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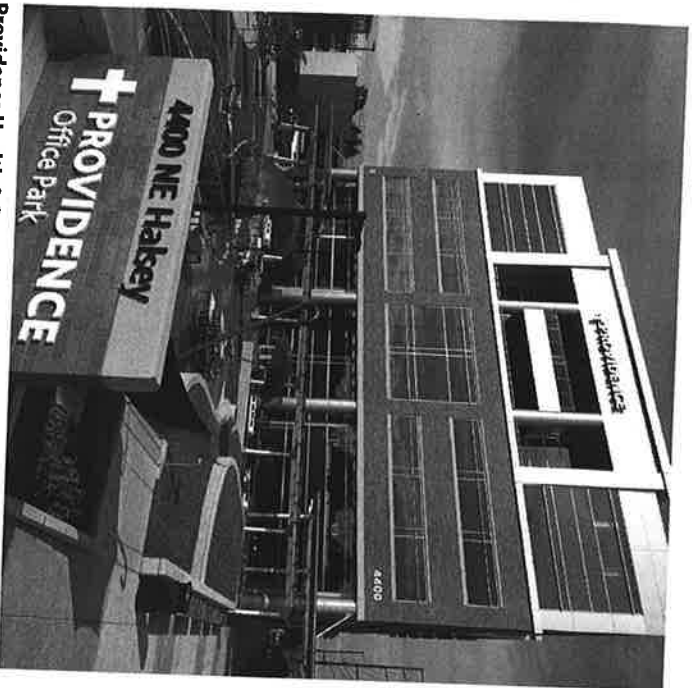
# Oregon Facilities Authority

Annual Report • June 30, 2014

## Office of the State Treasurer

Ted Wheeler • State Treasurer





Providence Health & Services, Portland

**Gwendolyn Griffith · Executive Director**

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 NonProfits/Pages/Oregon-Facilities-Authority.aspx](http://cms.oregon.gov/treasury/Divisions/DebtManagement/NonProfits/Pages/Oregon-Facilities-Authority.aspx)

# OFEA

Oregon Facilities Authority



OFFICE OF THE STATE TREASURER

TED WHEELER  
 OREGON STATE TREASURER

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**GWENDOLYN GRIFFITH**  
Executive Director

**TILLIE HASSON**  
Executive Assistant



**OREGON FACILITIES AUTHORITY**

1600 Pioneer Tower  
888 SW Fifth Avenue  
Portland, Oregon 97204  
Phone: 503-802-5710  
Email: [ofa@tonkon.com](mailto:ofa@tonkon.com)

September 30, 2014

Greetings:

I am pleased to provide to you the Annual Report for the fiscal year 2013-2014 for the Oregon Facilities Authority (OFA), an agency of the State of Oregon. OFA's mission is lowering the cost of financing for Oregon nonprofits' capital projects through the issuance of tax-exempt conduit revenue bonds. These bonds do not rely on the credit of the State of Oregon, and OFA uses no tax monies for the bonds or its operations.

OFA facilitated seven bond transactions this year, the same number as in the last fiscal year. But this year the amount issued was much larger. OFA's bonds totaled \$268,210,000 in issuance amount during this fiscal year. These projects involved healthcare, education, housing and social services.

Regulatory changes at the federal level continued to take center stage for issuers around the country, including OFA. In response to initiatives by the SEC and IRS, OFA is implementing best practices for the benefit of its borrowers and the State of Oregon. This year, in consultation with Bond Counsel and the Office of the State Treasurer, OFA provided Model Post-Issuance Compliance Procedures to all of its borrowers. OFA also presented the first of three seminars on post-issuance compliance, which was attended not only by financing team members from prior OFA transactions, but also by other issuers.

OFA is looking forward to continuing its efforts to assist borrowers in meeting their federal tax and disclosure obligations. In addition, OFA will continue to monitor other challenges, including federal legislative efforts to reduce or eliminate the benefit of tax-exemption.

OFA's goal continues to be to help nonprofits responsibly meet their capital needs by applying its deep understanding of nonprofit bond financing to the special situation of each nonprofit. As always, if you have any questions about how OFA could assist nonprofits in your community, please call or email me.

Gwendolyn Griffith  
Executive Director

# OFEA

Oregon Facilities Authority

**REPORT OF OREGON FACILITIES AUTHORITY  
TO THE  
GOVERNOR, STATE OF OREGON  
TREASURER, STATE OF OREGON  
LEGISLATIVE ASSEMBLY, STATE OF OREGON  
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

**The Honorable John Kitzhaber**  
*Governor*  
State of Oregon  
900 Court St. NE, Suite 254  
Salem, Oregon 97301

**The Honorable Tina Kotek**  
*Speaker of the House*  
State of Oregon  
900 Court St. NE, H-269  
Salem, Oregon 97301

**The Honorable Ted Ferrioli**  
*Senate Republican Leader*  
State of Oregon  
900 Court St. NE, S-323  
Salem, Oregon 97301

**The Honorable Ted Wheeler**  
*State Treasurer*  
State of Oregon  
900 Court St. NE, Suite 159  
Salem, Oregon 97301

**The Honorable Diane Rosenbaum**  
*Senate Majority Leader*  
State of Oregon  
900 Court St. NE, S-223  
Salem, Oregon 97301

**The Honorable Val Hoyle**  
*House Democratic Leader*  
State of Oregon  
900 Court St. NE, H-295  
Salem, Oregon 97301

**The Honorable Peter Courtney**  
*President of the Senate*  
State of Oregon  
900 Court St. NE, S-201  
Salem, Oregon 97301

**The Honorable Mike McLane**  
*House Republican Leader*  
State of Oregon  
900 Court St. NE, H-395  
Salem, Oregon 97301

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This twenty-fourth annual report by the Oregon Facilities Authority (OFA or Authority) is submitted in compliance with ORS 289.240. It covers the period commencing July 1, 2013, and ending June 30, 2014. Prior to January 1, 2002, the Authority's name was the "Health, Housing, Educational and Cultural Facilities Authority" (HHECFA).

# Overview of the Oregon Facilities Authority

The Oregon Facilities Authority (OFA or the Authority) is the Oregon state agency that helps nonprofit organizations access lower-cost financing for capital projects through the issuance of tax-exempt conduit revenue bonds. OFA was created by the Oregon Legislature in 1989. Since inception, it has issued over \$3 billion in bonds. The interest on these bonds is exempt from federal income tax and state personal income tax.

The State of Oregon does not guarantee the repayment of any OFA conduit revenue bond, nor is any State asset or funding source at risk of non-repayment of these bonds. A nonprofit must repay the bonds from project revenues or from other sources. OFA itself is funded solely from fees paid by borrowers. It does not receive any funding from the State Legislature or from other public sources.

With certain exceptions, OFA can assist any nonprofit organization that qualifies as a section 501(c)(3) organization under federal income tax law, for capital projects located within Oregon. OFA bonds are issued by the State of Oregon, Office of the State Treasurer. OFA's role is to evaluate projects proposed by nonprofits and make recommendations to the State Treasurer for bond issuance. The State Treasurer makes the final decision about whether to issue the bonds, after receiving a recommendation from OFA. OFA and the Office of the State Treasurer work closely together throughout the bond approval process.

OFA offers three different structures for conduit bond transactions. All of these involve the State's issuance of a tax-exempt revenue bond and the lending of the bond proceeds to a nonprofit organization. For large amounts and complex transactions, OFA facilitates the issuance of publicly traded bonds through its Traditional Bond program. These bonds must qualify as investment grade. The other two structures involve the direct purchase of unrated OFA bonds by banks or other financial institutions. OFA's Traditional private placement bond

program accommodates large amounts and complex deal structures. OFA's SNAP Bond program accommodates simple transactions that are similar to commercial real estate loans. These are typically smaller in issue amount. All three of these programs are discussed later in this Report.

OFA can assist nonprofits with a variety of projects, including:

- Purchase of facilities or equipment
- Major remodeling of facilities
- Construction financing
- Refinancing of loans originated for capital purposes

Federal tax rules and state law govern the eligibility of borrowers and transactions for OFA conduit bond financing. Potential borrowers and their advisors are encouraged to contact the OFA Executive Director to discuss potential OFA projects.

Since its inception, OFA has issued approximately \$1.7 billion in bonds for healthcare-related projects (in 32 separate issuances) and approximately \$1.1 billion in bonds for education-related projects (in 59 separate projects). These include student housing. It has issued approximately \$350 million for projects relating to housing (other than student housing) in 31 separate projects. The average bond size for a healthcare issue is approximately \$53 million, while the average bond size for an OFA education project is \$23 million.



***To build a robust economy we need to build affordable housing. The Oregon Facilities Authority helps Oregon do just that by giving nonprofits access to low-cost financial resources they cannot get elsewhere. This is one important example of how OFA supports the vital network of nonprofits that provide healthcare, social services and education in our communities.***

- Ted Wheeler, Oregon State Treasurer

# Highlights of 2013-2014 at the Oregon Facilities Authority

In the fiscal year ending June 30, 2014, OFA facilitated the issuance of a total of \$268,210,000 of bonds. OFA closed seven projects, of which one was a SNAP Bond (\$4,000,000), and the others were Traditional Bonds (\$264,210,000).

