

ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

Orange County Housing Finance Trust

ORANGE COUNTY HOUSING FINANCE TRUST

Annual Financial Report

Fiscal Year Ended June 30, 2020

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Independent Auditor's Report

To the Board of Directors
Orange County Housing Finance Trust
Santa Ana, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Orange County Housing Finance Trust (Trust) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Trust, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 13 through 14 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. 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 or 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.

Management has omitted the management's discussion and analysis that the accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by the missing information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2021, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Trust's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in dark ink and is positioned above the printed name of the firm.

Laguna Hills, California
June 30, 2021

FINANCIAL STATEMENTS

ORANGE COUNTY HOUSING FINANCE TRUST
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets:	
Cash and Investments	\$ 6,519,866
Interest Receivable	4,308
Total Assets	6,524,174
Liabilities:	
Accrued Liabilities	178
Net Position:	
Restricted for financing capital development loans and permanent support housing	6,523,996
Total Net Position	\$ 6,523,996

See accompanying notes to the basic financial statement.

ORANGE COUNTY HOUSING FINANCE TRUST
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Revenues	Net (Expenses) Revenues and Changes in Net Position
		Contributions and Grants	Governmental Activities
Primary Government:			
Government Activities			
Housing Development	\$ 50,458	\$ 6,504,630	\$ 6,454,172
Total Government Activities	50,458	6,504,630	6,454,172
General Revenues:			
Investment Income, Net			69,824
Change in net position			6,523,996
Net Position, Beginning of Year			-
Net Position, End of Year			\$ 6,523,996

See accompanying notes to the basic financial statement.

**ORANGE COUNTY HOUSING FINANCE TRUST
BALANCE SHEET
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	General Fund
Assets:	
Cash and Investments	\$ 6,519,866
Interest Receivable	4,308
	6,524,174
Total Assets	\$ 6,524,174
Liabilities	
and fund balance:	
Liabilities:	
Accrued Liabilities	\$ 178
	178
Total Liabilities	178
Fund balances:	
Restricted for financing capital development loans and permanent supportive housing	6,523,996
	6,523,996
Total Liabilities and fund balance	\$ 6,524,174

No Reconciliation to the Statement of Net Position due to no reconciling items.
See accompanying notes to the basic financial statement.

ORANGE COUNTY HOUSING FINANCE TRUST

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	<u>Total General Fund</u>
Revenues:	
Contributions and Grants	\$ 6,504,630
Investment Income, Net	<u>69,824</u>
Total Revenues	<u>6,574,454</u>
Expenditures:	
Professional Services	<u>50,458</u>
Total Expenditures	<u>50,458</u>
Net Changes in Fund Balance	6,523,996
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,523,996</u>

No Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities due to not reconciling item.

See accompanying notes to financial statements.

ORANGE COUNTY HOUSING FINANCE TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 - Reporting Entity and Significant Accounting Policies

The accounting policies of Orange County Housing Finance Trust (Trust) conform to accounting principles generally accepted in the United States of America for local governmental units. The following is a summary of the significant policies.

Description of the Reporting Entity

The Trust was formed in March 2019 as a joint powers' authority between the County of Orange (County) and 23 of the 34 cities within the county, as listed below:

Aliso Viejo	Fountain Valley	Laguna Hills	Placentia
Anaheim	Fullerton	Laguna Niguel	San Juan Capistrano
Buena Park	Garden Grove	Lake Forest	Santa Ana
Costa Mesa	Huntington Beach	Mission Viejo	Stanton
County of Orange	La Habra	Newport Beach	Tustin
Dana Point	Laguna Beach	Orange	Westminster

The County provides financial administration services for the trust and has agreed to fund the initial year of the Trust administration and formation operations through June 30, 2020. After that, a cost-sharing formula was adopted by the Trust Board providing for funding from both County and the member cities, in proportion to their population size.

The Trust is governed by a 9-member Board of Directors from the participating agencies. The board composition consists of 4 County and 5 City Representatives. The Trust prepares an annual budget, which is submitted for approval to the Board of Directors.

The Trust's mission is to strengthen the communities in the County by financing the development of affordable housing for homeless and low-income individuals and families. The Trust has a goal to identify and secure funding that will contribute to the construction of 2,700 permanent supportive housing units by 2025. Interested and qualified developers who can successfully demonstrate their ability to acquire, build or substantially rehabilitate, and operate Permanent Supportive and Affordable Housing are encouraged to submit proposals to the Trust.

