

FORT WORTH HOUSING SOLUTIONS
COMPREHENSIVE ANNUAL FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2017

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



FORT WORTH HOUSING SOLUTIONS
COMPREHENSIVE ANNUAL FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2017

Issued by:
Department of Finance and Administration
Riza Nolasco, Vice President Finance and Administration

THIS PAGE INTENTIONALLY LEFT BLANK

**FORT WORTH HOUSING SOLUTIONS
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2017**

Section I – Introductory Section

LETTER OF TRANSMITTAL	1
LIST OF PRINCIPAL OFFICIALS	8
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	9
ORGANIZATIONAL CHART	10

Section II – Financial Section

INDEPENDENT AUDITORS' REPORT	13
MANAGEMENT'S DISCUSSION AND ANALYSIS	16
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	22
BALANCE SHEET - DISCRETELY PRESENTED COMPONENT UNITS	24
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	26
STATEMENT OF OPERATIONS AND CHANGES IN PARTNERS' CAPITAL – DISCRETELY PRESENTED COMPONENT UNITS	27
STATEMENT OF CASH FLOWS	28
NOTES TO FINANCIAL STATEMENTS	29
SUPPLEMENTAL INFORMATION	72
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – PUBLIC HOUSING	74
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – HOUSING CHOICE VOUCHERS	75
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – MODERATE REHABILITATION	76

**FORT WORTH HOUSING SOLUTIONS
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2017**

Section III – Statistical Section – (Unaudited)

FINANCIAL TRENDS

NET POSITION BY COMPONENT (LAST TEN FISCAL YEARS) – (UNAUDITED)	81
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (LAST TEN FISCAL YEARS) – (UNAUDITED)	82
EXPENSES BY FUNCTION (LAST TEN FISCAL YEARS) – (UNAUDITED)	83

REVENUE CAPACITY

FEDERAL FINANCIAL ASSISTANCE BY PROGRAM (LAST TEN FISCAL YEARS) – (UNAUDITED)	84
REVENUES BY FUNCTION (LAST TEN FISCAL YEARS) – (UNAUDITED)	85

DEBT CAPACITY

DEBT OUTSTANDING (LAST FIVE FISCAL YEARS) – (UNAUDITED)	86
RATIO OF DEBT TO CAPITAL ASSETS (LAST SEVEN FISCAL YEARS) – (UNAUDITED)	87

ECONOMIC AND DEMOGRAPHIC INFORMATION

FT. WORTH, TEXAS, PROFILE OF SELECTED SOCIAL CHARACTERISTICS: 2016 - (UNAUDITED)	88
FT. WORTH, TEXAS, PROFILE OF SELECTED DEMOGRAPHIC CHARACTERISTICS: 2016 - (UNAUDITED)	90
FT. WORTH, TEXAS, PROFILE OF SELECTED HOUSING CHARACTERISTICS: 2016 – (UNAUDITED)	92
FT. WORTH, TEXAS, PROFILE OF SELECTED ECONOMIC CHARACTERISTICS: 2016 - (UNAUDITED)	94
DEMOGRAPHIC AND HOUSING MARKET DATA FOR FORT WORTH, TEXAS AND SELECTED MARKETS: 2016 – (UNAUDITED)	96
FT. WORTH, TEXAS, PROFILE OF LARGEST EMPLOYERS: 2011-2015 (AVERAGED) AND 2016 - (UNAUDITED)	97

OPERATING INFORMATION

SCHEDULE OF UNITS AVAILABLE BY PROGRAM (LAST THIRTEEN FISCAL YEARS) – (UNAUDITED)	98
SCHEDULE OF UNITS AVAILABLE BY PROGRAM AS OF DECEMBER 31, 2017 - (UNAUDITED)	99
DEMOGRAPHIC REPORT (CURRENT PARTICIPANTS) AS OF DECEMBER 31, 2017 – (UNAUDITED)	101
DEMOGRAPHIC REPORT (WAIT LIST) AS OF DECEMBER 31, 2017 – (UNAUDITED)	102
PUBLIC HOUSING AND SECTION 8 ASSESSMENT SCORES (LAST THIRTEEN FISCAL YEARS) - (UNAUDITED)	103
NUMBER OF EMPLOYEES (LAST TEN FISCAL YEARS) – (UNAUDITED)	104

SECTION I – INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



August 10, 2018

Mrs. Terri Attaway, Chairman of the Board of Commissioners
Members of the Board of Commissioners
Housing Authority of the City of Fort Worth, Texas

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the Housing Authority of the City of Fort Worth, now with an assumed name of Fort Worth Housing Solutions (FWHS), for the fiscal year ended December 31, 2017. This report was prepared by the staff of the Finance and Administration Department, Financial Management Division and the financial statements presented herein were audited by CliftonLarsonAllen LLP, a national firm of licensed certified public accountants. The discretely presented component units were audited by Novogradac and Company LLP and Cohn Reznick LLP, also national firms of licensed certified public accountants.

I. INTRODUCTION

The data presented in this report is the responsibility of the management of FWHS. To the best of our knowledge and belief, the data as presented is accurate in all material aspects and is presented in a manner designed to present fairly the financial position, results of operations and cash flows of the agency. All disclosures necessary to enable the reader to gain a complete understanding of the agency's financial activities have been included.

The organization form and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board, the Government Finance Officers Association of United States and Canada (GFOA), the American Institute of Certified Public Accountants, and the U.S. Department of Housing and Urban Development (HUD).

The Fort Worth Housing Solutions is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Amendments of 1996, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit and the independent auditors' reports on internal control structure and compliance with applicable laws, regulations, contracts, and grants are reported under a separate Single Audit report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.



Reporting Entity and its Services

The Fort Worth Housing Solutions is an independent, public body, corporate and politic entity created by the City of Fort Worth in 1938 in accordance with enabling legislation enacted through the State of Texas Housing Authorities Law. Although it maintains close ties with the city in several respects, FWHS is not a component unit of the city as defined by pronouncements of the Governmental Accounting Standards Board since the city is not financially accountable for the operations of the agency, has no responsibility to fund deficits or receive surpluses, and has not guaranteed the agency's debt.

The governing body of FWHS is its Board of Commissioners (Board) comprised of five members appointed by the Mayor of the city. The Board selects a resident to administer the affairs of the agency. The primary source of funding for the agency is the U.S. Department of Housing and Urban Development, which oversees the expenditures of the HUD-funded programs.

The primary goal of the agency is to provide adequate quality affordable accessible housing in a living environment that integrates low and moderate income individuals and families into the greater community without discrimination. The second goal is to create economic opportunities for these individuals and families to become self-sufficient. To accomplish these goals, FWHS participates in a number of housing programs, which are further detailed in the notes to the basic financial statements included in this report.

This report includes all funds of the agency, as well as its component units. Component units are legally separate entities for which a government is financially accountable. The tax credit properties are presented as discretely presented components units.

Economic Condition and Outlook

The agency's ability to successfully provide housing through its major programs is affected by the country's economic conditions and outlook. Its financial position is directly affected by the level of federal appropriations from HUD for the majority of its programs. At the end of the year, FWHS has 983 units in its public housing inventory and 189 units in its Rental Assistance Demonstration (RAD) inventory. The agency plans to convert all its public housing units to RAD. It also administers 5,104 baseline units under the Housing Choice Voucher program and additional 439 units under the Mainstream 5 and VASH programs. It also receives funds from HUD, the state, and the city of Fort Worth to administer special programs namely, Mod Rehab, Continuum of Care, Directions Home, Healthy Community Collaborative and Homeless Housing and Services Programs to serve homeless persons with disabilities such as serious mental illness, chronic substance abuse, and/or AIDS and related diseases. There are 710 units allotted for these special programs.

Public housing authorities have received less than 100% of their full operating subsidy eligibility from HUD for the past several years. For 2017 the total eligibility was prorated at 93.10%, a slight increase from 2016's 90.21%. The administrative fee for Housing Choice Voucher program was funded at 77%, which was worse than the prior year's 84%. With perhaps the exception of voucher renewals that receive a proration of 97 to 99%, other programs remain deeply underfunded. For 2018, funding proration's facing housing authorities are grossly insufficient. The voucher administrative fee is currently prorated at 77%; but, hopefully may go up at the end of the year. The public housing operating subsidy has an interim proration level of 93.27%. The final proration, which will be published towards the end of the year will reflect the percent of the appropriation to the amount of the actual eligibility for final approved PHA subsidy requests.

The agency has managed to offset the effects of the reduced federal funding by managing costs, leveraging resources and successfully competing for other federal grants. It will continue along the path of becoming more entrepreneurial to increase non-HUD revenues. At the end of 2017, the Authority had a total of 3,285 privately managed affordable and market rate units. This total also includes 80 Section 8 project based units. In 2018 FWHS plans to acquire more properties to pursue its objectives of increasing nonfederal revenues and to increase affordable housing opportunities to the community it serves.

Major Initiatives

Cavile Place Revitalization Plan

Cavile Place is a public housing property consisting of 300 units located in east Fort Worth. The Fort Worth Housing Solutions and the Fort Worth Housing Finance Corporation agreed to jointly fund the development of a transformation plan, Cavile Place and Historic Stop Six Neighborhood Transformation Plan, to revitalize this neighborhood. This transformation plan is comprehensive and requires the support of FWHS, the city of Fort Worth, HUD and other public and private organizations. The 10-year plan will cost approximately \$112 million and will include the razing of the 300 units, rebuilding 225 units in a modern complex on the site and redistributing the rest in the surrounding neighborhoods, building a community garden as central gathering spot, improving East Rosedale Street as landing spot for hoped-for retail and other commercial uses, and heightening the focus on education and job training.

FWHS intends to replace the 300 Cavile public housing units with 300 RAD units through various phases of development. Various pieces of lands in the surrounding areas were acquired as part of this development plan. If RAD conversion turns out to be not the most feasible way to redevelop the property, FWHS will consider Section 18, Demolition and Disposition of Public Housing.

Rental Assistance Demonstration, Project Based Rental Assistance

In July 2012, HUD issued the final implementation notice, which allows for public housing properties to be converted to long-term project-based Section 8 rental assistance contracts. HUD has approved a "portfolio award" to Fort Worth Housing Solutions to convert all its remaining public housing units to RAD, Project Based Rental Assistance units.

