\$16,801	\$0	\$37,599
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other	\$361,961					
354 Accrued Compensated Absences - Non Current	\$72,566			\$996		
355 Loan Liability - Non Current						\$0
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities	\$2,072,692					
350 Total Non-Current Liabilities	\$2,507,219	\$0	\$0	\$996	\$0	\$0
300 Total Liabilities	\$2,622,351	\$31,749	\$5,559	\$17,797	\$0	\$37,599
400 Deferred Inflow of Resources	\$420,409					
508.4 Net Investment in Capital Assets	\$6,795					
511.4 Restricted Net Position	\$761				\$8,705	
512.4 Unrestricted Net Position	\$1,245,215	-\$35	\$5,247	\$61,175	\$0	\$0
513 Total Equity - Net Assets / Position	\$1,252,771	-\$35	\$5,247	\$61,175	\$8,705	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,295,531	\$31,714	\$10,806	\$78,972	\$8,705	\$37,599

Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2022

	14.199 Section 6 Housing Assistance Payments Program_Special Allocation	14.PHC Public Housing CARES Act Funding	2 State/Local	COCC	ELIM	Total
111 Cash - Unrestricted						\$14,804,000
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted						\$5,071,842
114 Cash - Tenant Security Deposits						\$206,691
115 Cash - Restricted for Payment of Current Liabilities						\$0
100 Total Cash	\$0	\$0	\$0	\$0	\$0	\$20,082,533
121 Accounts Receivable - PHA Projects				\$16,440		\$20,845
122 Accounts Receivable - HUD Other Projects						\$695,870
124 Accounts Receivable - Other Government			\$354,395			\$425,507
125 Accounts Receivable - Miscellaneous						\$1,468,710
126 Accounts Receivable - Tenants			\$1,300			\$108,115
126.1 Allowance for Doubtful Accounts - Tenants			\$0			-\$32,968
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$355,695	\$16,440	\$0	\$2,686,079
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets				\$3,538		\$119,952
143 Inventories						\$5,389
143.1 Allowance for Obsolete Inventories						-\$1,423
144 Inter Program Due From			\$2,349,292	\$1,224,820	-\$3,684,677	\$0
145 Assets Held for Sale						
150 Total Current Assets	\$0	\$0	\$2,704,987	\$1,244,798	-\$3,684,677	\$22,892,530
161 Land						\$4,789,836
162 Buildings						\$77,477,649
163 Furniture, Equipment & Machinery - Dwellings						\$2,806,143
164 Furniture, Equipment & Machinery - Administration				\$440,203		\$1,160,682
165 Leasehold Improvements						
166 Accumulated Depreciation				-\$411,872		-\$19,761,267
167 Construction in Progress						\$1,010,973
168 Infrastructure						\$4,879,708
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$28,331	\$0	\$72,363,924
171 Notes, Loans and Mortgages Receivable - Non-Current					-\$467,328	\$34,236,335
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets				\$17,861		\$253,587
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$0	\$0	\$0	\$46,192	-\$467,328	\$106,853,846
200 Deferred Outflow of Resources				\$477,502		\$2,081,714
290 Total Assets and Deferred Outflow of Resources	\$0	\$0	\$2,704,987	\$1,768,492	-\$4,152,005	\$131,828,090

Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2022

	14.199 Section 6 Housing Assistance Payments Program_Special Allocation	14.PHC Public Housing CARES Act Funding	2 State/Local	COCC	ELIM	Total
311 Bank Overdraft						
312 Accounts Payable <= 90 Days				\$80,466		\$203,226
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable				\$11,244		\$68,056
322 Accrued Compensated Absences - Current Portion				\$9,938		\$57,924
324 Accrued Contingency Liability						
325 Accrued Interest Payable						\$3,081,367
331 Accounts Payable - HUD PHA Programs						\$417
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government						\$87,797
341 Tenant Security Deposits						\$206,687
342 Unearned Revenue			\$282,042			\$502,471
344 Current Portion of Long-term Debt - Operating Borrowings						\$77,215
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities				\$10,093		\$111,899
346 Accrued Liabilities - Other			\$22,714			\$228,352
347 Inter Program - Due To					-\$3,684,677	\$0
348 Loan Liability - Current						
310 Total Current Liabilities	\$0	\$0	\$304,756	\$111,741	-\$3,684,677	\$4,625,411
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					-\$467,328	\$44,733,629
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						\$2,370,293
354 Accrued Compensated Absences - Non Current				\$29,816		\$173,787
355 Loan Liability - Non Current						\$425,000
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities				\$1,029,202		\$4,571,098
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$1,059,018	-\$467,328	\$52,273,807
300 Total Liabilities	\$0	\$0	\$304,756	\$1,170,759	-\$4,152,005	\$56,899,218
400 Deferred Inflow of Resources				\$259,761		\$1,285,306
508.4 Net Investment in Capital Assets				\$28,331	\$467,328	\$27,128,080
511.4 Restricted Net Position				\$17,861		\$4,817,012
512.4 Unrestricted Net Position	\$0	\$0	\$2,400,231	\$291,780	-\$467,328	\$41,698,474
513 Total Equity - Net Assets / Position	\$0	\$0	\$2,400,231	\$337,972	\$0	\$73,643,566
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$0	\$0	\$2,704,987	\$1,768,492	-\$4,152,005	\$131,828,090

Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2022

	Project Total	6.1 Component Unit Discretely Presented	6.2 Component Unit Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program
70300 Net Tenant Rental Revenue	\$728,710	\$2,568,547	\$57,268		\$914,261		
70400 Tenant Revenue - Other	\$5,488	\$20,660			\$6,294		
70500 Total Tenant Revenue	\$734,198	\$2,589,207	\$57,268	\$0	\$920,555	\$0	\$0
70600 HUD PHA Operating Grants	\$862,414		\$14,394	\$284,622		\$1,071,456	\$77,950
70610 Capital Grants	\$129,539						
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees					\$259,077		
70700 Total Fee Revenue							
70800 Other Government Grants					\$7,600,000		
71100 Investment Income - Unrestricted	\$340	\$810	\$37		\$815,730		
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale					\$0		
71310 Cost of Sale of Assets					\$0		
71400 Fraud Recovery							
71500 Other Revenue	\$92,196	\$58,069	\$145,634		\$2,152,569		
71600 Gain or Loss on Sale of Capital Assets	\$1,062,390		\$64,535				
72000 Investment Income - Restricted							
70000 Total Revenue	\$2,881,077	\$2,648,086	\$281,868	\$284,622	\$11,747,931	\$1,071,456	\$77,950
91100 Administrative Salaries	\$106,869	\$341,734	\$3,025		\$473,348	\$171,564	
91200 Auditing Fees	\$2,247		\$31		\$7,626		
91300 Management Fee	\$150,070	\$185,992	\$0			\$0	
91310 Book-keeping Fee	\$11,821	\$41,769					
91400 Advertising and Marketing	\$981	\$772			\$1,080		
91500 Employee Benefit contributions - Administrative	\$69,059		\$2,141		\$288,359		
91600 Office Expenses	\$43,443	\$40,170	\$39,088		\$103,692		
91700 Legal Expense	\$2,018	\$1,435	\$501		\$2,077		
91800 Travel	\$1,687	\$605	\$275		\$4,138		
91810 Allocated Overhead							
91900 Other	\$9,392	\$33,975	\$2,081		\$849,309		\$7,795
91000 Total Operating - Administrative	\$397,587	\$646,452	\$47,142	\$0	\$1,729,629	\$171,564	\$7,795
92000 Asset Management Fee	\$16,440	\$10,000					
92100 Tenant Services - Salaries				\$170,073			
92200 Relocation Costs		\$0	\$20,538		\$5,726		
92300 Employee Benefit Contributions - Tenant Services				\$114,549			
92400 Tenant Services - Other	\$56				\$189		
92500 Total Tenant Services	\$56	\$0	\$20,538	\$284,622	\$5,915	\$0	\$0
93100 Water	\$12,928	\$106,807	\$1,922		\$20,342		
93200 Electricity	\$8,141	\$62,166	\$1,376		\$38,933		
93300 Gas	\$1,386	\$8,053			\$7,376		
93400 Fuel							
93500 Labor							
93600 Sewer	\$11,130		\$2,925		\$29,457		
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense		\$79,602					
93000 Total Utilities	\$33,585	\$256,628	\$6,223	\$0	\$96,108	\$0	\$0

Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2022

	Project Total	6.1 Component Unit Discretely Presented	6.2 Component Unit Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program
94100 Ordinary Maintenance and Operations - Labor	\$92,713	\$276,011	\$6,312		\$66,534		
94200 Ordinary Maintenance and Operations - Materials and Other	\$83,825	\$45,599	\$1,377		\$106,866		
94300 Ordinary Maintenance and Operations Contracts	\$201,198	\$396,407	\$6,400		\$156,336		
94500 Employee Benefit Contributions - Ordinary Maintenance	\$59,959		\$4,616		\$44,763		
94000 Total Maintenance	\$437,695	\$718,017	\$18,705	\$0	\$374,499	\$0	\$0
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$61,563	\$86,846	\$8,005		\$51,288		
96120 Liability Insurance					\$1,282		
96130 Workmen's Compensation							
96140 All Other Insurance	\$12,480						
96100 Total Insurance Premiums	\$74,043	\$86,846	\$8,005	\$0	\$52,570	\$0	\$0
96200 Other General Expenses	\$43,570	\$297,796	\$370		\$5,450		
96210 Compensated Absences	-\$2,366				-\$1,990		
96300 Payments in Lieu of Taxes	\$72,107						
96400 Bad debt - Tenant Rents	\$3,417	\$27,595	\$12,584		\$1,783		
96500 Bad debt - Mortgages							
96600 Bad debt - Other					\$6,261,937		
96800 Severance Expense							
96000 Total Other General Expenses	\$116,728	\$325,391	\$12,954	\$0	\$6,267,180	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable		\$635,351	\$6,249		\$25,589		
96720 Interest on Notes Payable (Short and Long Term)		\$473,301					
96730 Amortization of Bond Issue Costs		\$196,764					
96700 Total Interest Expense and Amortization Cost	\$0	\$1,305,416	\$6,249	\$0	\$25,589	\$0	\$0
96900 Total Operating Expenses	\$1,076,134	\$3,348,750	\$119,816	\$284,622	\$8,551,490	\$171,564	\$7,795
97000 Excess of Operating Revenue over Operating Expenses	\$1,804,943	-\$700,664	\$162,052	\$0	\$3,196,441	\$899,892	\$70,155
97100 Extraordinary Maintenance	\$2,050				\$10,830	\$129	
97200 Casualty Losses - Non-capitalized					\$6,366		
97300 Housing Assistance Payments					\$0	\$937,465	\$70,155
97350 HAP Portability-In							
97400 Depreciation Expense	\$259,242	\$2,198,006	\$63,932		\$306,435		
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$1,337,426	\$5,546,756	\$183,748	\$284,622	\$8,875,121	\$1,109,158	\$77,950

Housing Authority of the City of Salem (OR011)

Salem, OR

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Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2022

	Project Total	6.1 Component Unit Discretely Presented	6.2 Component Unit Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program
10010 Operating Transfer In							
10020 Operating transfer Out							
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)		\$11,383,107					
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							
10093 Transfers between Program and Project - In	-\$1,025,501				\$1,218,989		
10094 Transfers between Project and Program - Out	-\$119,162						
10100 Total Other financing Sources (Uses)	-\$1,144,663	\$11,383,107	\$0	\$0	\$1,218,989	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$398,988	\$8,484,437	\$98,120	\$0	\$4,091,799	-\$37,702	\$0
11020 Required Annual Debt Principal Payments	\$0	\$168,295	\$0	\$0	\$68,805	\$0	\$0
11030 Beginning Equity	\$5,733,204	\$8,981,724	\$879,983	\$0	\$43,005,900	\$37,702	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$482,320	\$0	-\$559,808		-\$1,054,527	\$0	
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity							
11180 Housing Assistance Payments Equity							
11190 Unit Months Available	1644	2232	480			2304	
11210 Number of Unit Months Leased	1576	2170	457			1477	

Housing Authority of the City of Salem (OR011)

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Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2022