The Oregon Legislature initially granted OFA \$550,000,000 in bonding authority for the 2013-2015 biennium. In the 2014 legislative session, the legislature increased the total bonding authority to \$950,000,000. OFA bonds are conduit revenue bonds, and the State does not guarantee repayment of the bonds. Therefore, neither the bonding allocation nor its use for OFA projects of nonprofit borrowers places any State resources at risk and OFA bonds do not impact the State's credit rating. OFA had \$767,907,912.50 of bonding authority available at the close of this fiscal year.

In this year, OFA held seven business meetings and one planning session. Most meetings were held in Portland. In October 2013, OFA held a business meeting in Bend, Oregon at the offices of an OFA borrower, the Deschutes Children's Foundation. Community leaders briefed the Board on nonprofit activity in the region and the Executive Director of The Deschutes Children's Foundation reported on the evolution of that agency's SNAP bond.

The planning session was held in Salem to allow attendance by State officials.

Beth deHamel, who is the Chief Financial Officer for the Oregon nonprofit, MercyCorps, was elected Chair of the OFA Board. Sean Hubert, who is Senior Director, Housing & Employment for the Oregon nonprofit, Central City Concern, was elected Vice Chair. OFA had a full complement of board members throughout the year. The Board welcomed a new Board Member, Javier Fernandez, who is Acting Manager, Treasurer, at Bonneville Power Administration. OFA bid farewell—with many thanks—to longtime board member Courtney Wilton, who served on the OFA Board for eight years and served as Chair for the calendar years 2011-2013.

This year, OFA continued its efforts in assisting borrowers with post-issuance compliance. OFA distributed to all of its borrowers Suggested Post-Issuance Compliance

*Deschutes Children's Foundation was honored to have OFA hold its board meeting at our East Bend Campus. This 14,000 square foot nonprofit service center was financed in part with an OFA SNAP bond. After a large capital campaign ended at the start of the recession, the OFA SNAP bond assisted Deschutes Children's Foundation in finalizing the construction of this new facility so our nonprofit partners could move in on time in January 2009 and start serving the children and families of Deschutes County. As a new Executive Director who started after the bond was issued, I found OFA to be extremely helpful in working with me to understand how the program worked, the terms of our agreement and how best to work with our bank.*

• Kim McNamer, Executive Director, Deschutes Children's Foundation

Procedures developed by OFA in consultation with the Office of the State Treasurer and Bond Counsel. While OFA recognizes that many borrowers, particularly sophisticated borrowers that issue frequently in the public markets, already have post-issuance compliance policies in place, many smaller borrowers have welcomed these Suggested Procedures. In addition, in May, OFA's SNAP Bond Counsel attorneys, Carol McCoog

Bonds Issued Through the Authority in FY 2013 and FY 2014		
	FY 2013	FY 2014
Number of Projects	7	7
Total Bonds Issued (\$)	\$19,540,807	\$268,210,000
Traditional Bonds Issued (\$)	\$8,000,000	\$264,210,000
SNAP Bonds Issued (\$)	\$11,540,807	\$4,000,000

and Jennifer Córdova, presented a seminar on post-issuance compliance for OFA borrowers and others involved with OFA bonds. The seminar was well received and a recording of the event is available on OFA's website. OFA will offer this seminar again twice in the coming year. All of the borrowers for bonds closed during the year had adopted post-issuance compliance procedures prior to closing, and OFA will continue its policy that a bond transaction may



Deschutes Children's Foundation, Bend

not close until a borrower has adopted procedures that comply with current legal requirements.

OFA continues to serve Oregon nonprofits with two different bond programs. SNAP Bonds, more fully described later in this report, continue to help nonprofits that have relatively simple transactions. This is the seventh year of that program, and OFA has issued \$87,816,094 in SNAP Bonds in 34 separate projects. Some SNAP borrowers have also successfully renegotiated the interest rate on their loans to reflect market rates of interest. The Traditional Bond program (also described in detail later in this report) continues to serve some of Oregon largest nonprofit employers, including PeaceHealth, Providence Health System and Legacy Health.

Oregon had one bond (a Traditional Bond) in default at the end of the fiscal year. On December 1, 2010, an event

of default occurred with respect to the State of Oregon OFA Revenue Bonds for the Oregon Coast Aquarium Project (2005, Series A). The default event was the payment by the Borrower of only a portion of the amount required to be paid to the Trustee under the Loan Agreement, a situation which continued through November, 2011. Beginning in December, 2011, the Borrower resumed making monthly deposits with the Trustee in the required amount, plus an additional monthly amount as partial replenishment of the previous shortfall. This replenishment continued through June, 2014. The borrower also made a one-time replenishment payment of \$25,000 in August, 2013. In addition, \$525,000 principal amount of bonds were redeemed as of December 2, 2013. The principal amount of these bonds remaining outstanding as of June 30, 2014 is \$11,535,000.

### **What is “Post-Issuance Compliance”?**

In recent years, the Securities and Exchange Commission (“SEC”) and the Internal Revenue Service (“IRS”) have become increasingly concerned about tax-exempt bonds, such as those issued for the benefit of OFA’s nonprofit borrowers. The SEC wants to make sure that borrowers that issue in the public markets provide investors with the right information to help them make good choices about buying and selling these bonds. The IRS wants to make sure that all of the requirements for tax exemption are met, not just at the closing of a bond, but throughout its term. Both agencies have made it clear that issuers and borrowers should pay more attention than they might have in the past to post-compliance matters.

### **What are these obligations?**

OFA’s SNAP Bond borrowers and other private placement borrowers typically have only tax-related post-issuance obligations. For example, they must make sure that the financed facility is used only in ways that are consistent with the federal tax rules for property financed with tax-exempt bonds. They must also make sure that the transaction is properly reported to the IRS each year. Traditional Bond borrowers who issue in the public market also have these tax-related obligations, but they have disclosure obligations as well. These borrowers must publish information about all material events affecting them or the bonds to allow investors to make informed choices about investing in the bonds.

These compliance requirements are not new; they’ve been around for a long time. But the IRS and SEC’s emphasis on them is new. OFA’s goal is to help its borrowers meet these requirements and help them avoid compliance-related issues that can cause major headaches after closing. To that end, OFA has adopted its own policy for post-issuance compliance, and has provided Suggested Post-Issuance Compliance Procedures to borrowers. All new OFA borrowers must have post-issuance compliance procedures in place before closing a bond, and existing borrowers are encouraged to adopt these policies as well. These policies require, for example, that a borrower appoint compliance officers and these officers review compliance-related matters at least annually. Each year, OFA will be asking each borrower to certify that it has met its post-issuance compliance obligations.

More information about post-issuance compliance is posted on OFA’s website.