At the end of 2017, FWHS has 189 RAD units. The remaining public housing units will convert as follows:

- In existing public housing mixed communities
- In existing nonpublic housing affordable and market rate housing communities
- In new mixed housing communities

Butler Place consists of 412 family units located next to the agency's administrative offices. The RAD conversion for this property is currently proposed as a 20-phase project conversion. Additionally, FWHS, the city of Fort Worth, Downtown Fort Worth, Inc. and Fort Worth Independent School District have engaged the Urban Land Institute to assist with developing recommendations for the redevelopment of this location.

Transit-Oriented Development

Plans are underway to build the city's first transit-oriented development on a two-acre park-and-ride lot and bust stop, in the South Main Village area in Fort Worth. The \$94.3 million project will include apartments, retail and potentially a boutique hotel and will have direct access to the Trinity Railway Express and the 27-mile TEXRail line to DFW airport, which is set to open in late 2018. The apartment building will include market-rate and rent-restricted housing, including apartments reserved for resident being relocated from Butler Place.

Homeownership Programs

The agency has developed a homeownership plan for the purpose of increasing homeownership closings under the Housing Choice Voucher Homeownership program. In September 2008, HUD approved the agency's request to implement its Section 32 Homeownership Program for the sale of 85 public housing scattered sites. At the end of 2017, only 1 unit remains in the inventory. This achieved both HUD's and the agency's objective of providing low-income families the opportunity to own their own home.

QuadCo Management Solutions, Inc.

As part of the agency's long-range plan to become financially self-sufficient and to expand and manage its affordable housing portfolio, it sponsored an affiliate, QuadCo Management Solutions, Inc. to manage its newly acquired complexes and soon assume management of its other affordable housing properties currently managed by private management companies. QuadCo has expanded its portfolio outside of Fort Worth in 2012 and has continued its quest to absorb more. However, in order to fulfill its goals of managing properties under its portfolio to the fullest, it has recently decided to focus only on properties located in the Fort Worth area.

Energy Performance Contract

In November 2006, HUD approved the agency's energy performance contract with Ameresco, Inc. for a total leased amount of \$2,244,131 for efficiency measures that include water, electric and gas for its public housing developments. HUD specifically approved the frozen rolling base and additional operating subsidy eligibility conservation incentives, which the agency incorporated in its operating subsidy calculation starting in 2008. As part of the RAD implementation process, the loan was paid in 2016. Although no longer in the agency's books, it is to be noted that FWHS is the first housing authority in the region to adopt this energy performance initiative.

Resident and Community Programs

The Housing Authority of the City of Fort Worth has been instrumental in empowering residents to achieve personal and economic independence while also providing families, children, and seniors the opportunity to grow and develop in healthful surroundings. Through its collaborative partnerships with over 100 community public and private partners, the Authority provides program participants with tools to access education, vocational training, employment, transportation, daycare, health care and other ancillary services that empower them to achieve goals. FWHS continues to pursue funding for these various resident programs as HUD does not fund these initiatives although encouraged.

II. FINANCIAL INFORMATION

Accounting Systems

The agency's management is responsible for establishing and maintaining an internal control structure designed to ensure that the agency's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and that the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, FWHS is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws, regulations, contracts, and grants related to this assistance. These internal controls are subject to periodic evaluation by management and independent auditors.

Budgetary Controls

The objective of budgetary controls maintained by the agency is to ensure compliance with legal provisions embodied in the annual budgets approved by the Board of Commissioners. The agency's budgetary controls are established at the account class or function level for all funds and reported on a monthly basis. Activities of the Low Rent Public Housing Fund, Assisted Housing Funds, and Central Office Cost Center, Affordable and Market Rate Properties and other major funds are included in the annual budgeting process. The annual budgets and all revisions thereof as a result of changes in operations and estimates are proposed by the President and submitted to the Board for approval. Project-length financial plans are adopted for all multi-year HUD grants.

Long-term Financial Plans

Due to continuous decrease in federal funding, the agency strategically finds ways to operate efficiently and effectively. The 2013 sequestration has paved the way to the adoption of various cost saving measures to reduce operating deficits. The agency will aggressively continue its plans of acquiring and developing more properties that will yield unrestricted profits in the years to come. Strategic plans and Annual Agency Plan that is submitted to HUD, are monitored to ensure implementation.

Enterprise Fund Operations

The agency's financial activities are consolidated into a single Enterprise fund and consists of the following distinct operational areas:

HUD Funded Operations

Programs receiving HUD assistance as of December 31, 2017 included the following: Low Rent Public Housing (consisting of 983 units in 9 Asset Management Projects); Rental Assistance Demonstration (consisting of 189 units), Housing Choice Vouchers (consisting of 5,104 units eligible for assistance in privately owned units); Mainstream 5 and VASH programs (consisting of 439 units), and Continuum of Care, Mod Rehab, Directions Home (consisting of 710 eligible units) for homeless and HIV+ individuals. Related expenditure programs of the above

operations include Capital Fund, Resident Opportunity and Self-Sufficiency, and Public Housing and Housing Choice Voucher Family Self-Sufficiency Coordinator grants.

State/Local Operations

State and Local Program Operations include the Oil and Gas royalty receipts, Section 32 Homeownership Program receipts, Developer fees and other activities related to the administrative fees earned from prior years outside of the regular Assisted Housing programs and the fees earned in the refinancing of the Peppertree Acres Series 1992 Bonds. Various grants and other receipts are also accounted for under this category.

Component Units/Business Activities Operations

The agency has affiliates and properties that are reported as blended component units under Business Activities. These include Gateway Public Facility Corporation, Villas of Oak Hill Apartments, Fort Worth Affordability, Inc., Spring Hill and Spring Glen Apartments Sales Proceeds, Woodmont Apartments GP, LLC, Post Oak Apartments, LP, Hillside Apartments, Carlyle Crossing Apartments, Eastwood Public Facility Corporation, Hillside Public Facility Corporation/Knights of Pythias Lofts, Trinity River Public Facility Corporation, Aventine Tarrant Parkway Apartments, LP, QuadCo Management Solutions, Inc., Fair Oaks Public Facility Corporation, Fair Park Public Facility Corporation, Overton Square, LP, Pennsylvania Place Apartments, LP, Cavile Public Facility Corporation, Western Hills Affordable Housing, GP, LLC, Pioneers of Samuels, LLC, Candletree Homes, LLC, Chisholm V Corporation, Wind Terrace, Inc. and Barbara Holston Education Fund. The discretely presented component units include the Western Hills Affordable Housing, LP, South Hulen, LP, Samuels Avenue, LP, Lincoln Terrace, LP, Trinity Quality Housing LP, Cobb Park Townhomes II, LP, FW Hunter Plaza, LP, LDG Stallion Pointe, LP, Hometowne at Matador Ranch, LP, Woodmont Apartments, LP, FW Alton Park, LP, FW Campus Apartments, LP, and The Standard at Boswell Marketplace, LP.

III. OTHER INFORMATION

Awards

The Housing Authority of the City of Fort Worth, Texas has mostly been designated a high performer since 1992 under HUD's Public Housing Assessment System (PHAS), which measures the performance of the nation's public housing. FWHS has also received high performer status for the Section Eight Management Assessment Program (SEMAP), which provides for objective measurement of performance of a public housing agency in key areas of the Housing Choice Voucher Program. FWHS is one of a select number of public housing authorities across the United States that has consistently achieved this status. It also has received numerous State, Regional, and National awards from the National Association of Housing and Redevelopment Officials.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the fiscal year ended December 31, 2016. This was the 15th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report was accomplished through the dedicated efforts of the entire staff of the Finance and Administration Department, Financial Management Division. Each staff member has our sincere appreciation for the contributions made in the preparation of this report.

We finally wish to take this opportunity on behalf of the staff and residents of the Fort Worth Housing Solutions to thank the members of the Board of Commissioners for their leadership and support in planning and conducting the financial operations of the Authority.

Respectfully submitted,



Mary-Margaret Lemons
Interim President



Riza Nolasco
Vice President Finance and Administration

FORT WORTH HOUSING SOLUTIONS

**LIST OF PRINCIPAL OFFICIALS
December 31, 2017**

Board of Commissioners

Terri Attaway
Chairman

Richard Stinson
Vice Chairman

Michael Ramirez
Commissioner

Danny Scarth
Commissioner

Resident Commissioner
Vacant

Executive Staff

Mary-Margaret Lemons
President

Riza Nolasco
Vice President Finance and Administration

Selarstean Mitchell
Vice President Assisted Housing

Sonya Barnette
Vice President Resident & Community Programs

Heather Raiden
General Counsel

Vice President Development and Asset Management
Vacant



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Housing Authority of the City
of Fort Worth, Texas**