On May 6, 2020 the Trust Board awarded over \$10 million in funding to help finance 7 projects, as listed below. These projects created 467 new affordable and supportive housing units in Orange County. At the end of the construction period, the construction loan ends, and the loan converts to a permanent loan as long as all of the conditions set forth in Article VI of the developer's agreement are fulfilled.

PROJECT NAME	LOCATION	PROJECT FUNDING STATUS	EST. CONSTRUCTION COMPLETION DATE
Center of Hope	Anaheim	In Progress of Funding	Nov-22
Airport Inn	Buena Park	Under Construction	Dec-21
Orchard View Gardens	Buena Park	In Progress of Funding	Jun-23
Santa Angelina Senior Community	Placentia	In Progress of Funding	Sep-23
North Harbor Village	Santa Ana	Under Construction	Jun-22
FX Residences	Santa Ana	In Progress of Funding	Sep-22
Mountain View	Lake Forest	In Progress of Funding	Jul-23

ORANGE COUNTY HOUSING FINANCE TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 - Reporting Entity and Significant Accounting Policies (Continued)

Measurement Focus

Government-wide Financial Statements

Government-wide financial statements display information about the Trust as a whole. All activities of the Trust are classified as governmental activities. Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resource measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the financial statements. Under the accrual basis of accounting all assets, liabilities, deferred outflows and inflows of resources of the Trust are included on the statement of net position. The difference between the Trust's assets, liabilities, deferred outflows and inflows of resources is its net position. Net position represents the resources the Trust has available for use in providing services. The Trust's net position is classified as:

Restricted – This category represents any grant funds that are restricted only to be utilized for financing capital development loans for affordable and/or permanent supportive housing. These amounts cannot be used to pay for overhead or administration of the Trust.

The statement of activities presents a comparison of the direct expenses and program revenues for the Trust's governmental activities. Program revenues include grants and contributions restricted for the operational requirements of particular program. Grants and similar items are recognized as revenue as soon as eligibility requirements have been met. Program revenue include State, County, and City contributions from Grants and annual membership from the County and 23 cities within the county. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Fund Financial Statements

The fund financial statements consist of the balance sheet, the statement of revenues, expenditures and changes in fund balance. These statements are presented on a current financial resource measurement focus. Generally, only current assets, deferred inflows of resources, and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance for the governmental fund generally presents increases (revenues) and decreases (expenditures) in net current resources. All operations of the Trust are accounted for in the general fund.

The fund financial statements have been prepared on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered available if they are received within 60 days after year-end. Revenues susceptible to accrual include grant revenues and investment income. Expenditures are recognized in the accounting period in which the fund liability is incurred.

There were no differences reported between fund financial statements and government wide statements as of June 30, 2020.

Fair Value Measurement

The Trust categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Trust does not have any investments that are measured using Level 3 inputs.

ORANGE COUNTY HOUSING FINANCE TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 - Reporting Entity and Significant Accounting Policies (Continued)

Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. With regards to the hierarchy for spending, when expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the Trust's policy is to spend restricted fund balance before unrestricted fund balance. The Trust established the following classifications and definitions of fund balance for the year ended June 30, 2020.

Restricted - Resources that are constrained to specific purposes by an external provider (e.g. grantors, contributors, governmental laws and regulations) or by constitutional provisions or enabling legislation.

Fund balance at June 30, 2020 consists of grant proceeds and is restricted for financing capital development loans and permanent supportive housing.

Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Principles and Practices (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates. Where significant estimates have been made in preparing these financial statements, they are described in the applicable footnotes.

Intergovernmental Revenue

The Trust entered into an agreement with the County of Orange, which allocates \$20.5 million in Mental Health Services Act (MHSA) funds and \$5 million in County general funds over five years as dedicated and matching funds to the Trust for development of affordable and supportive housing. Additionally, the Trust received a grant through the State of California, Department of Housing and Community Development, which allocated \$1 million for the development of permanent supportive housing. In FY 2019-20, \$4.5 million from MHSA funds, \$1 million in County General Funds, and \$1 million in State Department of Housing and Community Development Funds have been deposited into the Trust.