## OFA Bond Issuance — In General

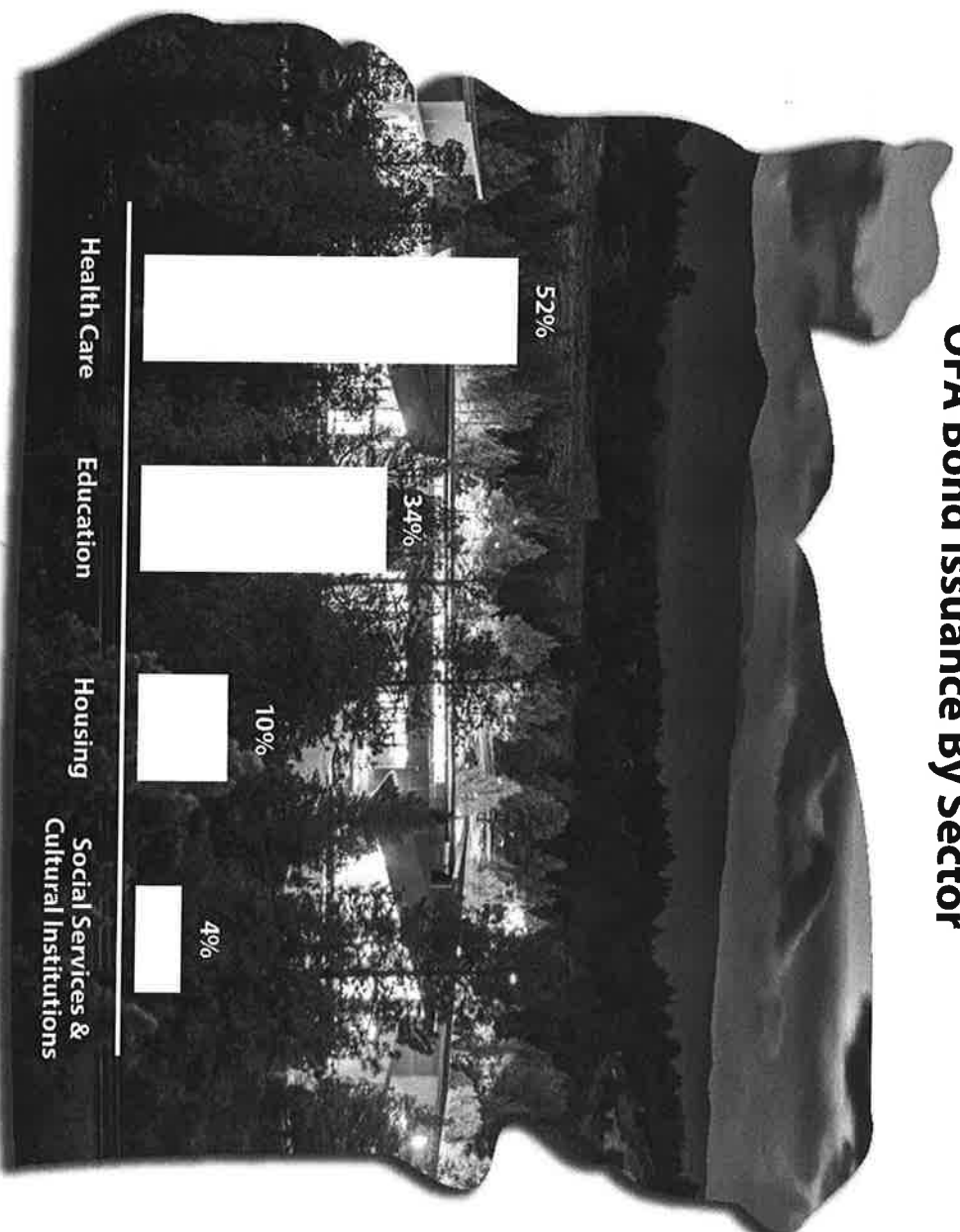
Since its creation in 1989, OFA has issued more than \$3.2 billion in tax-exempt conduit revenue bonds in 133 separate projects. Many of OFA's projects are so-called "new money issues," in which the proceeds of the bond issued are used to construct, renovate or purchase facilities or acquire equipment. Refundings of existing debt, in which the bond proceeds are used to refinance outstanding debt previously incurred for capital purposes, have been of particular interest to borrowers in recent years. These occur to lower interest rates or change loan covenants or other loan terms.

During the first 17 years of its existence, OFA had legislative authority to assist nonprofits in only four nonprofit sectors: healthcare, education, housing, and cultural facilities. In 2007, the Oregon Legislature expanded OFA's mission to allow it potentially to assist any section 501(c)(3) organization with a project in Oregon, without restriction as to sector.

Since its inception, OFA has issued approximately \$1.7 billion in bonds for healthcare-related projects (in 32 separate issuances) and approximately \$1.1 billion in bonds for education-related projects, including student housing (in 59 separate projects). It has issued approximately \$350 million for projects relating to housing (other than student housing) in 31 separate projects. The average bond size for a healthcare issue is approximately \$53 million, while the average bond size for an OFA education project is \$23 million.

Cultural facilities and social services agencies make up the smallest portion of OFA's work, in terms of issuance amount (approximately \$128 million in 23 separate projects). This percentage is expected to increase over time because of the expansion of OFA's legislative mandate to allow OFA to assist nonprofit social services agencies.

### OFA Bond Issuance By Sector



Cascades Academy, Bend



## OFA Bond Issuance in FY 2013-2014

In the fiscal year ending June 30, 2014, OFA facilitated the issuance of \$268,210,000 in conduit revenue bonds, of which \$264,282,088 (99%) constituted tax-exempt bonds. The 1% of taxable bonds represented small portions of larger transactions that were required to be issued in a taxable series because of requirements of federal tax law.

Borrower interest in refunding outstanding bonds continued in this fiscal year, as it had in previous years. Of the total amount of bonds facilitated by the Authority, only 12% represented "new money" projects. The rest were refundings of bonds previously issued through the Authority and the Office of the State Treasurer or other issuers. Of the refundings, OFA-related refundings constituted 40% of the total and refundings from other issuers constituted 60% of the total.

The new money projects were the SNAP Bond project for Cascades Academy, purchase of facilities by Goodwill Industries of Lane and South Coast Counties, and the construction of senior housing by Mary's Woods.

OFA issued only one SNAP Bond this year, which was unusual as compared with prior years. This SNAP Bond was for the construction of a private school in Deschutes County. The other six financings were Traditional Bonds. Of these projects, three were in the healthcare arena for large healthcare systems, with an average bond issuance size of \$72,000,000. These three projects constituted 81% of the total issuance amount. The other three projects were for senior housing (\$18,000,000), college student housing (\$18,000,000) and social services (\$12,235,000).

OFA projects this year served residents in Multnomah, Deschutes, Lane, and Clackamas Counties, and, for the



Housing Northwest, Incorporated, Portland

County	Participating Institution	Type of OFA Bond	Industry
Multnomah	Housing Northwest, Incorporated	Traditional	Student Housing
Multnomah	Providence Health System	Traditional	Healthcare
Deschutes	Cascades Academy	SNAP	Education
Lane	PeaceHealth	Traditional	Healthcare
Lane and Curry	Goodwill Industries of Lane & South Coast Counties	Traditional	Social Services
Clackamas	Mary's Woods	Traditional	Senior Housing
Multnomah	Legacy Health System	Traditional	Healthcare

first time, in Curry County. OFA borrowers continue to make important contributions to the economies in which they operate. The three largest OFA borrowers this year, for example, collectively employ almost 30,000 people in Oregon, supporting family-wage jobs. Smaller borrowers also make significant contributions to employment in their communities, and all OFA borrowers serve as the catalysts for countless hours of volunteer service by Oregonians.

# Projects of the Oregon Facilities Authority FY 2013-2014

OFA sponsors two different bond programs: the Traditional Bond Program and the SNAP Bond Program (Small Nonprofit Accelerated Program).

## **OFA's Traditional Bond Program**

Bonds issued under OFA's Traditional Bond Program are publicly issued in the retail or institutional markets, or are privately placed with institutional investors. The Traditional Bond Program is designed to accommodate complex deal terms, large issue amounts, and credit support arrangements. OFA works closely with borrowers and their financing teams in the Traditional Bond Program through closing of a bond transaction.

Six Traditional Bond transactions closed in FY 2013-2014 through OFA and the Office of the State Treasurer and are described below.

**Housing Northwest, Incorporated**                      **\$18,005,000**                      **Closed: July 1, 2013**

Bond Counsel:    Orrick Herrington & Sutcliffe LLP

Underwriter:    George K. Baum & Co.

Housing Northwest, Incorporated (CHNW) was created out of a 1969 urban studies class at Portland State University. Today, CHNW provides housing and services for post-secondary students in the downtown Portland area, providing subsidized housing at below-market rental rates. CHNW strives to provide dynamic living and learning environments that help students achieve their goals—whether that means academic brilliance or personal growth.

This project involved the refinancing of existing tax-exempt bonds that were issued through OFA and the Office of the State Treasurer. This refunding allowed CHNW to change the properties securing the debt and achieve savings.



**Providence Health & Services**

**\$78,190,000**

**Closed: September 18, 2103**

Bond Counsel:

Mersereau Shannon LLP

Underwriter:

Bank of America Merrill Lynch

The cornerstone of the mission of Providence Health & Services is to provide quality care that is accessible for all in its communities, through its system of 27 acute care hospitals and related services in five western states. This financing project allowed Providence to refund a portion of outstanding bonds previously issued through two other issuers, with the goal of achieving savings. This is Providence's second offering through OFA and the Office of the State Treasurer.

**PeaceHealth**

**\$66,060,000**

**Closed: March 18, 2014**

Bond Counsel:

Orrick Herrington & Sutcliffe LLP

Underwriter:

Goldman, Sachs & Co.

PeaceHealth was founded in 1890 and has grown into a regional health care system operating facilities in three states—Oregon, Washington and Alaska. Its facilities include ten hospitals as well as other health-related services. This financing project allowed PeaceHealth to refinance bonds previously issued through OFA (then known as HHECFCA) to achieve savings. This is PeaceHealth's 10th offering through OFA and the Office of the State Treasurer.

**Goodwill Industries of Lane and South Coast Counties**

**\$12,235,000**

**Closed: April 1, 2014**

Bond Counsel:

Orrick Herrington & Sutcliffe LLP

Purchasing Institution:

Wells Fargo Bank, N.A.

The mission of Goodwill Industries of Lane and South Coast Counties is to provide vocational opportunities to individuals with barriers to employment, with services that are characterized by relevance, excellence and cost effectiveness. This financing project was a private placement transaction that allowed Goodwill to purchase facilities in both Lane and Curry counties, and to refinance existing bonds previously issued through OFA and the Office of the State Treasurer.