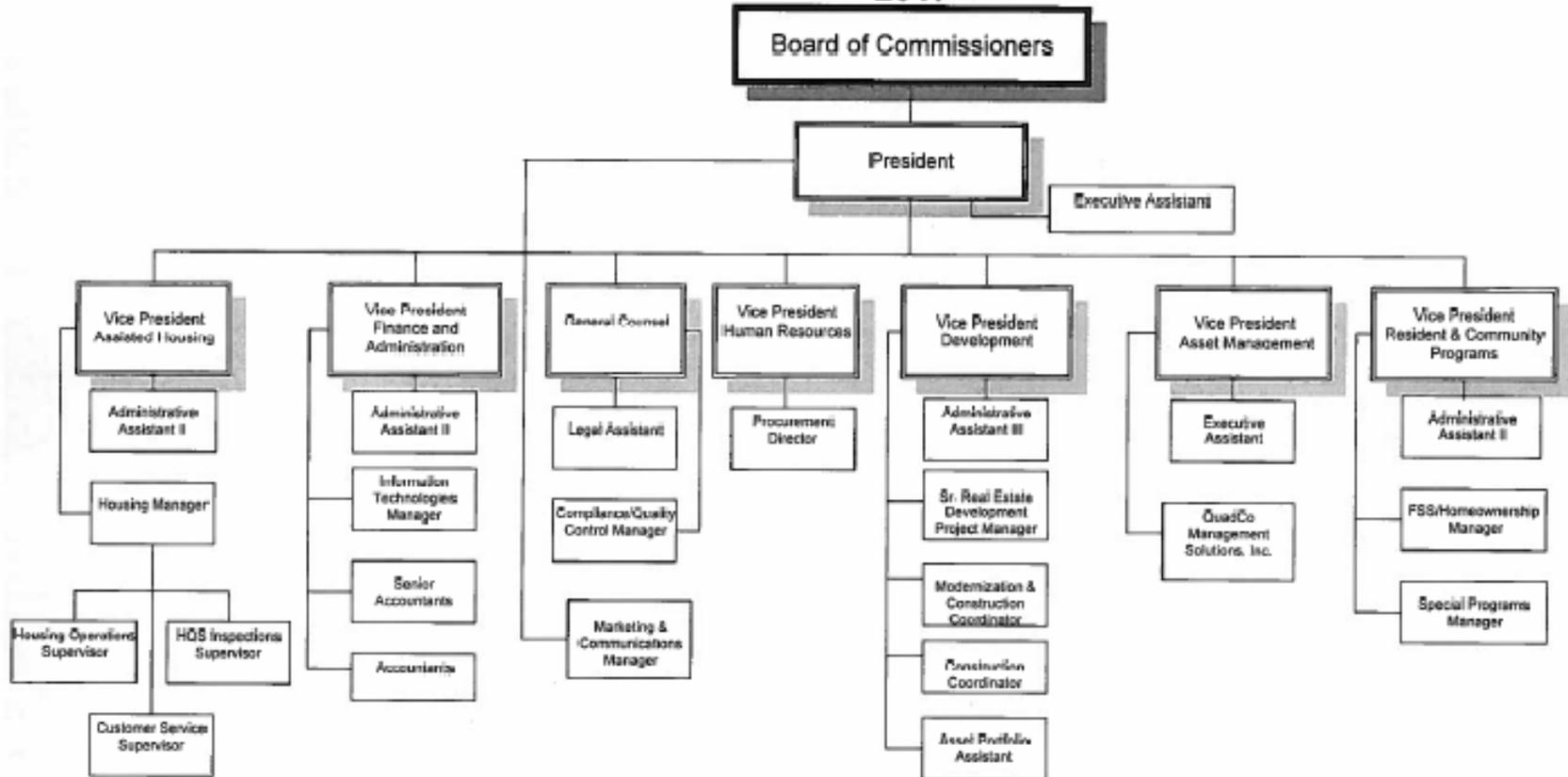
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

Organizational Chart 2017



SECTION II – FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Fort Worth Housing Solutions
Fort Worth, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the enterprise fund and the aggregate discretely presented component units of Fort Worth Housing Solutions (FWHS) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise FWHS' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Overton Square, LP, Pennsylvania Place Apartments, LP and Aventine Tarrant Parkway Apartments, LP which are blended component units of FWHS. These component units represent 18%, -16%, and 7%, respectively, of the assets, net position, and revenues of the enterprise fund. We did not audit the financial statements of Candletree Apartments, Villas On the Hill, Samuels Avenue, Cambridge Court, Wind River, Villas by the Park, Hunter Plaza, Stallion Pointe, Post Oak, Woodmont and Matador Ranch, the discretely presented component units which represent 73%, 78%, and 67%, respectively, of the assets, net position and revenues of the discretely presented component units. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standard Board, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Candletree Apartments, Villas On the Hill, Samuels Avenue, Cambridge Court, Wind River, Villas by the Park, Hunter Plaza, Stallion Pointe, Post Oak, Woodmont and Matador Ranch, is based solely on the report of the other auditors.

We have applied audit procedures on the conversion adjustment to the financial statements of Overton Square, LP, Pennsylvania Place Apartments, LP and Aventine Tarrant Parkway Apartments, LP, to conform those financial statements to present in accordance with accounting standards issued by the Governmental Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for Overton Square, LP, Pennsylvania Place Apartments, LP and Aventine Tarrant Parkway Apartments, LP, prior to these conversion adjustments, is based solely on the report of the other auditors. 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.

The other auditors audited the financial statements of Overton Square, LP, Pennsylvania Place Apartments, LP, Aventine Tarrant Parkway Apartments, LP and the discretely presented component units in accordance with auditing standards generally accepted in the United States of America, and were not in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund and the aggregate discretely presented component units of FWHS as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 21 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 of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise FWHS' basic financial statements. The schedules of budget to actual listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of budget to actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2018, on our consideration of FWHS' 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 result of that testing, and not to provide an opinion on the effectiveness of 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 FWHS' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
August 10, 2018

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Fort Worth Housing Solutions (FWHS) is proud to provide this narrative overview and analysis of FWHS' financial activities for the year ended December 31, 2017. It is designed to identify changes in FWHS' financial position as well as individual fund issues or concerns. It should be read in conjunction with the Financial Statements following this Management's Discussion and Analysis (MD&A), and the Notes to the Financial Statements.

The MD&A is presented in conformance with the Governmental Accounting Standards Board (GASB) financial reporting model as set forth in GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These financial reporting standards require the inclusion of 3 basic financial statements, namely the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

This MD&A covers the Enterprise Fund only.

FINANCIAL HIGHLIGHTS

- Assets of FWHS exceeded liabilities at December 31, 2017 by \$64.1 million (net position). This amount represents a decrease of approximately \$7.2 million from the balance at December 31, 2016. This decrease is consistent with the downward change in net position as shown on the Statement of Revenues, Expenses, and Changes in Net Position. The decrease is mainly due to the transfer in of negative net position for Aventine Tarrant Parkway Apartments, LP, owner of Aventine Apartments in the amount of \$3.9 million. This property became a blended component unit when the partnership agreement was amended in November 2017 to allow the withdrawal of the existing limited partners and admit new limited partners, which are entities related to FWHS.
- FWHS' cash and cash equivalents and investments balance as of December 31, 2017 was \$45.7 million representing a decrease of \$10 million from December 31, 2016. This decrease includes the \$5.3 million decrease in Blended Component Units, \$2.1 million decrease in State & Local, and \$3.2 million decrease in HCVP. Funds from Gateway Public Facility Corporation were used for the acquisition and development of Stallion Pointe and Standard at Boswell properties (\$1.5 million), for covering the 2017 operating deficits for the Central Office Cost Center and HCVP (\$1.4 million) and also for acquiring and maintaining Cavile lots (\$.6 million). Spring Glen sales proceeds were used to acquire and develop Campus Apartments in the amount of \$1.9 million. The discretionary funds reported under State & Local were used to cover the additional operating deficits for Central Office Cost Center and HCVP in the amount of \$2.1 million. The HAP and administrative fees in the amount of \$3.2 million for January 2017 were received in December 2016, thereby increasing the cash position of the Housing Choice Voucher Program at the end of 2016. This also caused a decrease of \$3.2 million in cash for the program in 2017 when compared to FY 16

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

OVERVIEW OF THE FINANCIAL STATEMENTS

Our analysis of FWHS' financial information as a whole asks the most important question, "Has FWHS' financial health improved or declined as a result of the year's activities?" The following analysis of entity-wide net assets, revenues, and expenses is provided to assist with answering this question. This analysis includes all assets and liabilities using the accrual method of accounting, which recognizes revenue when earned and expenses when incurred regardless of when cash is received or paid.

Statement of Net Position

The Statement of Net Position presents information about FWHS' assets and liabilities and is similar to a balance sheet. The Statement of Net Position reports all financial and capital resources for FWHS. The statement is presented in the format where assets and deferred outflow of resources, minus liabilities and deferred inflow of resources, equals net position. Assets and liabilities are presented in order of liquidity and are classified as "current" (convertible to cash within one year), and "noncurrent." Increases or decreases in net position will serve as a useful indicator of whether the financial position of FWHS is improving or deteriorating.

	2017	2016
Current Assets	\$ 54,756,663	\$ 61,329,558
Noncurrent Assets	21,435,197	16,748,489
Capital Assets, Net	102,570,685	80,755,716
Total Assets	<u>178,762,545</u>	<u>158,833,763</u>
Current Liabilities	20,915,999	11,361,267
Long-Term Liabilities	93,739,554	72,945,436
Total Liabilities	<u>114,655,553</u>	<u>84,306,703</u>
Deferred Inflow Of Resources	<u>-</u>	<u>3,192,899</u>
Net Position:		
Net Investment in Capital Assets	7,289,639	6,314,951
Restricted Net Position	7,006,009	5,891,842
Unrestricted Net Position	49,811,344	59,127,368
Total Net Position	<u>64,106,992</u>	<u>71,334,161</u>
Total Deferred Inflow of Resources, Liabilities and Net Position	<u>\$ 178,762,545</u>	<u>\$ 158,833,763</u>

Total assets of FWHS at December 31, 2017 amounted to \$178.8 million. This amount represents an increase of approximately \$19.9 million from the balance at December 31, 2016. Again, this increase is mainly due to the inclusion of Aventine Tarrant Parkway Apartments, LP, which recorded a total assets of \$14.9 million as of the end of the year. This became a blended component unit as a result of an amendment to the partnership agreement in November 2017.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Current assets are comprised of cash and cash equivalents and investments, accounts receivable, inventories and prepaid expenses. The noncurrent assets include capital assets, long-term notes receivable and other assets. Capital assets include land, buildings, construction in progress and furniture and equipment and are shown net of accumulated depreciation.

Total liabilities of FWHS, which are broken down into current and long-term portions, amounted to \$114.7 million at December 31, 2017. This balance represents an increase of approximately \$30.3 million from what was reported at the end of 2016. As total assets increased due to the inclusion of Aventine Tarrant Parkway Apartments, LP, total liabilities also increased. This property caused the bulk of the increase.

Current liabilities include accounts payable and other accrued liabilities, deferred revenue, and the current portions of the notes and bonds payable. A liability is considered current if it is due within one year. The long-term liabilities are comprised of the long-term portion of the notes and bonds payable and compensated absences. Additional information regarding the composition of the Statement of Net Assets is detailed in Section II of this report in the Notes to the Financial Statements.

Net position represents the equity of FWHS after liabilities are subtracted from assets. Net position is divided into three major categories. The first category, Net Investment in Capital Assets, shows FWHS' equity in land, building structures, construction in progress and furniture and equipment, net of related capital debt outstanding. The next category, Restricted Net Position, has external limitations on the way in which it may be used. The last category, Unrestricted Net Position, is available to use for any lawful and prudent purpose of FWHS. Total Net Position of FWHS decreased by approximately \$7.2 million during the year ended December 31, 2017. Please refer to the Financial Highlights section for details of this decrease.