Note 2 – Cash and Investments

The Trust is a participant in the County Treasurer's Orange County Investment Pool (OCIP). The OCIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee conducts OCIP oversight. Cash on deposit in the OCIP at June 30, 2020, is stated at fair value. The OCIP values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end.

Cash and investments are classified in the financial statements as follows:

Cash and Investments	\$ 6,519,866
	<hr/>
Total Cash and Investments	\$ 6,519,866
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ORANGE COUNTY HOUSING FINANCE TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 2 – Cash and Investments (Continued)

Cash and investments consisted of the following at June 30, 2020:

Orange County Investment Pool:	
Equity in pooled Money Market fund	\$ <u>6,519,866</u>
 Total Cash and Investments	 \$ <u><u>6,519,866</u></u>

Pooled Cash and Investments

The County Treasurer maintains the Pool for the County and other non-County entities for the purpose of benefiting from economies of scale through pooled investment activities. As of June 30, 2020, the Pool contains deposits and investments in U.S. government agencies, negotiable certificates of deposits, medium-term notes, repurchase agreements, and money market mutual funds with an average maturity of approximately 273 days. As of June 30, 2020, the Trust’s cash and investments are combined with the County’s pooled investments, and therefore, do not represent specific identifiable investments.

Fair Value Measurements

Interest is apportioned to individual funds based generally on the average daily balances on deposit with the County Treasurer. The Trust’s proportionate share of investments in the OCIP at June 30, 2020 of \$6,519,866 is measured based on an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

Credit Risk

The IPS sets forth the minimum acceptable credit ratings for investments from any two of the following nationally recognized statistical rating organizations. For an issuer of short-term debt, the rating must be no less than “A-1” or “SP-1” (Standard & Poor’s), “MIG 1/VMIG 1” (Moody’s), or “F1” (Fitch). For an issuer of long-term debt, the rating must be no less than an “A”. As of June 30, 2020, the Pool and money market fund are rated at AAAM Principal Stability Fund Rating (AAAM) by S&P.

Additional information regarding the Pool, including the investment portfolio and related interest rate, the custodial credit, credit, concentration of credit risks, and fair value measurements is presented in Note 3 of the County’s Comprehensive Annual Financial Report. The report is available by accessing the Auditor-Controller’s website at <http://acdcweb01.ocgov.com/reports/cafireports/>.

Note 3 – Related Party Transactions

The Trust contracts with the County to provide accounting, banking, investment, legal, and other miscellaneous administrative services. On June 23, 2020, a Memorandum of Understanding between the County and Trust was signed defining the provision of services with various County departments listed below:

- Auditor Controller
- Treasurer
- County Counsel
- Clerk of the Board
- OC Sheriff
- OC Community Resources

ORANGE COUNTY HOUSING FINANCE TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 3 – Related Party Transactions (Continued)

The services the County provides is under the administrative supervision and direction of the Trust Executive Director on behalf of the Trust and the County Executive Officer on behalf of the County. The County provides an estimated annual cost of providing services to the Trust in an amount not to exceed \$165,500 annually. The rates charged to the Trust for services are the same rates as those charged to the County departments and special districts for the same or similar services and are subject to adjustments annually at the discretion of the County. The previously mentioned Memorandum of Understanding provides, retroactively as of October 29, 2019, that the County provide payment for administrative services during the Trust’s first year. In FY 2019-20, total in-kind contribution from the County for these costs were \$509,216. Starting FY 2020-21, all administrative costs will be billed to the Trust by the County.

The section below summarizes the key terms of additional agreements between the Trust and the County. The Administrative Cost Grant Agreement was established during the year but doesn’t allocate funds until FY 2020-21.

The MHSA & General Fund Grant Agreement: Allocates \$20.5 million in Mental Health Services Act (MHSA) funds and \$5 million in County funds over a five-year period as dedicated for program eligibility matching funds for development of affordable and supportive housing. In FY 2019-20, the Trust received \$4.5 million from MHSA funds and \$1 million in OC General Funds. The County will allocate \$4 million and \$1 million respectively to the Trust for the remaining four years.

The Administrative Costs Grant Agreement: Allocates \$200,000 a year in County funds for a minimum of five years for a total of \$1 million for the County's contribution toward the administrative cost allocation for OCHFT membership adopted by the OCHFT Board of Directors. In FY 2019-20, no funds were allocated.