**Goodwill Industries of Lane and South Coast Counties, Springfield**

\*\*\*\*\*  
*OFA and the individuals that they partner with were a joy to work with while completing a very complicated transaction. The team of experts involved allowed for Goodwill to make crucial decisions that will impact Goodwill for many years to come. Purchasing our location located on Green Acres Rd. solidifies our organization and the people we serve in our communities. We are also very excited to have the opportunity to begin to offer services to the Brookings Community and OFA and the bond allowed us to do that in a cost effective manner.*

• **Kristy Langworthy, Chief Financial Officer, Goodwill**

**Mary's Woods at Marylhurst**

**\$18,000,000**

**Closed: June 13, 2014**

Bond Counsel:

Orrick Herrington & Sutcliffe LLP

Purchasing Institution:

US Bank, N.A.

Mary's Woods at Marylhurst is a caring community inspired by the vision and values of the Sisters of the Holy Names of Jesus and Mary, providing a continuum of housing, health and educational services. Mary's Woods seeks to ensure the dignity, independence, well-being and security of older persons through the provision of a wide range of services and educational options. This financing project was a private placement that will allow Mary's Woods to construct 17 additional villas and upgrade certain existing facilities. This is the second financing through OFA and the Office of the State Treasurer for Mary's Woods.

**Legacy Health**

**\$71,720,000**

**Closed: June 30, 2014**

Bond Counsel:

Orrick Herrington & Sutcliffe LLP

Purchasing Institution:

Wells Fargo Bank, N.A.

Formed from the combination of Good Samaritan Hospital and HealthLink in 1989, Legacy Health offers an integrated network of health care services in Oregon and southwestern Washington. Legacy Health includes five full-service hospitals as well as Randall Children's Hospital. This financing project allowed Legacy to refinance two series of bonds previously issued through another issuer, generating significant savings for the institution. This is Legacy's third financing through OFA and the Office of the State Treasurer.

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*The OFA staff and advisors provided CHNW with invaluable support and guidance as we refinanced our \$23M college housing bonds last year. For a relatively small non-profit, the process felt quite daunting and to a degree overwhelming. We were very appreciative, given the complexity, of how the process stayed on track and the support we received throughout. The OFA staff set a positive and productive tone throughout the whole process which gave me much confidence that the overall endeavor would go well - which it did!*

• Dave Garnand, Executive Director, Housing Northwest, Incorporated

## **OFA's SNAP (Small Nonprofit Accelerated Program) Bond Program**

SNAP Bonds are issued to banks in private placement transactions. SNAP Bonds are typically of a smaller issue size than an OFA Traditional Bond. No underwriter, placement agent or trustee is involved, and the transaction is very similar to a traditional commercial bank real estate loan. Many SNAP Bond borrowers are first-time or infrequent borrowers in the tax-exempt bond market, and the OFA SNAP Bond team works closely with those borrowers and purchasing banks from conceptualization of a project through closing.

One SNAP Bond closed in FY 2013-2014 through OFA and the Office of State Treasurer, and is described below.

**Cascades Academy** **\$4,000,000** **Closed: September 23, 2013**

Bond Counsel: Hawkins Delafield & Wood LLP

Purchasing Institution: Capital Pacific Bank

Cascades Academy is a pre-K-12 private school located in Bend, Oregon. Founded in 2003, it opened its doors with 61 students. Now in its 11th year, the school has an enrollment of over 170 students. Cascades Academy seeks to weave challenging academics with experiential learning to inspire socially responsible individuals who will be ready for a diverse and changing world. The financing project allowed construction of the new campus on a 21-acre parcel adjacent to Tumalo State Park.



# The People and Procedures of the Oregon Facilities Authority

## Authority Board and Staff

The Authority is composed of a seven-person Board, all of whom, by statute, must be residents of the State of Oregon. Authority Members are appointed by the Oregon State Treasurer. As of June 30, 2014, the Board members were:



**Beth deHamel, Chair**  
Chief Financial Officer, MercyCorps  
Portland, Oregon



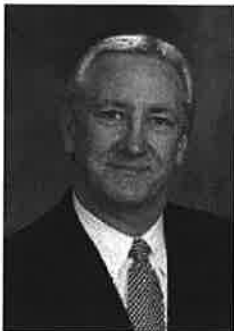
**Sean Hubert, Vice Chair**  
Senior Director, Housing & Employment  
Central City Concern  
Portland, Oregon

• • • • •  
*Oregon's nonprofits provide important and diverse services to the citizens of our state, including education, promotion of arts and literacy, social services and health care. OFA allows these important organizations to reduce their expenses through low cost borrowing, thus enabling more funds to be dedicated to programs and mission. The Board is honored to serve and support the Treasurer's work on behalf of Oregon nonprofits.*

• Beth deHamel, OFA Board Chair



**Sue Cutsogeorge, Authority Member**  
Finance Director  
City of Eugene  
Eugene, Oregon



**Kevin McAuliffe, Authority Member**  
President, McAuliffe  
Finance, LLC  
Lake Oswego,  
Oregon



**Karen Weylandt, Authority Member**  
Regional Director  
of Design and  
Construction,  
Providence Health &  
Services  
Portland, Oregon



**Martha McLennan, Authority Member**  
Executive Director  
Northwest Housing  
Alternatives  
Portland, Oregon

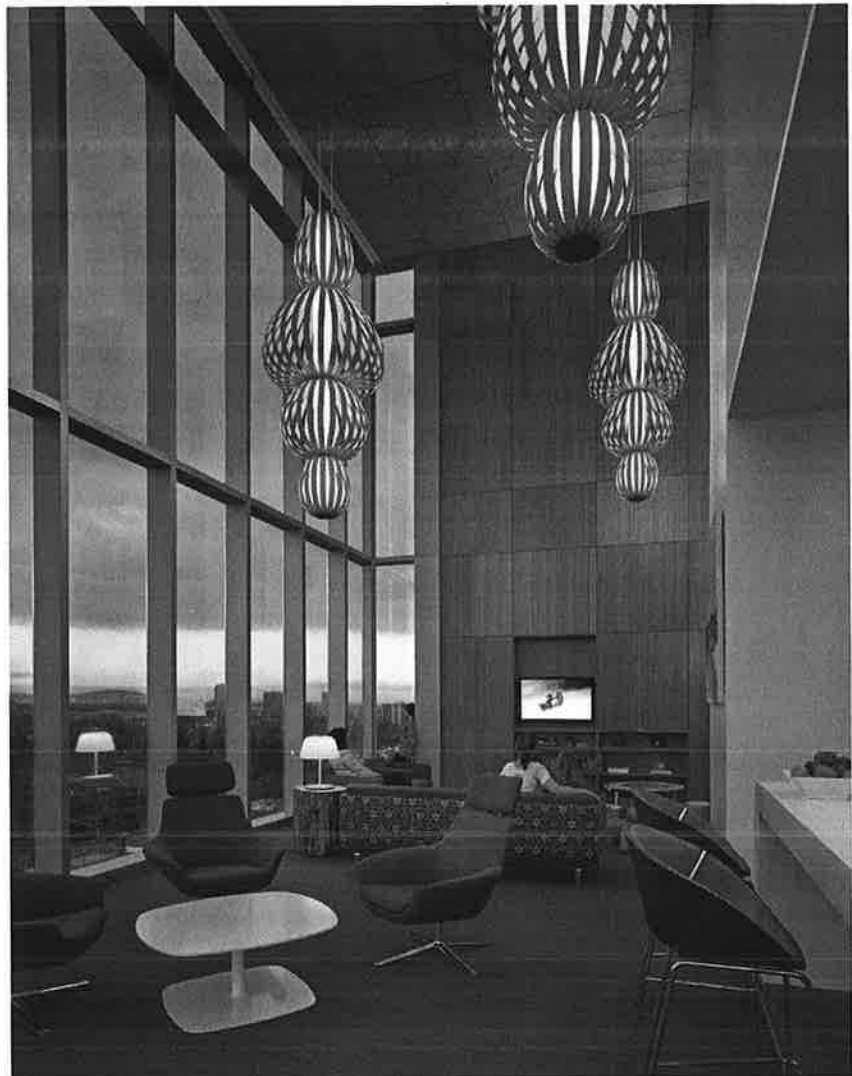


**Javier Fernandez, Authority Member**  
Acting Manager,  
Treasurer  
Bonneville Power  
Administration  
Portland, Oregon

OFA has a part-time Executive Director, Gwendolyn Griffith, who is responsible for the day-to-day affairs of the Authority. She is assisted by Tillie Hasson, Executive Assistant.

OFA works closely with the Office of State Treasurer, Division of Debt Management. The OST liaison to OFA is Lee Anaya, and the OST Director of Debt Management is Laura Lockwood-McCall.