Statement of Revenues, Expenses, and Changes in Net Position

The purpose of the statement of revenues, expenses, and changes in net position is to present the revenues earned and the expenses incurred, both operating and nonoperating and any other revenues, expenses, gains, and losses received or spent by FWHS. Generally, operating revenues are amounts received for providing housing to FWHS' residents. Operating expenses are those paid to maintain the housing units and provide other services for the residents. Nonoperating revenues are funds received for which goods and services are not provided.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2017	2016
Operating Revenues		
Net Tenant Rental Revenue	\$ 18,786,196	\$ 16,241,967
HUD Operating Grants	49,094,077	48,150,053
Other Revenue	7,975,145	10,318,160
Total Operating Revenue	75,855,418	74,710,180
Operating Expenses		
Administrative	14,340,179	14,544,441
Tenant Services	180,126	159,819
Utilities	3,039,972	2,806,977
Ordinary Maintenance and Operations	5,023,953	4,540,413
General and Other	6,430,023	2,612,094
Housing Assistance Payments	41,698,228	40,003,577
Depreciation	4,856,333	4,506,308
Total Operating Expenses	75,568,814	69,173,629
Operating Income	286,604	5,536,551
Nonoperating Revenues		
Investment Income	305,572	140,065
Gain on Sale of Capital Assets	16,567	43,484
Other Gains/Revenues	(3,879,360)	25,000
Total Non-Operating Revenues	(3,557,221)	208,549
Nonoperating Expenses		
Interest Expense	3,899,217	3,315,615
Casualty Loss	813	3,336
Equity - Aventine	56,522	2,892,554
Total Nonoperating Expenses	3,956,552	6,211,505
Nonoperating Income (Loss)	(7,513,773)	(6,002,956)
Change in Net Position	(7,227,169)	(466,405)
Net Position - Beginning	71,334,161	71,800,566
Net Position - Ending	\$ 64,106,992	\$ 71,334,161

Fiscal year 2017 resulted in operating income of \$287 thousand, an unfavorable change of \$5.2 million from 2016. Total operating revenues increased by \$1.1 million and total operating expenses increased by \$6.4 million. The increase in both categories was mainly due to the activity of Aventine Tarrant Parkway Apartments, LP. FWHS had also incurred additional expenses due to RAD conversion process and acquisition and development of new properties.

Total nonoperating revenues increased by \$113 thousand due to increase in investment income.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

As shown on the above financial statements, the overall financial position of FWHS has decreased compared to last year as a result of the year's financial activities. The reason for this, as this MD&A explains, is due to a change in reporting process. As in the past, FWHS was active in engaging into ventures that would increase its interests in the properties under its affordable housing portfolio. The operation and administration of FWHS' programs were maintained at their highest levels.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The summary below shows the balances by line item for 2017 and 2016. Additional details for activities affecting capital assets are presented in Note 6 of the Notes to the Financial Statements included in Section II of this report.

	<u>2017</u>	<u>2016</u>
Land	\$ 26,692,402	\$ 13,522,706
Buildings	148,509,618	129,182,732
Furniture, Equipment and Machinery - Dwellings	2,611,977	2,940,681
Furniture, Equipment and Machinery - Administrative	3,403,118	2,838,198
Leasehold Improvements	9,611,502	9,611,050
Construction in Progress	126,254	281,798
Total Capital Assets	<u>190,954,871</u>	<u>158,377,165</u>
Less: Accumulated Depreciation	<u>(88,384,186)</u>	<u>(77,621,449)</u>
Net Capital Assets	<u>\$ 102,570,685</u>	<u>\$ 80,755,716</u>

Debt Administration

FWHS made its required debt service payments during the audit period. The table below shows the outstanding debt at the end of 2017 as compared to the end of the previous year. Additional details for activities affecting outstanding debt are presented in Note 8 of the Notes to Financial Statements included in Section II of this report.

	<u>2017</u>	<u>2016</u>
Bonds, Notes, and Loans Payable	<u>\$ 95,281,046</u>	<u>\$ 74,440,765</u>

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

ECONOMIC FACTORS

The majority of FWHS' funding is from HUD in the form of operating subsidies, capital fund grants, housing assistance payments, administrative fees and other smaller grants. These represented about 64% of FWHS' total revenues in 2017. Additionally, a majority of its \$102.6 million net capital assets as of December 31, 2017 were acquired and or developed over the years with financial assistance from HUD. Such assistance has typically come with use restrictions and generally limits FWHS' ability to encumber or leverage debt financing against HUD properties in its portfolio.

Several significant economic factors affecting FWHS are as follows:

- Congress and the federal government continue to cut housing subsidies due to a shift in federal budget priorities. This funding shift impacts FWHS' economic position because federal housing dollars make up the largest source of revenue for FWHS. Based on HUD's funding letters and notices, most programs will continue to receive renewal funding; however, it will still be less than 100% of eligibility. Due to this uncertainty, FWHS continues to search for other financial resources in order to continue its programs.
- The Department of HUD has historically under-estimated the subsidy and administrative fee needs of public housing authorities. In 2017 the operating fund and housing voucher administrative fee were prorated at 93.10% and 77%, respectively.
- The economic condition in the Fort Worth metropolitan area generally tracks with the national trend. The need for affordable housing is as strong as ever. FWHS is continuing to meet this need by looking for innovative ways to finance new projects and turning to the private sector for more support.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of FWHS' finances for interested parties. Questions concerning any of the information presented in this report or requests for additional information should be addressed to:

Riza Nolasco, Vice President Finance and Administration
Fort Worth Housing Solutions
1201 E. 13th Street
Fort Worth, Texas 76102
www.fwhs.org (Fort Worth Housing Solutions website)

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

		<u>Enterprise Fund</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$	37,804,080
Cash and Cash Equivalents - Restricted		7,918,967
Accounts Receivable - HUD		298,396
Accounts Receivable - Tenants (Net of Allowance)		70,103
Accounts Receivable - Other (Net of Allowance)		6,469,372
Prepaid Expenses		562,465
Notes and Capital Lease Receivable - Current		217,961
Due from Discretely Presented Component Units		1,415,319
Total Current Assets		<u>54,756,663</u>
NONCURRENT ASSETS		
Capital Assets:		
Land		26,692,402
Buildings		148,509,618
Furniture, Equipment and Machinery - Dwelling		2,611,977
Furniture, Equipment and Machinery - Administration		3,403,118
Leasehold Improvements		9,611,502
Construction in Progress		126,254
		<u>190,954,871</u>
Accumulated Depreciation		<u>(88,384,186)</u>
Total Capital Assets		<u>102,570,685</u>
Notes and Capital Lease Receivable - Noncurrent		19,166,007
Other Assets		973,056
Investment in Joint Ventures		1,296,134
Total Noncurrent Assets		<u>124,005,882</u>
Total Assets	\$	<u><u>178,762,545</u></u>

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF NET POSITION - CONTINUED
DECEMBER 31, 2017**

	<u>Enterprise Fund</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	\$ 790,154
Accounts Payable - HUD	26,289
Accrued Wages and Payroll Taxes Payable	314,524
Current Portion of Notes Payable	1,915,842
Accrued Compensated Absences - Current	364,586
Accrued Interest Payable	2,271,644
Tenant Security Deposits	534,317
Unearned Revenue	13,460,868
Other Current Liabilities	946,289
Due to Discretely Presented Component Units	291,486
Total Current Liabilities	<u>20,915,999</u>
LONG-TERM LIABILITIES	
Notes Payable, Net of Current Portion	93,365,204
Accrued Compensated Absences - Noncurrent Portion	135,447
Noncurrent Liabilities - Other	238,903
Total Long-Term Liabilities	<u>93,739,554</u>
Total Liabilities	114,655,553
NET POSITION	
Net Investment in Capital Assets	7,289,639
Restricted Net Position:	
Operating Reserves	2,895,650
Replacement Reserves	2,255,748
Escrow Reserves	1,650,334
Construction Reserves	181,953
HAP Equity	22,324
Unrestricted Net Position	49,811,344
Total Net Position	<u>64,106,992</u>
Total Liabilities and Net Position	<u>\$ 178,762,545</u>

See accompanying Notes to Financial Statements

FORT WORTH HOUSING SOLUTIONS
BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2017

	Candletree Apartments	Villas On the Hill	Samuels Avenue	Villas by the Park	Wind River	Cambridge Court	Hunter Plaza	Stallion Pointe	Post Oak	Matador Ranch	Woodmont	Alton Park	Campus Villas	Standard at Boswell	Total Memorandum Only
ASSETS															
Cash and Cash Equivalents	\$ 339,338	\$ 9,450	\$ 123,149	\$ 511,208	\$ 332,941	\$ 246,220	\$ 205,302	\$ 48,398	\$ 113,331	\$ 129,866	\$ 59,615	\$ 500	\$ 500	\$ 13,335	\$ 2,133,153
Restricted Cash	795,745	569,551	57,858	454,910	690,734	1,123,734	735,487	5,492,883	226,491	732,426	131,684	14,499,970	19,806,887	1,222	45,319,582
Accounts Receivable	1,277	5,213	2,934	34,090	-	20,550	11,352	6,791	-	2,939	4,228	-	-	-	89,374
Tenant Accounts Receivables	-	-	-	-	-	-	-	-	10,221	-	-	-	-	-	10,221
Notes Receivable, Current Portion	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	10,000
Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-	-	-	24,275	-	24,275
Due from Related Parties	6,290	44,753	1,820	34,837	712	24,512	44,865	-	-	-	3,208	-	227,991	-	388,988
Prepaid Expenses	22,591	9,418	6,616	45,199	17,586	46,839	103,767	123,930	27,448	106,161	58,909	3,063,976	1,038,951	2,554,972	7,226,363
Prepaid Ground Lease	-	-	173,370	-	390,298	-	-	2,576,037	-	-	1,132,605	-	-	-	4,272,310
Fixed Assets, Net of Accumulated Depreciation	9,790,184	7,158,309	2,656,183	6,248,495	10,232,000	9,175,679	27,005,909	31,244,660	11,292,604	12,498,411	17,039,828	5,588,306	4,453,142	8,056,393	162,440,103
Capitalized Costs, Net of Accumulated Amortization	-	36,034	-	-	40,563	-	69,975	60,050	10,159	16,892	25,450	-	-	-	259,123
Deferred Charges, Net of Accumulated Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 10,955,425	\$ 7,832,728	\$ 3,021,930	\$ 7,328,739	\$ 11,704,834	\$ 10,637,534	\$ 28,176,657	\$ 39,552,749	\$ 11,680,254	\$ 13,486,695	\$ 18,455,527	\$ 23,152,752	\$ 25,561,746	\$ 10,625,922	\$ 222,173,492