Note 4 – New Accounting Pronouncements

The following lists recent GASB Pronouncements that have been implemented in FY 2019-20:

In June 2018, GASB issued Statement No. 89, “*Accounting for Interest Cost Incurred Before the End of a Construction Period.*” This statement establishes accounting requirements for interest cost incurred before the end of a construction period. The statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The Statement was early implemented in FY 2019-20 without an impact.

In May 2020, GASB issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance.*” This Statement postpones effective dates of certain Statements and Implementation Guides that first became effective for periods beginning after June 15, 2018. The primary objective of this Statement is to provide temporary relief to governments and stakeholders in light of the COVID-19 pandemic. This Statement was early implemented in FY 2019-20 without an impact.

The following summarizes recent GASB Pronouncements that will be implemented in future financial statements, as amended by GASB Statement 95. The Trust has not determined the effect of these Statements.

In January 2017, GASB issued Statement No. 84, “*Fiduciary Activities.*” This statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement also describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The requirements of this statement are effective for reporting periods beginning after December 15, 2019, which requires the Trust to implement this Statement in FY 2020-21.

In June 2017, GASB issued Statement No. 87, “*Leases.*” This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset, and a lessor to recognize a lease receivable and as deferred inflows of resources.

ORANGE COUNTY HOUSING FINANCE TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 4 – New Accounting Pronouncements (Continued)

The requirements of these statements are effective for reporting periods beginning after June 15, 2021, which requires the Trust to implement this Statement in FY 2021-22.

In August 2018, GASB issued Statement No. 90, “*Majority Equity Interests.*” This statement improves the consistency and comparability of a government’s majority equity interest in a legally separate organization and the relevance of financial statement information for certain component units. The statement requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired 100% equity interest in the component unit. The requirements of this statement are effective for reporting periods beginning after December 15, 2019, which requires the Trust to implement this Statement in FY 2020-21.

In May 2019, GASB issued Statement No. 91, “*Conduit Debt Obligations.*” This statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers’ conduit debt obligations and a description of each type of commitment. The requirements of this statement are effective for reporting periods beginning after December 15, 2021, which requires the Trust to implement this Statement in FY 2022-23.

In January 2020, GASB issued Statement No. 92, “*Omnibus 2020.*” This statement enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement are effective for reporting periods after June 15, 2021, which requires the Trust to implement the Statement in FY 2021-22.

In March 2020, GASB issued Statement No. 93, “*Replacement of Interbank Offered Rates.*” This statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate due to global reference rate reform. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, which requires the Trust to implement this Statement in FY 2021-22.

In March 2020, GASB issued Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements.*” This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements. It also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Trust will implement this Statement in FY 2022-23.

In May 2020, GASB issued Statement No. 96, “*Subscription-Based Information Technology Arrangements.*” This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Trust will implement this Statement in FY 2022-23.

In June 2020, GASB Statement No. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.*” The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board, and (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans by clarifying the financial burden criteria in Statement No.84. It also extends the accounting and financial reporting requirements related to the Pension Plans, to Section 457 plans that meet the definition of a pension plan. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021 and all reporting periods thereafter, which requires the Trust to implement this Statement in FY 2021-22.

REQUIRED SUPPLEMENTARY INFORMATION

ORANGE COUNTY HOUSING FINANCE TRUST
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and Grants	\$ 6,426,225	\$ 6,504,630	\$ 78,405
Investment Income, Net	-	69,824	69,824
Total Revenues	6,426,225	6,574,454	148,229
Expenditures:			
Professional services	476,225	50,458	425,767
Project costs	5,950,000	-	5,950,000
Total Expenditures	6,426,225	50,458	6,375,767
Net Changes in Fund Balance	-	6,523,996	(6,227,538)
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ 6,523,996	\$ (6,227,538)

See note to required supplementary information.

ORANGE COUNTY HOUSING FINANCE TRUST

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

Budgetary Reporting

The Trust is required by the Joint Powers Agreement and Bylaws to adopt a general budget in May of each year in advance of the Trust's fiscal year which runs July 1st to June 30th. The Trust's Board of Directors adopted an annual budget for the year ended June 30, 2020. The accompanying statement of revenues, expenditures and changes in fund balance – budget and actual includes the budgeted expenditures for the year, along with management's estimate of revenues for the year. The legal level of budgetary control is at the total fund level.