**Randall Children's Hospital at  
Legacy Emmanuel, Portland**



**The OFA Team of Advisors**

One of the advantages of issuing through OFA for a nonprofit is working with OFA's team of experienced advisors, all of whom have a deep understanding of the financial, legal and business aspects of bond transactions and nonprofit projects. These team members assist the Authority in its evaluation of projects and in making its recommendations to the State Treasurer. Once a project is underway, the financing team helps ensure a smooth transaction from scoping call through closing. The Office of the State Treasurer has negotiated fees with members of the OFA team of advisors which are favorable to nonprofit borrowers.

OFA works with a variety of underwriters and placement agents, as well as a number of banks that sponsor SNAP Bonds and purchase privately placed bonds in the Traditional Bond Program. A bank, underwriter or placement agent is encouraged to confer with the Executive Director prior to proposing a project to the Authority.



**Bond Counsel Firms:** "Bond Counsel" is the legal counsel to OFA and the Office of State Treasurer in a bond transaction. OFA has engaged two Bond Counsel firms for Traditional Bonds. Lead Bond Counsel is Orrick Herrington & Sutcliffe LLP. SNAP Bond Counsel is Hawkins Delafield & Wood LLP.

**Lead Bond Counsel:**

Douglas E. Goe  
Orrick, Herrington & Sutcliffe LLP  
1200 NW Couch St.  
Portland, OR 97209  
Phone: (503) 943-4810  
Email: dgoe@orrick.com

**Special and SNAP Bond Counsel:**

Carol J. McCoog  
Hawkins Delafield & Wood LLP  
200 SW Market Street, Suite 350  
Portland, OR 97201  
Phone: (503) 402-1323  
Email: cmccoog@hawkins.com

OFA and the Office of the State Treasurer have also approved certain other public finance law firms to act as Special Bond Counsel. Borrower and their financing teams are encouraged to consult with the Executive Director to determine if a bond counsel firm has been approved to serve as Special Bond Counsel.

**Financial Advisor:** OFA's "Financial Advisor" advises OFA and the Office of State Treasurer on the financial aspects of a bond transaction, including the suitability of a plan of finance under OFA's statute and rules. In a SNAP Bond Transaction, OFA's Financial Advisor consults with the borrower prior to the borrower making an application to OFA. In a Traditional Bond transaction, the Financial Advisor works with the financing team throughout the transaction.

**OFA's Financial Advisor:**

Patrick Clancy  
Western Financial Group  
1530 NE Stanton  
Portland, OR 97212  
Phone: (503) 288-4152  
Fax: (503) 288-3972  
E-mail: clancy@westernfinancialgroup.com

**Trustee:** A "Trustee" is used only in Traditional Bond transactions. The trustee holds and disburses bond proceeds, administers the various funds and accounts that serve as security for the bonds, and monitors the compliance requirements of the financing documents. Most OFA borrowers in the past have chosen either Wells Fargo, N.A., or US Bank, N.A. as trustee; however, borrowers may choose other corporate trustees, subject to approval by OFA and the Office of the State Treasurer.



## OFA Procedures

OFA's procedures are published on its website at: <http://cms.oregon.gov/treasury/Divisions/DebtManagement/NonProfits/Pages/Oregon-Facilities-Authority.aspx>.

An OFA project typically begins with a telephone call to the OFA Executive Director from a potential borrower, or from an underwriter, bank or financial advisor. This call allows the parties to explore whether the borrower, the project and the proposed plan of finance qualify under OFA's statute and administrative rules.

OFA offers a consultation with its Financial Advisor, Pat Clancy, to potential SNAP Bond borrowers before they select a bank with which to work on a financing. Mr. Clancy helps a nonprofit clarify its financing needs, compare the cost of taxable to tax-exempt bond financing, and prepare to interview banks for participation in the program. This service is free to nonprofits considering a SNAP Bond, whether or not they ultimately decide to pursue this type of financing. At closing, a Financial Advisor fee is assessed to each SNAP Bond borrower.

A borrower makes an application to OFA describing the proposed project and proposed plan of finance. OFA Board Members and the team of OFA advisors review the application, and the Authority considers it for preliminary approval at a regularly scheduled OFA meeting. At the meeting, the borrower and its financing team describe to the OFA Board the mission of the borrower, the proposed project, and the proposed plan of finance. If the Authority grants preliminary approval, the financing team works to prepare the transaction for closing. When bond documents are substantially final, the borrower returns to an Authority meeting for final approval. If the Authority grants final approval, it recommends that the State Treasurer issue the bonds. The final decision is at the discretion of the State Treasurer. If consent is given, the closing may occur at the convenience of the financing team and the State Treasurer. For certain types of transactions, approval may require only one OFA meeting.



**Mary's Woods at Marylhurst, Lake Oswego**

**Fees.** By statute, OFA may assess a closing fee of up to one-half of one percent of the amount of the bond issue. Each applicant pays a non-refundable application fee of \$500 (\$250 for issuances of less than \$500,000). OFA's current fee schedule is:

I. Fee for new money projects:

(a) SNAP Bonds, 0.5% of the amount of the bond, up to \$600,00, plus 0.3% of the amount of the bond in excess of \$600,000.

(b) Traditional Bond issues up to \$5,000,000, 0.3% of amount issued.

(c) Traditional Bond issues between \$5,000,000 and \$10,000,000, \$15,000 plus 0.2% of amount issued in excess of \$5,000,000.

(d) Traditional Bond issues between \$10,000,000 and \$20,000,000, \$25,000 plus 0.15% of amount issued in excess of \$10,000,000.

(e) Traditional Bond issues over \$20,000,000, \$40,000 plus 0.05% of amount issued in excess of \$20,000,000.

II. Fee for refinancing of existing Traditional OFA-related Bonds, 0.05% of amount of OFA bonds refinanced and costs related thereto.

Under newly proposed administrative rules, these fees may be increased upon resolution of the Authority, for transactions that are particularly complex or involve new forms of financing. While OFA has the authority to assess annual fees for outstanding bonds, at the present time it does not do so.



**Randall Children's Hospital at  
Legacy Emmanuel, Portland**



In addition to OFA's closing fee, a borrower will incur other fees, as follow:

- **Fees to the Office of State Treasurer:** The Office of State Treasurer charges a fee to cover the costs of its services in issuing bonds. The amount of this fee varies with the type and amount of offering. For direct bank placements, the fee is \$5,000 for bonds in the amount of \$5 million or less, and \$15,000 for placements in excess of that amount. For other offerings, the minimum fee is \$15,000 and varies depending on the structure of the offering.
- **Other fees and costs:** Borrowers are also responsible for costs and fees of OFA's Bond Counsel, the Financial Advisor, and the Trustee as well as fees charged by financial institutions and Borrowers' Advisors. Borrowers in the Traditional Bond Program pay Bond Counsel fees based on hourly rates. The Bond Counsel fee schedule for SNAP Bonds is a flat fee based on the amount of the bond issued.

# Financial Statements and Other Information

The Office of the State Treasurer keeps and maintains the financial books of account for the Authority. Attached to this report as "Exhibits" are the (1) Comparative Statement of Net Assets, (2) Comparative Statement of Changes in Net Assets, (3) Comparative Statement of Cash Flows, and (4) Notes to Financial Statements, all as of June 30, 2014, with comparative totals as of June 30, 2013, as prepared by the Office of the State Treasurer.

"Table 1," as provided in the "Supplemental Information" Section below, sets forth the Bonds issued via the Authority since its inception and the outstanding balances of Bonds outstanding on June 30, 2014. "Table 2" lists separately the SNAP Bonds issued and their outstanding amounts as of June 30, 2014.

Respectfully submitted,

OREGON FACILITIES AUTHORITY

By: 

Gwendolyn Griffith, Executive Director



***The Oregon Facilities Authority in one word: OFAbulous!***

- Angie Gardner, Project Manager, Orrick Herrington & Sutcliffe LLP

# GENERAL PURPOSE FINANCIAL STATEMENTS

Prepared by the Office of the State Treasurer

Enterprise Fund

Comparative Statement of Net Assets

Oregon Facilities Authority

June 30, 2014

(with Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>6/30/2014</u>	<u>6/30/2013</u>
<b>Assets</b>		
Cash in State Treasury	\$ 669,472	\$ 570,485
Accounts Receivable	36,860	
	<u>\$ 706,332</u>	<u>\$ 570,485</u>
<b>Liabilities &amp; Net Assets</b>		
Accounts Payable	\$ 10,863	\$ 12,699
Restricted Net Assets	<u>\$ 695,470</u>	<u>\$ 557,786</u>

*The notes to the financial statements are an integral part of this report.*

**Enterprise Fund**  
**Comparative Statement of Changes in Net Assets**  
**Oregon Facilities Authority**  
**For the Fiscal Year Ended June 30, 2014**  
**(with Comparative Totals for the Fiscal Year Ended June 30, 2013)**