See accompanying Notes to Financial Statements

FORT WORTH HOUSING SOLUTIONS
BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNITS – CONTINUED
DECEMBER 31, 2017

	Candletree Apartments	Villas On the Hill	Samuels Avenue	Villas by the Park	Wind River	Cambridge Court	Hunter Plaza	Stallion Pointe	Post Oak	Matador Ranch	Woodmont	Alton Park	Campus Villas	Standard at Boswell	Total Memorandum Only
LIABILITIES															
Accounts Payable	\$ 10,452	\$ 32,419	\$ 10,934	\$ 33,697	\$ 13,120	\$ 29,107	\$ 45,814	\$ 56,838	\$ -	\$ 7,876	\$ 3,429	\$ -	\$ 579,950	\$ 1,297,366	\$ 2,121,002
Security Deposits Payable	41,725	11,567	6,601	40,945	30,526	62,986	39,062	17,008	60,279	48,355	67,440	-	-	-	426,494
Prepaid Revenue	3,017	7,030	5,842	10,546	6,154	25,896	41,524	471	27,139	8,426	2,565	-	-	-	138,610
Accrued Interest	1,061,801	7,357	21,285	-	1,723	18,032	390,069	115,139	58,093	653,988	580,909	-	-	-	2,908,396
Accrued Expenses	21,207	3,614	736	15,451	11,894	24,632	9,327	4,446	12,122	30,328	54,045	-	-	-	187,802
Other Current Liabilities	14,450	-	-	-	-	-	-	-	-	-	-	1,600,852	94,188	-	1,709,490
Interest Rate Swap Liability	-	-	-	-	-	-	-	-	-	-	798,908	-	-	-	798,908
Contractor Payable	-	-	-	-	-	-	-	4,167,063	822,375	-	-	-	-	-	4,989,438
Retainage Payable	-	-	-	-	-	-	-	2,055,485	-	-	-	-	-	-	2,055,485
Due to Related Parties	75,327	13,274	144,938	43,772	19,898	194,678	944,710	108,150	745,145	12,812	154,481	-	1,916,451	1,000,000	5,373,636
Exchange Fund Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Grant Income	-	2,091,775	-	-	-	-	-	-	-	-	-	-	-	-	2,091,775
Development Fee Payable, Including Accrued Interest	306	-	503,929	-	539,326	-	802,488	1,736,243	496,275	1,966,897	216,760	-	-	-	6,262,224
Long-Term Debt, Net of Unamortized Debt Issuance Costs	5,872,427	5,857,827	1,558,985	4,544,065	3,914,454	5,257,081	16,971,258	28,081,150	12,403,947	10,778,013	16,878,177	20,000,000	19,658,000	5,373,452	157,148,836
Total Liabilities	7,100,712	8,024,863	2,253,250	4,688,476	4,537,095	5,612,412	19,244,252	36,341,993	14,625,375	13,506,695	18,756,714	21,600,852	22,248,589	7,670,818	186,212,096
PARTNERS' CAPITAL	3,854,713	(192,135)	768,680	2,640,263	7,167,739	5,025,122	8,932,405	3,210,756	(2,945,121)	(20,000)	(301,187)	1,551,900	3,313,157	2,955,104	35,961,396
Total Liabilities and Partners' Capital	\$ 10,955,425	\$ 7,832,728	\$ 3,021,930	\$ 7,328,739	\$ 11,704,834	\$ 10,637,534	\$ 28,176,657	\$ 39,552,749	\$ 11,680,254	\$ 13,486,695	\$ 18,455,527	\$ 23,152,752	\$ 25,561,746	\$ 10,625,922	\$ 222,173,492

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2017**

	<u>Enterprise Fund</u>
OPERATING REVENUES	
Net Tenant Rental Revenue	\$ 18,786,196
HUD Operating Grants	49,094,077
Other Governmental Grants	1,807,373
Other Revenue	6,167,772
Total Operating Revenues	<u>75,855,418</u>
OPERATING EXPENSES	
Administrative	14,340,179
Tenant Services	180,126
Utilities	3,039,972
Ordinary Maintenance and Operations	5,023,953
Protective Services	824,829
General	5,605,194
Housing Assistance Payments	41,698,228
Depreciation and Amortization	4,856,333
Total Operating Expenses	<u>75,568,814</u>
Operating Income	<u>286,604</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Income	305,572
Interest Expense	(3,899,217)
Gain on Sale of Capital Assets	16,567
Capital distribution	(3,879,360)
Equity - Aventine	(56,522)
Casualty Loss	(813)
Total Nonoperating Revenues (Expenses)	<u>(7,513,773)</u>
CHANGE IN NET POSITION	(7,227,169)
Total Net Position - Beginning of Year	<u>71,334,161</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 64,106,992</u></u>

See accompanying Notes to Financial Statements

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF OPERATIONS AND CHANGES IN PARTNERS' CAPITAL- DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2017

	Candletree Apartments	Villas On the Hill	Samuels Avenue	Villas by the Park	Wind River	Cambridge Court	Hunter Plaza	Stallion Point	Post Oak	Matador Ranch	Woodmont	Alton Park	Campus Villas	Standard at Boswell	Total Memorandum Only
REVENUE															
Rental Revenue	\$ 1,507,864	\$ 582,945	\$ 338,656	\$ 1,533,236	\$ 1,098,097	\$ 2,066,008	\$ 1,574,445	\$ 1,186,930	\$ 2,691,454	\$ 1,671,357	\$ 2,326,935	\$ -	\$ -	\$ -	\$ 16,577,927
Less: Vacancy Loss	-	-	-	-	-	-	(77,557)	(1,170,694)	(79,723)	-	-	-	-	-	(1,327,974)
Other Revenue	26,042	5,859	4,818	11,838	35,024	43,767	75,318	3,046	56,915	65,216	44,558	1,539,050	3,285,366	2,975,132	8,171,949
Total Revenue	1,533,906	588,804	343,474	1,545,074	1,133,121	2,109,775	1,572,206	19,282	2,668,646	1,736,573	2,371,493	1,539,050	3,285,366	2,975,132	23,421,902
OPERATING EXPENSES															
General and Administrative	60,105	32,387	16,346	38,918	35,474	75,083	64,861	37,400	140,420	66,889	72,839	24,018	5,175	20,028	689,943
Payroll	318,188	106,019	21,918	319,649	291,106	441,803	279,433	38,119	271,818	285,706	311,675	-	-	-	2,685,434
Utilities	166,379	67,968	39,007	238,720	90,201	348,252	102,820	1,639	294,997	150,976	133,737	-	-	-	1,634,696
Taxes and Insurance	29,592	10,393	8,273	23,870	18,564	77,827	86,547	-	54,641	118,611	81,365	-	-	-	509,683
Property Management Fees	92,193	27,797	16,902	76,098	67,843	115,649	79,513	20,000	105,986	86,534	93,717	-	-	-	782,232
Repairs and Maintenance	226,365	107,638	43,241	323,378	160,071	350,701	154,991	1,336	373,815	178,447	237,850	-	-	-	2,157,833
Marketing and Advertising	3,799	2,397	1,200	16,768	16,306	17,116	17,984	3,630	-	4,707	69,072	-	-	-	152,979
Legal and Other Professional Fees	16,770	13,139	10,616	14,594	15,030	22,554	99,598	17,500	-	33,536	21,230	-	-	-	264,567
Bad Debt Expense	10,721	1,605	-	15,387	13,948	49,407	3,296	-	-	5,202	26,202	-	-	-	125,768
Ground Lease Expense	100	100	2,096	-	4,293	100	-	-	-	100	-	-	-	-	6,789
Total Operating Expense	924,212	369,443	159,599	1,067,382	712,836	1,498,492	889,043	119,624	1,241,677	930,708	1,047,687	24,018	5,175	20,028	9,009,924
Operating Income (Loss)	609,694	219,361	183,875	477,692	420,285	611,283	683,163	(100,342)	1,426,969	805,865	1,323,806	1,515,032	3,280,191	2,955,104	14,411,978
OTHER INCOME AND (EXPENSES)															
Interest Income	144	341	633	1,341	851	4,206	705	-	25	396	-	36,868	32,966	-	78,476
Forgiveness of Debt Income	-	-	153,447	-	-	-	-	-	-	-	-	-	-	-	153,447
Exchange Grant Income	-	197,371	-	-	-	-	-	-	-	-	-	-	-	-	197,371
Interest Expense	(362,325)	(121,214)	(139,697)	(20,155)	(29,714)	(219,726)	(820,349)	(31,331)	(714,960)	(728,209)	(564,542)	-	-	-	(3,752,222)
Other Financial Income (Expense)	-	-	-	-	-	-	-	-	(12,300)	-	-	-	-	-	(12,300)
Depreciation	(607,912)	(339,373)	(173,585)	(91,575)	(452,345)	(599,253)	(1,210,143)	(30,965)	(482,585)	(420,242)	(759,540)	-	-	-	(5,167,518)
Ground Lease	-	-	-	-	-	-	(107,250)	-	-	-	-	-	-	-	(107,250)
Amortization of Deferred Charges	-	-	-	-	-	-	-	(102)	-	-	-	-	-	-	(102)
Amortization of Prepaid Ground Lease	-	-	-	-	-	-	-	(52,572)	-	-	(12,515)	-	-	-	(65,087)
Investor Services Fees	-	-	-	-	-	-	-	(1,458)	-	-	-	-	-	-	(1,458)
Other Partnership Expenses	(35,252)	(6,480)	(7,855)	(16,599)	(38,224)	(227,003)	(14,032)	-	(12,745)	-	(36,235)	-	-	-	(394,425)
Bond Rate Stack Fees	-	-	-	-	-	-	-	-	-	-	(397,100)	-	-	-	(397,100)
Unrealized Gain (Loss) on Interest Rate Swap	-	-	-	-	-	-	-	-	-	-	58,338	-	-	-	58,338
Unamortized Loan Fees Written Off	-	-	-	-	-	-	-	-	-	(441,612)	-	-	-	-	(441,612)
Asset Management Fees	-	-	-	-	-	-	-	-	-	(8,828)	-	-	-	-	(8,828)
Casualty Loss from Hail Damage	-	-	-	-	(30,582)	-	-	-	-	-	-	-	-	-	(30,582)
Net Other Income and (Expense)	(1,005,345)	(269,355)	(167,057)	(126,988)	(550,014)	(1,041,776)	(2,151,069)	(116,428)	(1,222,565)	(1,598,495)	(1,711,594)	36,868	32,966	-	(9,890,852)
NET INCOME (LOSS)	(395,651)	(49,994)	16,818	350,704	(129,729)	(430,493)	(1,467,906)	(216,770)	204,404	(792,630)	(387,788)	1,551,900	3,313,157	2,955,104	4,521,126
BALANCE - JANUARY 1, 2017	4,250,364	(142,141)	751,862	2,289,559	7,297,468	5,455,615	534,487	3,447,526							23,884,740
EQUITY TRANSFER IN										(3,149,525)	772,630	86,601			(2,290,294)
CAPITAL CONTRIBUTIONS							9,865,824								9,865,824
SYNDICATION COSTS								(20,000)							(20,000)
BALANCE - DECEMBER 31, 2017	\$ 3,854,713	\$ (192,135)	\$ 768,680	\$ 2,640,263	\$ 7,167,739	\$ 5,025,122	\$ 8,932,405	\$ 3,210,756	\$ (2,945,121)	\$ (20,000)	\$ (301,187)	\$ 1,551,900	\$ 3,313,157	\$ 2,955,104	\$ 35,961,396