	14.871 Housing Choice Vouchers	14.231 Emergency Shelter Grants Program	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants
70300 Net Tenant Rental Revenue						
70400 Tenant Revenue - Other						
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$24,567,606	\$227,716	\$191,173	\$147,395		\$37,599
70610 Capital Grants						
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants						
71100 Investment Income - Unrestricted	\$415			\$11		
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery	\$16,168					
71500 Other Revenue	\$639,721				\$9,905	
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	\$25,223,910	\$227,716	\$191,173	\$147,406	\$9,905	\$37,599
91100 Administrative Salaries	\$855,358		\$17,900	\$10,291		
91200 Auditing Fees	\$23,003			\$2,042		
91300 Management Fee	\$578,097	\$3,937	\$0	\$6,463		
91310 Book-keeping Fee	\$257,888			\$2,340		
91400 Advertising and Marketing						
91500 Employee Benefit contributions - Administrative	\$553,985		\$14,342	\$6,521		
91600 Office Expenses	\$145,424			\$1,568		
91700 Legal Expense	\$579					
91800 Travel	\$9,307					
91810 Allocated Overhead						
91900 Other	\$160				\$1,200	
91000 Total Operating - Administrative	\$2,223,801	\$3,937	\$32,242	\$29,225	\$1,200	\$0
92000 Asset Management Fee						
92100 Tenant Services - Salaries		\$114,646				
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services		\$94,986				
92400 Tenant Services - Other		\$3,607	\$53,941			
92500 Total Tenant Services	\$0	\$213,239	\$53,941	\$0	\$0	\$0
93100 Water	\$333			\$83		
93200 Electricity	\$1,981			\$91		
93300 Gas	\$359			\$50		
93400 Fuel						
93500 Labor						
93600 Sewer	\$574			\$144		
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	\$3,247	\$0	\$0	\$368	\$0	\$0

Housing Authority of the City of Salem (OR011)

Salem, OR

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Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2022

	14.871 Housing Choice Vouchers	14.231 Emergency Shelter Grants Program	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants
94100 Ordinary Maintenance and Operations - Labor						
94200 Ordinary Maintenance and Operations - Materials and Other	\$11,272	\$4,738		\$2		
94300 Ordinary Maintenance and Operations Contracts	\$18,130	\$5,837		\$102		
94500 Employee Benefit Contributions - Ordinary Maintenance						
94000 Total Maintenance	\$29,402	\$10,575	\$0	\$104	\$0	\$0
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance						
96120 Liability Insurance	\$12,450			\$94		
96130 Workmen's Compensation						
96140 All Other Insurance						
96100 Total Insurance Premiums	\$12,450	\$0	\$0	\$94	\$0	\$0
96200 Other General Expenses	\$101,796					
96210 Compensated Absences	\$16,783			\$94		
96300 Payments in Lieu of Taxes						
96400 Bad debt - Tenant Rents						
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$118,579	\$0	\$0	\$94	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$2,387,479	\$227,751	\$86,183	\$29,697	\$1,200	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$22,836,431	\$-35	\$104,990	\$117,709	\$8,705	\$37,599
97100 Extraordinary Maintenance	\$9,325					
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments	\$22,408,313		\$176,604	\$113,045		\$37,599
97350 HAP Portability-In	\$156,592					
97400 Depreciation Expense	\$2,362					
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$24,964,071	\$227,751	\$262,787	\$142,742	\$1,200	\$37,599



Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2022

	14.871 Housing Choice Vouchers	14.231 Emergency Shelter Grants Program	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$259,839	-\$35	-\$71,614	\$4,664	\$8,705	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$998,180	\$0	\$71,614	\$56,511	\$0	-\$550,790
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$5,248		\$5,247	\$0		\$550,790
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity	\$1,252,771					
11180 Housing Assistance Payments Equity	\$0					
11190 Unit Months Available	36144		408	312		
11210 Number of Unit Months Leased	32978		181	272		

Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2022

	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	14.PHC Public Housing CARES Act Funding	2 State/Local	COCC	ELIM	Total
70300 Net Tenant Rental Revenue						\$4,268,786
70400 Tenant Revenue - Other						\$32,442
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$4,301,228
70600 HUD PHA Operating Grants	\$0	\$2,923				\$27,485,248
70610 Capital Grants						\$129,539
70710 Management Fee				\$734,628	-\$734,628	\$0
70720 Asset Management Fee				\$16,440	-\$16,440	\$0
70730 Book Keeping Fee				\$272,048	-\$272,048	\$0
70740 Front Line Service Fee						
70750 Other Fees					-\$27,013	\$232,064
70700 Total Fee Revenue				\$1,023,116	-\$1,050,129	-\$27,013
70800 Other Government Grants			\$4,127,540			\$11,727,540
71100 Investment Income - Unrestricted						\$817,343
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						\$0
71310 Cost of Sale of Assets						\$0
71400 Fraud Recovery						\$16,168
71500 Other Revenue				\$194,554		\$3,292,648
71600 Gain or Loss on Sale of Capital Assets						\$1,126,925
72000 Investment Income - Restricted						
70000 Total Revenue	\$0	\$2,923	\$4,127,540	\$1,217,670	-\$1,050,129	\$49,128,703
91100 Administrative Salaries				\$378,914		\$2,159,003
91200 Auditing Fees				\$3,139		\$38,088
91300 Management Fee					-\$734,628	\$189,931
91310 Book-keeping Fee					-\$272,048	\$41,770
91400 Advertising and Marketing				\$710		\$3,543
91500 Employee Benefit contributions - Administrative				\$263,968		\$1,198,375
91600 Office Expenses			\$9,833	\$70,248		\$453,466
91700 Legal Expense						\$6,610
91800 Travel			\$1,772	\$11,709		\$29,493
91810 Allocated Overhead						
91900 Other			\$407,619	\$41,056		\$1,352,587
91000 Total Operating - Administrative	\$0	\$0	\$419,224	\$769,744	-\$1,006,676	\$5,472,866
92000 Asset Management Fee					-\$16,440	\$10,000
92100 Tenant Services - Salaries		\$2,923	\$206,336			\$493,978
92200 Relocation Costs						\$26,264
92300 Employee Benefit Contributions - Tenant Services			\$73,204			\$282,739
92400 Tenant Services - Other			\$2,398,006			\$2,455,799
92500 Total Tenant Services	\$0	\$2,923	\$2,677,546	\$0	\$0	\$3,258,780
93100 Water				\$437		\$142,852
93200 Electricity				\$2,172		\$114,860
93300 Gas				\$428		\$17,652
93400 Fuel						
93500 Labor						
93600 Sewer				\$753		\$44,983
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						\$79,602
93000 Total Utilities	\$0	\$0	\$0	\$3,790	\$0	\$399,949

Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2022

	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	14.PHC Public Housing CARES Act Funding	2 State/Local	COCC	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor						\$441,570
94200 Ordinary Maintenance and Operations - Materials and Other				\$785		\$254,464
94300 Ordinary Maintenance and Operations Contracts			\$7,632	\$19,048	-\$27,013	\$784,077
94500 Employee Benefit Contributions - Ordinary Maintenance						\$109,338
94000 Total Maintenance	\$0	\$0	\$7,632	\$19,833	-\$27,013	\$1,589,449
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance				\$3,224		\$210,926
96120 Liability Insurance				\$713		\$14,539
96130 Workmen's Compensation						
96140 All Other Insurance						\$12,480
96100 Total Insurance Premiums	\$0	\$0	\$0	\$3,937	\$0	\$237,945
96200 Other General Expenses						\$448,982
96210 Compensated Absences				-\$2,191		\$10,142
96300 Payments in Lieu of Taxes						\$72,107
96400 Bad debt - Tenant Rents						\$45,379
96500 Bad debt - Mortgages						
96600 Bad debt - Other						\$6,261,937
96800 Severance Expense						
96000 Total Other General Expenses	\$0	\$0	\$0	-\$2,191	\$0	\$6,838,547
96710 Interest of Mortgage (or Bonds) Payable						\$667,189
96720 Interest on Notes Payable (Short and Long Term)						\$473,301
96730 Amortization of Bond Issue Costs						\$196,764
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$1,337,254
96900 Total Operating Expenses	\$0	\$2,923	\$3,104,402	\$795,113	-\$1,050,129	\$19,144,790
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$0	\$1,023,138	\$422,557	\$0	\$29,983,913
97100 Extraordinary Maintenance						\$22,334
97200 Casualty Losses - Non-capitalized				\$10,580		\$16,946
97300 Housing Assistance Payments						\$23,743,181
97350 HAP Portability-In						\$156,592
97400 Depreciation Expense				\$4,146		\$2,834,123
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$0	\$2,923	\$3,104,402	\$809,839	-\$1,050,129	\$45,917,966

Housing Authority of the City of Salem (OR011)

Salem, OR

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2022

	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	14.PHC Public Housing CARES Act Funding	2 State/Local	COCC	ELIM	Total
10010 Operating Transfer In						
10020 Operating transfer Out	\$0					\$0
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						\$11,383,107
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In					-\$193,488	\$0
10094 Transfers between Project and Program - Out			-\$74,326		\$193,488	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	-\$74,326	\$0	\$0	\$11,383,107
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	\$0	\$948,812	\$407,831	\$0	\$14,593,844
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0		\$237,100
11030 Beginning Equity	\$0	\$0	\$0	-\$69,859		\$59,144,169
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			\$1,451,419	\$0		-\$94,447
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity						\$1,252,771
11180 Housing Assistance Payments Equity						\$0
11190 Unit Months Available	0	0				43524
11210 Number of Unit Months Leased	0	0				38811