	6/30/2014	6/30/2013
<b>Operating Revenues</b>		
Interest Income	\$ 3,519	\$ 3,859
Charges for Services	<u>316,733</u>	<u>65,074</u>
Total Operating Revenues	<u>\$ 320,252</u>	<u>\$ 68,933</u>
<b>Operating Expenses</b>		
Director's Fees and Expenses	\$ 132,486	\$ 141,934
Legal Fees	13,758	25,227
Other Expenses	<u>58,413</u>	<u>54,397</u>
Total Operating Expenses	<u>\$ 204,656</u>	<u>\$ 221,557</u>
Operating Gain (Loss)	115,596	(152,624)
Net Assets at Beginning of Year	<u>557,786</u>	<u>710,410</u>
Prior Year Accounting Adjustments	<u>22,088</u>	<u>—</u>
Net Assets at End of Year	<u>\$ 695,470</u>	<u>\$ 557,786</u>

***The notes to the financial statements are an integral part of this report.***

**Enterprise Fund**  
**Comparative Statement of Net Assets**  
**Oregon Facilities Authority**  
**For Fiscal Year Ended June 30, 2014**  
**(with Comparative Totals for the Fiscal Year Ended June 30, 2013)**

	<u>6/30/2014</u>	<u>6/30/2013</u>
Cash Flows from Operating Activities		
Receipts from Customers	\$ 279,873	\$ 65,074
Payments to Suppliers	<u>(193,794)</u>	<u>(218,247)</u>
Total Cash Flows from Operating Activities	\$ 86,080	\$ (153,173)
<b>Cash Flows from Investing Activities</b>		
Investment Income	<u>\$ 3,519</u>	<u>\$ 3,859</u>
<b>Net Increase in Cash</b>	<u>\$ 89,599</u>	<u>\$ (149,314)</u>
Beginning Cash Balance	\$ 570,485	\$ 719,799
Beginning Cash Adjustment	<u>9,389</u>	<u>—</u>
Ending Cash Balance	<u>\$ 669,473</u>	<u>\$ 570,485</u>
<b>Reconciliation of Operating Income to Net Cash Used by Operating Activities</b>		
Operating Gain (Loss)	\$ 115,596	\$ (152,624)
Net Changes in Assets and Liabilities:		
Increases/(Decrease) in Accounts Receivable	\$ 36,860	\$ —
Increases/(Decrease) in Accounts Payable	<u>\$ (10,863)</u>	<u>\$ (3,310)</u>
Total Adjustments	<u>\$ 25,997</u>	<u>\$ (3,310)</u>
Net Increase/(Decrease) in Cash before Prior Year Adjustments	<u>\$ 89,599</u>	<u>\$ (155,934)</u>
Prior Year Adding Adjustments	<u>\$ —</u>	<u>\$ 6,620</u>
Net Increase/(Decrease) in Cash	<u>\$ 89,599</u>	<u>\$ (149,314)</u>

***The notes to the financial statements are an integral part of this report.***

**Oregon Facilities Authority**  
**Notes to Financial Statements**  
**June 30, 2014**  
**Unaudited**

**Summary of Significant Accounting Policies**

**Reporting Entity** The Oregon Facilities Authority (OFA) was created by the Oregon Legislature, Chapter 820, Oregon Laws 1989. OFA operates pursuant to the provisions of ORS Sections 289.005 through 289.240.

OFA was established to assemble and finance lands for housing, educational and cultural uses and for the construction and financing of facilities for such uses through the issuance of revenue bonds. In 1991, the Legislature, through Senate Bill 17, expanded OFA by allowing health facilities to approach OFA for debt financing approval. Effective January 1, 2002, the 2001 Oregon Legislature further expanded OFA by adding pre-kindergarten through grade 12 schools to the authorized list. In 2007, the Legislature expanded OFA's mission to allow financing for qualifying projects for any §501(c)(3) organization.

**Basis of Accounting** These statements are prepared using the economic resource measurement focus and the accrual basis of accounting, and OFA is reported as a business-type enterprise fund in the State of Oregon Comprehensive Annual Financial Report. Fees are charged to applicants for the application for and closing of financing of projects OFA reviews and approves. OFA has no employees on payroll, and contracts with EDServices to provide the services of an Executive Director. Expenditures are recorded when a liability is incurred.

**Cash in State Treasury** OFA holds all monies in an account within the Oregon Short-term Fund (OSTF), which is a cash and investment pool having the characteristics of a demand deposit account. All monies in the OSTF are considered to be cash equivalents.

**Cash in State Treasury**

As of June 30, 2014, OFA held \$669,472 in a demand account with the State Treasurer and invested in the OSTF. The OSTF is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the ORS and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill and caution. Investments in the Pool are further governed by portfolio guidelines issued by the OSTF Board, which establishes diversification percentages and specifies the types and maturities of investments.

**No Commitment Debt**

No commitment debt refers to debt issued to finance public purpose expenditures intended for beneficial ownership by private entities. Such debt bears the name of the State of Oregon and OFA but is secured solely by the credit of the private entity and is usually serviced and administered by a trustee independent of the State of Oregon and OFA. Neither the State of Oregon nor OFA has an obligation for payment of this debt. Accordingly, this debt is not reported in the accompanying financial statements. As of June 30, 2014, \$1,877,848,166 of no-commitment debt is outstanding. Table 1 and Table 2 provide the details of this debt.



# SUPPLEMENTAL INFORMATION

## Table 1

### Obligations Issued by the Authority through June 30, 2014

(unaudited)

Set forth below is a list of Traditional Bonds issued by the Oregon State Treasurer through the Oregon Facilities Authority and the outstanding balances as of June 30, 2014

### Traditional Bonds Issued by the Authority through June 30, 2014

Name of Obligation	Original Principal Amount	Participating Institution	Outstanding Principal Balance as of June 30, 2014
Revenue Bonds (Lewis & Clark College project) 1990 Series A	\$11,450,000	Lewis & Clark College	\$0
Bond Anticipation Notes (Oregon Coast Aquarium project) 1990 Series A	\$14,000,000	Oregon Coast Aquarium	\$0
Revenue Bonds (Reed College project) 1991 Series A	\$14,825,000	The Reed Institute	\$0
Revenue Bonds (George Fox College project) 1991 Series A	\$1,530,000	George Fox College	\$0
Adjustable Rate Revenue Bonds (Oregon Museum of Science and Industry project) 1991 Series A	\$17,195,000	Oregon Museum of Science and Industry	\$0
Bond Anticipation Notes (Oregon Museum of Science and Industry project)	\$12,025,000	Oregon Museum of Science and Industry	\$0
Revenue Bonds (YMCA project) 1992 Series	\$2,545,000	YMCA of Columbia-Willamette	\$0
Refunding Revenue Bonds (Linfield College project) 1993 Series A	\$4,090,000	Linfield College	\$0
Revenue Bonds (Holladay Park Plaza project) 1993 Series A	\$18,000,000	Holladay Park Plaza (Presbytery of the Cascades Retirement Residence, Inc.)	\$0
Refunding Revenue Bonds (Oregon Coast Aquarium project) 1993 Series A	\$14,110,000	Oregon Coast Aquarium	\$0
Revenue Bonds (Pacific Northwest Museum of Natural History project) 1993 Series A	\$3,170,000	Pacific Northwest Museum of Natural History	\$0
Revenue Bonds (Linfield College Residence Hall project) 1994 Series A	\$2,745,000	Linfield College	\$0
Revenue Bonds (George Fox College project) 1994 Series A	\$3,000,000	George Fox College	\$0
Revenue Bonds (Friendsview Manor) 1994	\$455,000	Friendsview Manor	\$0

### Traditional Bonds Issued by the Authority through June 30, 2014

Name of Obligation	Original Principal Amount	Participating Institution	Outstanding Principal Balance as of June 30, 2014
Revenue Bonds (Lewis & Clark College project) 1994	\$40,980,000	Lewis & Clark College	\$0
Adjustable Rate Revenue Bonds (Guide Dogs for the Blind, Inc.) 1995 Series A	\$14,200,000	Guide Dogs for the Blind, Inc.	\$0
Construction Financing Notes (Saint Aidan's Place, Inc. project) 1995 Series A	\$2,000,000	Saint Aidan's Place, Inc.	\$0
Variable Rate Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society project) 1995 Series A	\$5,050,000	The Evangelical Lutheran Good Samaritan Society	\$2,100,000
Revenue Bonds (Oak Tree Foundation project) 1995 Series A and Series B	\$3,500,000	Oak Tree Foundation/ Pacific University	\$0
Variable Rate Demand Revenue Bonds (PeaceHealth project) 1995	\$16,000,000	PeaceHealth	\$2,515,000
Revenue Bonds (Reed College project) 1995 Series A	\$21,330,000	The Reed Institute	\$0
Revenue Bonds (Oregon Baptist Retirement Homes — Weidler Retirement Center project) 1996 Series A	\$7,720,000	Oregon Baptist Retirement Homes	\$0
Revenue Bonds (Hawthorne Villa project) 1996 Series A	\$3,952,000	Tualatin Valley Housing Partners; Hawthorne Villa Apts	\$0
Revenue Bonds (Pier Park project) 1996 Series A	\$6,655,000	The Foundation for Social Resources; Pier Park project	\$0
Revenue Bonds (Oregon State University Alumni Association project) 1997 Series A	\$1,500,000	Oregon State University Alumni Association	\$0
Revenue Bonds (George Fox University project) 1997 Series A	\$9,000,000	George Fox University	\$0
Revenue Bonds (Society of St. Vincent de Paul Housing projects) 1997 Series A, B, C and D	\$9,200,000	Society of St. Vincent de Paul of Portland	\$0
Revenue Bonds (The National College of Naturopathic Medicine project) 1998 Series A	\$2,524,873	National College of Naturopathic Medicine	\$0
Revenue Bonds (Cedarwest Housing project) 1998 Series A	\$5,250,000	The ARC of Central Oregon	\$0
Revenue Bonds (Quatama Crossing Housing project) 1998 Series A and B	\$54,000,000	Tudor Foundation; Quatama Crossing	\$0