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017**

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Dwelling Rent Receipts	\$ 18,824,460
Operating Subsidy and Grant Receipts	50,969,750
Other Receipts	1,647,327
Payments to Vendors	(7,508,451)
Payments to Employees	(14,364,528)
Housing Assistance Payments	(41,698,228)
Net Cash Provided by Operating Activities	<u>7,870,330</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	305,572
Net Cash Provided by Investing Activities	<u>305,572</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants Receipts	(813)
Payments on Notes Receivables	217,962
Issuance of Notes Receivables	(4,916,451)
Purchases of Capital Assets	(14,170,940)
Capital Distributions	(3,879,360)
Proceeds from Disposition of Capital Assets	354,189
Receipts from Notes Payable	8,228,897
Payments on Notes Payable	(825,619)
Interest Paid on Notes Payable	(3,899,217)
Net Cash Used by Capital and Related Financing Activities	<u>(18,891,352)</u>
NET DECREASE IN CASH	(10,715,450)
Cash and Cash Equivalents - Beginning of Year	<u>56,438,497</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 45,723,047</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 286,604
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	4,856,333
Provision for Bad Debts	125,807
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable - HUD	106,912
Accounts Receivable - Tenants	(111,014)
Accounts Receivable - Other	(4,650,955)
Prepaid Expenses and Other Assets	1,131,079
Accounts Payable	(52,504)
Accounts Payable - HUD	(38,612)
Accrued Wages and Payroll Taxes Payable	(84,964)
Accrued Interest Payable	130,510
Accrued Compensated Absences	60,615
Tenant Security Deposits	23,471
Unearned Revenue	7,447,902
Other Current Liabilities	(1,338,700)
Noncurrent Liabilities - Other	(22,154)
Net Cash Provided by Operating Activities	<u>\$ 7,870,330</u>

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Fort Worth Housing Solutions (FWHS) is a public body corporate and politic organized under the laws of the State of Texas by the City of Fort Worth for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, the City appoints a Governing Board, but the Board designates its own management. Additionally, FWHS has entered into an Annual Contribution Contract with the U.S. Department of Housing and Urban Development (HUD) to be the administrator of the housing and housing related programs described herein.

Reporting Entity

On the basis of the application of these criteria, FWHS is a legally separate entity that is fiscally independent of other governments. There are no other entities that are to be reported as component units of FWHS which are not included in this report and FWHS is not included in the City of Fort Worth financial reports; therefore, FWHS reports independently.

Basis of Accounting and Measurement Focus

FWHS uses the accrual basis of accounting in the enterprise funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation

The financial statements of FWHS are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain FWHS functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are a determination of net income, financial position, and cash flows. FWHS uses the following fund type:

Enterprise Fund

This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided. FWHS is required to follow all statements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued to incorporate FASB and AICPA guidance into GASB authoritative literature.

Within the enterprise fund FWHS records activities related to certain programs described below as shown on the financial data schedule in the supplemental information section.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

HUD Funded Programs

Low Rent Public Housing

Funding for the public housing units is provided by advances from HUD. The objective of the program is to provide decent, safe, and sanitary housing and related facilities for eligible low-income families and the elderly. This program, along with the Capital Fund Program discussed below, comprise the Public Housing program.

Capital Fund Program

The objective of this program is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program. As noted above, this program is included in the Public Housing program.

Housing Choice Voucher, Veterans Affairs Supportive Housing (VASH) and Moderate Rehabilitation Programs

The objective of these programs is to provide housing for eligible low-income families through housing assistance payments to private landlords. The VASH program provides rental assistance under a supportive housing program for homeless veterans and is included with the Housing Choice Voucher program.

Continuum of Care Program

The objective of this program is to provide housing for persons who are homeless and disabled through housing assistance payments to private landlords.

Resident Opportunities and Supportive Services Program

The objective of this program is to provide counseling and other services to encourage resident self-sufficiency.

Family Self Sufficiency Coordinator Program

The objective of this program is to provide salaries and benefits to coordinators implementing the family self-sufficiency program under Public Housing and Housing Choice Voucher programs.

Rental Assistance Demonstration (RAD)

The Consolidated and Further Continuing Appropriations Act of 2012 authorized RAD. It allows public housing agencies to convert properties currently funded under the public housing program to long-term project-based Section 8 rental assistance contracts to preserve and improve these properties through access to private debt and equity to address immediate and long-term capital needs.

State and Local Programs

State and Local Program Operations include the operation of the Directions Home fund that are intended to expand existing capacity of the continuum of care to serve people who are homeless residing in the City of Fort Worth. Various grants and other receipts are also accounted for under this category.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units

FWHS' financial statements also include non-HUD related programs. These programs are included in the blended component unit combining schedules. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting and Financial Reporting Standards and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. These criteria include financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

The following activities are presented in the financial statements as blended component units:

Gateway Public Facility Corporation (GPFC)

GPFC is a public, nonprofit corporation created and existing under the laws of the State of Texas and acting as an instrumentality of FWHS. As of December 31, 2017, the GPFC board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements. The GPFC was established to serve as the owner of the Villas of Oak Hill and as the borrower for the acquisition loan. The Villas of Oak Hill consist of a 583-unit apartment complex purchased by FWHS as part of the Ripley Arnold Redevelopment Program in 2003. Only 58 of the total 583 are public housing units.

Fort Worth Affordability, Inc. (FWAI)

As part of FWHS' long-range plan to expand and manage its affordable housing portfolio, it sponsored an affiliate, Fort Worth Affordability, Inc. to finance the development and rehabilitation of some of the properties under the FWHS portfolio. FWAI is a nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the internal Revenue Code. It also serves as owner of Spring Hill Apartments, Spring Glen Apartments, Carlyle Crossing, and Overton Park Townhomes.

Eastwood Public Facility Corporation (EPFC)

EPFC is a public, nonprofit corporation created and existing under the laws of the State of Texas and acting as an instrumentality of FWHS. As of December 31, 2017, the EPFC board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements. The EPFC was established to serve as the owner of the Villas of Eastwood Terrace Apartments and to assume its HUD enhanced loan. The Villas of Eastwood Terrace Apartments consist of 160 elderly units purchased in August 2013.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

Hillside Public Facility Corporation (HPFC)

HPFC is a public, nonprofit corporation created and existing under the laws of the State of Texas and acting as an instrumentality of FWHS. As of December 31, 2017, the HPFC board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements. The HPFC was established to serve as the owner of the Knights of Pythias Lofts and as the borrower for the acquisition loan. The Knights of Pythias Lofts consists of 10 affordable and 8 market rate units and was purchased in 2012.

Hillside Apartments

FWHS is the sole member of New 172 Hillside Partners, LLC who owns the improvements and land of Hillside Apartments. As of December 31, 2017, the Hillside Apartments board composition was made up of the majority of FWHS board. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements.

Trinity River Public Facility Corporation (TRPFC)

TRPFC is a public, nonprofit corporation created and existing under the laws of the State of Texas and acting as an instrumentality of FWHS. As of December 31, 2017, the TRPFC board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements. The TRPFC was established to finance public facilities and was specifically created to serve as the borrower for the line of credit and issuer of bonds associated with the properties acquired by FWHS.

QuadCo Management Solutions, LLC (QuadCo)

As part of FWHS' long-range plan to expand and manage its affordable housing portfolio, it sponsored an affiliate, QuadCo Management Solutions, Inc. (formerly known as QuadCo Management Solutions, LLC) to manage its newly acquired complexes and soon assume management of its other affordable housing properties currently managed by private management companies. As of December 31, 2017, the QuadCo board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements.

Fair Oaks Public Facility Corporation (FOPFC)

FOPFC is a public, nonprofit corporation created and existing under the laws of the State of Texas and acting as instrumentality of FWHS. As of December 31, 2017, the FOPFC board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements. The FOPFC was established to serve as the owner of the 76-unit Fair Oaks Apartments when it converted to Project-Based Rental Assistance under the Rental Assistance Demonstration program in April 2014.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

Fair Park Public Facility Corporation (FPPFC)

FPPFC is a public, nonprofit corporation created and existing under the laws of the State of Texas and acting as instrumentality of FWHS. As of December 31, 2017, the FPPFC board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements. The FPPFC was established to serve as the owner of the 46-unit Fair Park Apartments when it converted to Project-Based Rental Assistance under the Rental Assistance Demonstration program in April 2014.

Overton Park Townhomes (Overton)

Owned by Overton Square, L.P. and consists of a 216-unit multi-family apartment complex that was purchased by FWHS in 2002. The project was financed through a mortgage under Section 221 (d) (4) of the National Housing Act as regulated by HUD and through low-income housing tax credits. As of December 31, 2017, Overton's board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements.

Pennsylvania Place Public Facility Corporation (PPPFC)

PPPFC is a public nonprofit corporation created and existing under the laws of the State of Texas and acting as instrumentality of FWHS. As of December 31, 2017 the PPPFC Board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the blended component units combining statements. The PPPFC was established to serve as sole member of the general partner of Pennsylvania Place Apartments, LP.

Aventine Tarrant Parkway Apartments, LP (Aventine)

Aventine was formed as a limited partnership under the laws of Texas on June 16, 2004, for the purpose of acquiring, constructing, and operating a 240 unit low-income residential housing project located in Fort Worth, Texas called Aventine Apartments (the project). Accordingly, the financial statements are presented on a blended basis and are included in the blended component units combining statements.