### Traditional Bonds Issued by the Authority through June 30, 2014

Name of Obligation	Original Principal Amount	Participating Institution	Outstanding Principal Balance as of June 30, 2014
Revenue Bonds (College Housing Northwest project) 1998	\$16,130,000	College Housing Northwest, Inc.	\$0
Revenue Bonds (Goodwill Industries of Lane County project) 1998 Series A	\$4,300,000	Goodwill Industries of Lane County	\$2,400,000
Revenue Bonds (St. Anthony Village Housing project) 1998 Series A	\$10,000,000	St. Anthony Village Enterprise	\$7,340,000
Revenue Bonds (Sacred Heart Medical Foundation project) 1998 Series A	\$10,700,000	Sacred Heart Medical Foundation	\$6,250,000
Revenue Bonds (Oregon Coast Aquarium project) 1998 Series A	\$14,110,000	Oregon Coast Aquarium	\$0
Revenue Bonds (Linfield College project) 1998 Series A	\$14,900,000	Linfield College	\$0
Variable Rate Demand Revenue Bonds (PeaceHealth) 1998 Series	\$15,000,000	PeaceHealth	\$0
Revenue Bonds (Weidemann Park project) 1998 Series A	\$2,740,000	Accessible Living, Inc.	\$0
Revenue Bonds (Trillium Affordable Housing projects) 1999 Series A and B	\$9,600,000	Portland Habilitation Center, Inc.	\$7,320,000
Variable Rate Revenue Bonds (St. Vincent de Paul Society of Lane County, Inc. projects) 1999 Series A	\$3,210,000	St. Vincent de Paul Society of Lane County, Inc.	\$0
Revenue Bonds (Aspen Foundation II – Valley View Assisted Living project) 1999 Series A	\$3,300,000	Aspen Foundation II	\$0
Revenue Bonds (YMCA project) 1999 Series A	\$2,580,000	YMCA of Columbia-Willamette	\$0
Revenue Bonds (Western States project) 1999 Series A	\$7,800,000	Western States Chiropractic College	\$0
Revenue Bonds (Hillside Manor project) 2000 Series A	\$21,650,000	Hillside Manor, a Christian Retirement Center, Inc.	\$0
Revenue Bonds (Reed College project) 2000 Series A	\$20,000,000	The Reed Institute	\$0
Revenue Bonds (Shelter America project) 2000 Series A and B	\$2,000,000	Shelter America Group	\$0
Revenue Bonds (Linfield College project) 2000 Series A	\$14,490,000	Linfield College	\$0
Variable Rate Revenue Bonds (Lewis & Clark College project) 2000 Series A	\$50,000,000	Lewis & Clark College	\$0

### Traditional Bonds Issued by the Authority through June 30, 2014

Name of Obligation	Original Principal Amount	Participating Institution	Outstanding Principal Balance as of June 30, 2014
Adjustable Rate Revenue Bonds (Assumption Village Assisted Living project) 2001 Series A	\$11,100,000	Village Enterprises	\$8,735,000
Mortgage Backed Secured Notes (Necanicum Village Assisted Living project) 2001 Series A and B	\$7,815,000	Seaside Senior Care Associates, Inc.	\$0
Adjustable Rate Revenue Bonds (Newman Commons Student Housing project) 2001 Series A	\$2,700,000	Trinity Court, LLC	\$0
Revenue Bonds (Linfield College project) 2001 Series A	\$2,000,000	Linfield College	\$0
Revenue Bonds (PeaceHealth project) 2001	\$70,000,000	PeaceHealth	\$70,000,000
Revenue Bonds (French American International School project) 2002 Series A	\$5,465,000	French American International School	\$4,185,000
Variable Rate Revenue Bonds (Lewis & Clark College project) 2002 Series A	\$20,000,000	Lewis & Clark College	\$0
Revenue Bonds (College Housing Northwest project) 2002 Series A	\$19,945,000	College Housing Northwest	\$18,030,000
Revenue Bonds (Cascadian Terrace Apartment project) 2002 Series A	\$3,440,000	Portland Affordable Housing Preservation Trust	\$2,825,000
Revenue Bonds (Hazelden Springbrook project) 2002 Series A and Series One	\$5,700,000	Hazelden Springbrook, Inc.	\$3,700,000
Variable Rate Revenue Bonds (Lewis & Clark College project) 2003 Series A&B	\$73,400,000	Lewis & Clark College	\$0
Revenue Bonds (Hearthstone Bend Housing project) 2003 Series A	\$5,800,000	Hearthstone Housing Foundation, Inc.; Vintage at Bend	\$5,395,000
Revenue Bonds (Willamette University project) 2004 Series A	\$15,075,000	Willamette University	\$0
Revenue Bonds (PeaceHealth project) 2004 Series A	\$208,350,000	PeaceHealth	\$3,200,000
Revenue Bonds (Lewis & Clark project) 2004 Series A	\$35,800,000	Lewis & Clark College	\$0
Revenue Bonds (Oregon Episcopal School project) 2004 Series A	\$12,000,000	Oregon Episcopal School	\$10,745,000
Revenue Bonds (FEDE Sacred Heart project) 2004 Series A	\$6,350,000	Faith Enhanced Development Enterprises (FEDE); Caritas Sacred Heart	\$3,425,743

### Traditional Bonds Issued by the Authority through June 30, 2014

Name of Obligation	Original Principal Amount	Participating Institution	Outstanding Principal Balance as of June 30, 2014
Revenue Bonds (College Inn Student Housing) 2005 Series A and B	\$19,320,000	College Housing Northwest-Corvallis, LLC	\$17,215,000
Revenue Bonds (Linfield College project) 2005 Series A	\$19,930,000	Linfield College	\$17,075,000
Revenue Bonds (Oregon Coast Aquarium project) 2005 Series A	\$12,965,000	Oregon Coast Aquarium	\$11,535,000
Revenue Bonds (Tenino Terrace/Powell Plaza I and II projects) 2005 Series A	\$7,475,000	AOF/Pacific Affordable Housing Corp.	\$6,475,025
Revenue Bonds (Quatama Crossing Housing project) 2005 Series A and B	\$53,732,104	Quatama Crossing LLC	\$41,430,891
Revenue Bonds (Willamette University project) 2005 Series A	\$13,000,000	Willamette University	\$0
Revenue Note (OHSU Medical Group project) 2005 Series A	\$19,000,000	OHSU Medical Group	\$0
Revenue Bonds (Western States Chiropractic College project) 2005 Series A	\$7,305,000	Western States Chiropractic	\$0
Revenue Bonds (Reed College projects) 2006 Series A	\$16,650,000	Reed College	\$0
Revenue Bonds (Guide Dogs for the Blind) 2007 Series A	\$11,775,000	Guide Dogs for the Blind	\$0
Revenue Bonds (Willamette University) 2007 Series A	\$31,820,000	Willamette University	\$30,905,000
Revenue Bonds (Childpeace Montessori Community) 2007 Series A	\$7,000,000	Childpeace Montessori Community	\$6,585,000
Revenue Bonds (PeaceHealth project) 2007 Series A and B	\$150,000,000	PeaceHealth	\$0
Revenue Bonds (Reed College projects) 2007 Series A	\$30,000,000	Reed College	\$0
Revenue Bonds (Trillium Charter) 2007 Series A and Series One	\$3,395,000	Trillium Charter	\$3,145,000
Revenue Bonds (University of Portland) 2007 Series A	\$86,570,000	University of Portland	\$74,515,000
Revenue Bonds (Reed College) 2008 Series A	\$47,060,000	Reed College	\$42,920,000
Revenue Bonds (Lewis & Clark College projects) 2008 Series A	\$106,400,000	Lewis & Clark College projects	\$0
Revenue Bonds (PeaceHealth project) 2008 Series A and B	\$344,670,000	PeaceHealth	\$145,975,000
Revenue Bonds (PeaceHealth project) 2009 Series A	\$100,795,000	PeaceHealth	\$96,375,000

### Traditional Bonds Issued by the Authority through June 30, 2014

Name of Obligation	Original Principal Amount	Participating Institution	Outstanding Principal Balance as of June 30, 2014
Revenue Bonds (Legacy Health) 2010 Series A	\$123,745,000	Legacy Health	\$75,190,000
Revenue Bonds (Willamette University projects) 2010 Series A and B	\$32,500,000	Willamette University projects	\$29,200,000
Revenue Bonds (Samaritan Health Services) 2010 Series A	\$122,055,000	Samaritan Health Services	\$122,055,000
Revenue Bonds (Linfield College) 2010 Series A	\$23,385,000	Linfield College	\$23,385,000
Revenue Bonds (Concordia University) 2010 Series A	\$21,115,000	Concordia University	\$20,225,000
Revenue Bonds (University of Western States) 2010 Series A, B and C	\$6,915,000	University of Western States	\$7,583,225
Revenue Bonds (Central City Concern) 2010 Series B	\$6,300,000	Central City Concern	\$5,649,000
Revenue Bonds (Mary's Woods at Marylhurst, Inc.) 2010 Series A	\$28,730,000	Mary's Woods at Marylhurst, Inc.	\$25,780,000
Revenue Bonds (Willamette View) 2010 Series A and B	\$33,840,000	Willamette View	\$29,860,000
Revenue Bonds (Reed College) 2011 Series A	\$40,030,000	Reed College	\$40,030,000
Revenue Bonds (Lewis & Clark College) 2011 Series A	\$108,610,000	Lewis & Clark College	\$108,610,000
Revenue Bonds (Legacy Health project) 2011 Series A	\$111,470,000	Legacy Health	\$94,390,000
Revenue Bonds (PeaceHealth project) Series 2011A and B	\$150,000,000	PeaceHealth	\$150,000,000
Revenue Bonds (Providence Health & Services (Oregon)) 2011 Series C	\$22,355,000	Providence Health & Services	\$22,355,000
Revenue Bonds (Asante Health System) 2011 Series A	\$30,000,000	Asante Health System	\$19,746,083
Student Housing Revenue Bonds (CHF-Ashland, LLC – Southern Oregon University project) 2011 Series A	\$44,155,000	CHF-Ashland, LLC – Southern Oregon University project	\$44,155,000
Revenue Bonds (OSU Bookstore Project) 2012 Series A	\$8,000,000	Oregon State University Bookstore, Inc.	\$7,885,902
Revenue Bonds (Housing Northwest, Incorporated Projects) 2013 Series A and B	\$18,005,000	College Housing Northwest	\$17,880,000
Revenue Bonds (Providence Health & Services) 2013 Series A and C	\$239,866,000	Providence	\$239,866,000

**Traditional Bonds Issued by the Authority through June 30, 2014**

<b>Name of Obligation</b>	<b>Original Principal Amount</b>	<b>Participating Institution</b>	<b>Outstanding Principal Balance as of June 30, 2014</b>
Revenue Bonds (Goodwill Industries Project) 2014 Series A and B	\$12,235,000	Goodwill	\$12,199,738
Revenue Bonds (Legacy Health Project) 2014 Series A	\$71,720,000	Legacy Health	\$71,720,000
Revenue Bonds (Mary's Woods at Marylhurst, Inc. Project) 2014 Series A	\$18,000,000	Mary's Woods	\$18,000,000
Revenue Bonds (PeaceHealth Project) 2014 Series A	\$66,060,000	PeaceHealth	\$66,060,000
<b>TOTALS</b>	<b>\$3,479,344,977</b>		<b>\$1,906,043,910</b>

## Table 2

### OFA SNAP Bonds (Small Nonprofit Accelerated Bond Program Bonds)

Set forth below is a list of SNAP bonds issued by the Oregon State Treasurer through the Oregon Facilities Authority and the outstanding balances as of June 30, 2014.

#### SNAP Bonds Issued by the Authority through June 30, 2014

Name of Obligation	Original Principal Amount	Participating Institution	Outstanding Principal Balance as of June 30, 2014
Revenue Express Bonds (The International School) 2007 Series A	\$1,494,000	The International School	\$1,225,428
Revenue Bonds (Looking Glass) 2008 Series A	\$1,447,357	Looking Glass	\$924,791
Revenue Bonds (Pearl Buck Center) 2008 Series A	\$3,040,000	Pearl Buck Center	\$1,861,398
Revenue Bonds (Albertina Kerr Centers) 2008 Series A	\$999,900	Albertina Kerr Centers	\$679,600
Revenue Bonds (Deschutes Children's Foundation) 2008 Series A	\$700,000	Deschutes Children's Foundation	\$418,235
Revenue Bonds (National College of Natural Medicine) 2008 Series A	\$5,350,000	National College of Natural Medicine	\$4,580,918
Revenue Bonds (Morrison Child & Family Services, Inc.) 2008 Series A	\$553,526	Morrison Child & Family Services	\$482,122
Revenue Bonds (NW Human Services, Inc.) 2008 Series A	\$1,850,000	Northwest Human Services	\$0
Revenue Bonds (Samaritan Health Services) 2009 Series	\$15,800,000	Samaritan Health Services	\$11,942,923
Revenue Bonds (Pacific Crest Community School) 2009 Series A	\$961,500	Pacific Crest Community School	\$847,084
Revenue Bonds (Luke-Dorf, Inc.) 2009 Series A	\$1,986,250	Luke-Dorf	\$1,744,482
Revenue Bonds (Central City Concern, Inc.) 2010 Series A	\$4,550,000	Central City Concern	\$4,235,358
Revenue Bonds (Innovative Housing, Inc.) 2011 Series A	\$1,322,000	Innovative Housing	\$1,193,429
Revenue Bonds (DePaul Treatment Centers, Inc.) 2010 Series A	\$1,550,000	DePaul Treatment Centers	\$1,411,471
Revenue Bonds (Sequoia Mental Health) 2010 Series	\$2,700,000	Sequoia Mental Health	\$2,533,362
Revenue Bonds (National College of Natural Medicine) 2010 Series	\$1,785,000	National College of Natural Medicine	\$1,465,497
Revenue Bonds (Camelot Theatre Company) 2011 Series	\$500,000	Camelot Theatre	\$453,132



### SNAP Bonds Issued by the Authority through June 30, 2014

Name of Obligation	Original Principal Amount	Participating Institution	Outstanding Principal Balance as of June 30, 2014
Revenue Bonds (Catholic Community Service Foundation) 2011 Series	\$2,820,000	Catholic Community Services Foundation	\$2,609,618
Revenue Bonds (Western Waldorf Association, Inc. dba Cedarwood Waldorf School) 2011 Series A	\$2,600,000	Western Waldorf Association, Inc. dba Cedarwood Waldorf School	\$2,411,069
Revenue Bonds (Shangri-La Corporation) 2011 Series A	\$3,580,867	Shangri-La	\$3,306,755
Revenue Bonds (ShelterCare) 2011 Series A	\$1,610,000	ShelterCare	\$1,519,941
Revenue Bonds (Planned Parenthood of Southern Oregon) 2011 Series A	\$4,000,000	Planned Parenthood of Southwestern Oregon	\$3,371,269
Revenue Bonds (Comprehensive Options for Drug Abusers, Inc. (CODA, Inc.)) 2011 Series A	\$2,363,000	Comprehensive Options for Drug Abusers, Inc. (CODA, Inc.)	\$2,221,964
Revenue Bonds (Willamette Community Health Solutions dba Cascade Health Solutions) 2012 Series A	\$4,661,160	Willamette Community Health Solutions dba Cascade Health	\$4,404,614
Revenue Bonds (Willamette Family Medical Center, Inc.) 2012 Series A	\$2,000,000	Willamette Family Medical Center	\$1,881,593
Revenue Bonds (Innovative Kinnaman, LLC) 2012 Series A	\$1,193,728	Innovative Kinnaman, LLC	\$1,132,626
Revenue Bonds (Our United Villages dba The ReBuilding Center) 2012 Series A	\$857,000	Our United Villages, dba The ReBuilding Center	\$812,055
Revenue Bonds (Morrison Child and Family Services) 2012 Series A	\$750,000	Morrison Child and Family Services	\$719,948
Revenue Bonds (Ridgeline Montessori Public Charter School) 2012 Series A	\$926,250	Ridgeline Montessori School	\$881,530
Revenue Bonds (The International School) 2012 Series A	\$2,200,000	The International School	\$2,108,465
Revenue Bonds (French American International School) 2013 Series A	\$3,627,758	French American School	\$3,251,432
Revenue Bonds (Innovative Village Square, LLC) 2013 Series A	\$1,937,365	Village Square	\$1,866,250
Revenue Bonds (Portland Waldorf School) 2013 Series A	\$2,099,433	Portland Waldorf	\$2,047,417
Revenue Bonds (Cascades Academy of Central Oregon Project) 2013 Series A	\$4,000,000	Cascades Academy of Central Oregon	\$3,946,645
<b>TOTALS</b>	<b>\$87,816,094</b>		<b>\$74,492,421</b>

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