Cavile Place Public Facility Corporation (CPPFC)

FWHS is the sole member of Cavile Place Public Facility Corporation who owns Cavile Place Apartments. As of December 31, 2017, the CPPFC board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements.

Other projects that are included as blended component units include: Chrisholm V Corporation, WHAH General Partner LLC, Candletree Homes LLC, Pioneers of Samuels LLC, Sycamore Center Villas, and Barbara Holston - Education Fund.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units

FWHS has a controlling minority interest in these real estate limited partnerships as of December 31, 2017. The majority interests are held by third parties unrelated to FWHS. FWHS, or a FWHS affiliate, operates as either General Partner, Special General Partner, Class B Limited Partner or Limited Partner in the limited partnerships. As such, FWHS has certain rights and responsibilities which enable it to impose its will on the limited partnerships. FWHS also has outstanding loans and net advances to the limited partnerships at December 31, 2017. The limited partnerships do not serve the primary government exclusively, or almost exclusively, and therefore, are shown as discretely presented component units.

1. Candletree Apartments – Owned by South Hulen, L.P. and consists of a 216-unit multi-family apartment complex that was purchased by FWHS in 1994 through the Resolution Trust Corporation. The \$15,000,000 renovation of this property started in 2007 and was completed in 2008, and was financed by tax credits and construction loans.
2. Villas on the Hill – Owned by Lincoln Terrace, L.P. and formerly known as Lincoln Terrace Apartments consists of a 72-unit multi-family apartment complex that receives project-based Section 8 financial assistance.
3. The Pavilion at Samuels Avenue – Owned by Samuels Avenue, L.P. and consists of a 36-unit multi-family apartment complex constructed on land FWHS purchased in 2004. Tax credit and construction loan financed construction was completed in 2007.
4. Cambridge Court Apartments – Owned by Western Hills Affordable Housing, L.P. and consists of a 330-unit multi-family apartment complex purchased in 2004. Renovation was completed in 2007. During 2006, third-party tax credit equity was received for 99.9% of the equity.
5. Wind River Apartments – Owned by Trinity Quality Housing, L.P. and consists of a 168-unit multi-family apartment complex purchased by FWHS.
6. Villas by the Park – Owned by Cobb Park Townhomes II, L.P. and formerly known as Cobb Park Apartments consists of a 172-unit multi-family apartment complex purchased by FWHS.
7. Hunter Plaza - Owned by FW Hunter Plaza, LP and will consist of 115 affordable and 49 market rate units. Twenty-five affordable units received housing assistance payment contracts under the Rental Assistance Demonstration program, Project-Based Rental Assistance, in October 2014.
8. Stallion Pointe- Owned by LDG Stallion Pointe, LP and will consist of 264 multi-family residential units.
9. Post Oak – Owned by Post Oak East Apartments, LP and consists of 246 unit low-income residential housing project that consists of 11 buildings.
10. Woodmont - Owned by Woodmont Apartments, LTD and consists of 252 unit apartment.
11. Matador Ranch- Owned by Hometowne at Matador Ranch, LP and consists of 198 unit senior apartments.
12. Alton Park- Owned by FW Alton Park, LLC and is under construction to build a 195 unit multifamily apartment complex.
13. Campus Villas- Owned by FW Campus Apartments, LP and is under construction to build a 224 unit housing project.
14. Standard at Boswell- Owned by The Standard at Boswell Marketplace, LP and is under construction to build a 128 unit complex.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

Copies of the separately issued audited financial statements of discretely presented component units can be obtained by contacting the Department of Finance and Administration, Fort Worth Housing Solutions, 1201 E. 13th Street, Fort Worth, Texas 76102.

Use of Estimates

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

Budgets

FWHS adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. FWHS prepares annual operating budgets, which are formally adopted by its governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD. The programs funded by the State of Texas are presented in the Supplemental Information Section of this report.

Cash and Cash Equivalents

FWHS' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased.

Investments

Investments are stated at fair value. FWHS reports all money market investments having a remaining maturity at time of purchase of one year or less at amortized cost. Investment securities are normally held to maturity at par value and adjustments are made to the investment portfolio to reflect increases/decreases in gains made.

Inventories

Inventories are recorded at the lower of cost or market, cost being determined on a first-in, first-out basis.

Subsidies

Subsidies received from HUD or other grantor agencies for operating purposes are recorded as operating revenue in the operating statement while capital grant funds are recorded after nonoperating revenues and expenses.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Capital assets are stated at historical cost. Donated capital assets are stated at their acquisition value on the date donated. This includes site acquisition and improvements, structures and equipment. Depreciation of exhaustible capital assets utilizes the straight-line method and is charged as an expense against operations, and accumulated depreciation is reported in the Statement of Net Position. Assets costing \$5,000 or more with a useful life greater than one year are capitalized.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings	30 to 40 years
Building improvements	10 years
Site improvements	10 years
Furniture, fixture, and equipment	5 to 10 years
Nondwelling structures	30 years

Impairment of Capital Assets

Financial reporting standards issued by the GASB's Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* requires certain note disclosures and adjustments for the impairment of capital assets. During the fiscal year ended December 31, 2017, there were no permanent impairments experienced by FWHS that required material adjustments to the Statement of Net Position.

Infrastructure Assets

FWHS does not have any capital asset balances that could be considered infrastructure assets. FWHS treats these expenses as noncapitalized costs and any related improvements are deeded to the City of Fort Worth.

Accounts Receivable

Accounts receivable consist of payments due from HUD and related affiliates, rent payments from tenants and other miscellaneous receivables arising from the normal course of operations.

Collection Losses

Collection losses on accounts receivable are expensed, in the appropriate funds, using the allowance method. Allowance for doubtful accounts are adjusted periodically based on management's assessment of current economic conditions and a review of specific accounts.

Insurance

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of FWHS. Settlement amounts have not exceeded insurance coverage for the current year or the 3 prior years. FWHS secures required insurance coverage through the competitive bid process. As of the date of the audit, FWHS had required coverage in force.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leave. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, FWHS accrues the liability for those absences as the employee earns the right to the benefits. Accrued amounts are based on the current salary rates.

Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with FWHS. Employees also earn annual sick leave at established rates. Vacation and sick pay are recorded as an expense and related liability in the year earned by employees.

Income Taxes

FWHS is a quasi-governmental entity. FWHS is not subject to federal or state income taxes.

Revenues and Expenses

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to FWHS' operating activities, including rental-related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenue include funding received from HUD in the form of operating subsidies. FWHS also receives funding for capital improvements in the form of grants from HUD. Grants of these types are designated as capital grants.

Operating Revenues and Operating Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of FWHS are charges to customers for rents and HUD operating subsidies. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Net Position

Net position represents the difference between assets and deferred outflow of resources and liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws and regulations of governments. FWHS first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New GASB Pronouncements

In fiscal year 2017, FWHS implemented certain GASB Statements as described below:

GASB Statement No. 80 – *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The implementation of this Statement had no impact on FWHS.

GASB Statement No. 82 – *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address issues (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of this Statement had no impact on FWHS.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

Cash and cash equivalents consist of certificates of deposit and money market accounts and investments in the TexPool investment portfolio. It is the policy of FWHS that cash and cash equivalents be secured by collateral valued at 102% of fair value or par, whichever is greater, less the amount of FDIC insurance.

TexPool investment portfolio of TexPool is managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pools seek to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool Prime invests in the above plus commercial paper and certificates of deposit. TexPool is rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pools cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool, like its participants, is governed by the Texas Public Funds Investment Act, and is in full compliance with the Act.

GASB 79 enables TexPool to utilize amortized cost for valuation and financial reporting so that the \$1.00 per unit value they pursue will not need to change to fluctuating pricing. There are no limitations or restrictions on withdrawals.

Custodial credit risk - This is the risk that in the event of a bank or other financial institution failure, FWHS' deposits and investments may not be returned to it. It is the policy of FWHS that investments be secured by collateral valued at 102% of fair value or par, whichever is greater, less the amount of FDIC insurance. For the fiscal year end December 31, 2017, the carrying amount of FWHS' cash and cash equivalents was \$45,723,047 and bank balances were \$44,022,044.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents are reported on the balance sheet as follows:

Cash and Cash Equivalents - Unrestricted	\$ 37,804,080
Cash and Cash Equivalents - Restricted	7,918,967
Total Cash and Cash Equivalents	<u>\$ 45,723,047</u>

All deposits were fully collateralized as of December 31, 2017 with the exception of \$1,465,206. The public housing properties, Butler Apartments, Caville Apartments, and Scattered Sites accounts were under collateralized by \$296,520. All of the blended component units have nonfederally insured monies and were under-collateralized by \$1,168,686.

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash as of December 31, 2017 consisted of the following:

Tenant Security Deposits	\$ 534,317
Escrows and Reserves	6,983,685
Restricted for Other Current Liabilities	149,150
HAP Equity	251,815
Total	<u>\$ 7,918,967</u>

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2017 consisted of the following:

Accounts Receivable - HUD	\$ 298,396
Tenants (Net of Allowance of \$8,608)	70,103
Development Fees and Other (Net of Allowance of \$3,719,143)	6,469,372
Total	<u>\$ 6,837,871</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 5 NOTES RECEIVABLE

Notes receivable consist of the following:

	Amount
<p>As part of the Overton Park Townhomes Redevelopment Project associated with the Ripley Redevelopment, on May 6, 2002, FWHS provided a \$3,200,000 promissory note between Trinity River Public Facility Corporation and the Overton Square, L.P. The note accrues interest at a rate of 4% annually and interest payments will be made, subject to surplus cash flow, beginning August 1, 2003. As of December 31, 2017, accrued interest was \$1,811,648. This secondary note is subordinated to the mortgage on the property and matures on August 1, 2043.</p>	\$ 3,200,000
<p>As part of the Overton Park Townhomes Redevelopment Project associated with the Ripley Redevelopment, on August 15, 2003, FWHS provided a \$500,000 note for the Affordable Housing Program component at Overton Park Townhomes. Of the total \$500,000 there was a repayment of \$221,702 in 2004 leaving a balance of \$278,298. The note accrues interest at a rate of 4% annually and interest payments will be made, subject to surplus cash flow, beginning August 1, 2004. As of December 31, 2017, accrued interest was \$156,600. This secondary note is subordinated to the mortgage on the property and matures on August 1, 2043.</p>	278,298
<p>FWHS provided a \$2,296,183 promissory note between Trinity River Public Facility Corporation and South Hulen, LP. The note accrues interest at a rate of 4.9% compounded annually. The loan matures on December 16, 2027 at which time all unpaid principal and accrued interest are due. As of December 31, 2017, accrued interest was \$1,040,723. This secondary note is subordinated to the mortgage on the property and matures on May 29, 2027.</p>	2,296,183
<p>As part of the Sycamore Villa Project associated with the Ripley Redevelopment, on June 15, 2003, FWHS agreed to enter into a \$2,820,000, interest-free, 50-year promissory note between Trinity River Public Facility Corporation and the Sycamore Center Villa Limited Partnership. This note was executed to set-aside 47 of its 280 units for public housing. This note does not accrue interest and the note matures on July 1, 2053.</p>	2,820,000
<p>Fort Worth Affordability, Inc., a blended component unit of FWHS, entered into a master lease agreement in the amount of \$4,750,000 with Cobb Park Townhomes II, L.P. (Villas by the Park) to finance the development and rehabilitation of the project. The lease obligation bears no interest and annual payments of \$158,333 are due annually beginning in 2011 until maturity on January 1, 2040. See Note 14 for additional details.</p>	3,587,505
<p>Fort Worth Affordability, Inc., a blended component unit of FWHS, entered into a promissory note agreement in the amount of \$1,788,850 with Cobb Park Townhomes II, L.P. (Villas by the Park) for the rehabilitation of the Project. The note is non-interest bearing, except that if an event of default occurs under the provisions of the Additional Rent Agreement, then interest will accrue at the lesser of 18% per annum or the highest interest rate allowed by applicable law. Payment of principal only is due beginning on January 1, 2011, and due and payable in the amount of \$4,969 on a monthly basis thereafter. The note is collateralized by the capital lease of the Project and matures on December 1, 2040.</p>	1,183,829
<p>FWHS provided a \$1,750,000 promissory note between Trinity River Public Facility Corporation and FW Hunter Plaza, L.P., a discretely presented component unit. Interest on the note will not accrue. When the note matures on September 1, 2044, all unpaid principal and interest will bear interest at 8% annum. Annual principal payments are required from the net cash flow. If there is no net cash flow available for an installment payment, it shall be deferred until available in subsequent fiscal years.</p>	1,750,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 5 NOTES RECEIVABLE (CONTINUED)

<p>On September 1, 2014, FWHS provided a \$2,830,000 promissory note to FW Hunter Plaza, L.P., a discretely presented component unit. The note accrues interest at a rate of 2.94% per annum. As of December 31, 2017, accrued interest was \$281,441. The loan matures on September 1, 2044 at which time all unpaid principal and accrued interest are due.</p>	\$ 2,830,000
<p>On July 1, 2016 Trinity River Public Facility Corporation, a blended component unit of FWHS, entered into a promissory note agreement in the amount of \$2,000,000 with LDG Stallion Pointe, LP. for the construction of the Project. The subordinate loan bears interest at 1% and is due and payable on July 1, 2056. As of December 31, 2017, subordinate loan receivable and accrued interest were \$2,000,000 and \$30,038, respectively.</p>	2,000,000
<p>On June 1, 2017, Fort Worth Affordability, Inc., a blended component unit of FWHS, entered into a promissory note agreement in the amount of \$1,000,000 with The Standard at Boswell Marketplace, LP for the rehabilitation of the Project. Annual principal payments are required from residual cash flow. If there is no net cash flow available for an installment payment, it shall be deferred until available in subsequent fiscal years. The note accrues interest at a rate of 3% per annum. Beginning on the maturity date, June 1, 2057, unpaid principal and interest accrues interest at the lower of 8% default rate or the highest lawful rate.</p>	1,000,000
<p>On August 1, 2017, Trinity River Public Facility Corporation, a blended component unit of FWHS, entered into a promissory note agreement in the amount of \$1,000,000 with FW Campus Apartments, LP. for the rehabilitation of the Project. Annual principal payments are required from the residual cash flow. If there is no net cash flow available for an installment payment, it shall be deferred until available in subsequent fiscal years. The note accrues interest at a rate of 3% per annum. Beginning on the maturity date, August 1, 2057, unpaid principal and interest accrues interest at the lower of 8% default rate or the highest lawful rate.</p>	1,916,451
<p>Less: Elimination for Consolidated Entities</p>	(3,478,298)
<p style="padding-left: 20px;">Total Notes and Capital Lease Receivable</p>	19,383,968
<p>Less: Current Maturities</p>	217,961
<p style="padding-left: 20px;">Long Term</p>	\$ 19,166,007

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 6 CAPITAL ASSETS

The following is a summary of changes in capital assets of the primary government during the year ended December 31, 2017:

	Balance December 31, 2016	Additions	Deletions	Equity Transfer In	Adjustment/ Reclass	Balance December 31, 2017
Nondepreciable:						
Land	\$ 13,522,706	\$ 11,189,906	\$ -	\$ 1,979,790	\$ -	\$ 26,692,402
Construction in Progress	281,798	86,699	(242,243)	-	-	126,254
Depreciable:						
Buildings	129,182,732	2,608,826	(91,060)	16,789,120	20,000	148,509,618
Furniture, Equipment and Machinery	5,778,879	284,957	(28,741)	-	(20,000)	6,015,095
Leasehold Improvements	9,611,050	552	(100)	-	-	9,611,502
	<u>158,377,165</u>	<u>14,170,940</u>	<u>(362,144)</u>	<u>18,768,910</u>	<u>-</u>	<u>190,954,871</u>
Accumulated Depreciation						
Buildings	(73,220,679)	(4,449,575)	-	(5,930,926)	(4,218)	(83,605,398)
Furniture, Equipment and Machinery	(4,400,770)	(406,758)	24,522	-	4,218	(4,778,788)
	<u>(77,621,449)</u>	<u>(4,856,333)</u>	<u>24,522</u>	<u>(5,930,926)</u>	<u>-</u>	<u>(88,384,186)</u>
Total Capital Assets - Net	<u>\$ 80,755,716</u>	<u>\$ 9,314,607</u>	<u>\$ (337,622)</u>	<u>\$ 12,837,984</u>	<u>\$ -</u>	<u>\$ 102,570,685</u>

NOTE 7 COMPENSATED ABSENCES

Changes in compensated absences for the year ended December 31, 2017 were as follows:

Compensated Absences at December 31, 2016	\$ 439,418
Increase During 2017	216,692
Decrease During 2017	(156,077)
Compensated Absences at December 31, 2017	<u>\$ 500,033</u>

Accrued compensated absences as of December 31, 2017 are classified as follows:

Current Portion	\$ 364,586
Noncurrent Portion	135,447
Total	<u>\$ 500,033</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE

Mortgages and notes payable consist of the following at December 31, 2017:

<p>During fiscal year 2010, Fort Worth Affordability, Inc. entered into a promissory note with the Texas Department of Housing and Community Affairs (TDHCA) in an amount not to exceed \$6,538,850. The note bears no interest. Monthly payments of \$18,163 began on June 1, 2013 and are due through maturity on May 1, 2042.</p>	<p>\$ 5,539,859</p>
<p>During fiscal year 2011, Fort Worth Affordability, Inc. entered into a promissory note with the Texas Department of Housing and Community Affairs (TDHCA) in an amount not to exceed \$4,499,906. The note bears no interest. Monthly payments of \$12,500 began on February 1, 2013 and are due through maturity on January 1, 2043.</p>	<p>3,971,449</p>
<p>During fiscal year 2013, Gateway Public Facility Corporation (Villas of Oak Hill) entered into a promissory note with Centerline Mortgage Capital Inc. in an amount not to exceed \$29,000,000 as part of the refinancing agreement. The note bears 4.76% interest per annum. Monthly payments of principal and interest began on January 1, 2014 and mature on December 2023.</p>	<p>27,164,204</p>
<p>During fiscal year 2012, Hillside Public Facility Corporation (Knights of Pythias Lofts) entered into a promissory note with Community Bank of Texas in an amount not to exceed \$1,525,000. The note bears 6.25% interest per annum. Monthly payments of principal and interest began on October 1, 2012 and mature on August 24, 2044.</p>	<p>1,472,111</p>
<p>During the fiscal year 2014, Fair Oaks Public Facility Corporation entered into a promissory note with Bank of Oklahoma in an amount not to exceed \$1,720,000. The note bears 6.35% interest per annum. Monthly payments of interest began on June 1, 2014 and mature on April 29, 2029.</p>	<p>1,626,316</p>
<p>During the fiscal year 2014, Fair Park Public Facility Corporation entered into a promissory note with Bank of Oklahoma in an amount not to exceed \$2,250,000. The note bears 6.35% interest per annum. Monthly payments of interest began on June 1, 2014 and mature on April 29, 2029.</p>	<p>1,699,579</p>
<p>During fiscal year 2017, Eastwood Public Facility Corporation refinanced their HUD-insured mortgage. The mortgage now bears interest at 3.47% per annum payable in equal monthly installments of \$36,220, including principal and interest, through September 1, 2055. Substantially all of Eastwood's fixed assets and its restricted deposits are pledged as collateral. Should noncompliance with any debt covenants and regulations occur, the maturity date of the debt can be accelerated. Interest expense for the year ending December 31, 2017 totaled \$393,602.</p>	<p>9,139,341</p>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Overton Square, L.P. has a permanent loan in the original amount of \$8,580,000 with Red Mortgage Capital, Inc., which has been endorsed for insurance by the Federal Housing Administration (FHA) under the provisions of Section 221(d)(4) of the National Housing Act. The mortgage was funded with proceeds from tax exempt bonds issued by the Trinity River Public Facility Corporation, Multifamily Housing Revenue Bonds Series 2002 (GNMA Collateralized Mortgage Loan - Overton Park Townhomes Project) (the bonds). During 2013, the mortgage loan payable was paid in full from proceeds of the mortgage refinancing. In connection with early repayment, the Partnership incurred a prepayment penalty of \$78,425. On October 31, 2013, the Partnership refinanced the Mortgage Payable with Bank of Oklahoma in an amount of \$8,152,572. The Mortgage Payable bears interest at 4.84% with monthly principal and interest installments due beginning December 1, 2013. The Mortgage Payable matures October 30, 2020 with an optional extension of three years and is collateralized by the Project. As of December 31, 2017, accrued interest of \$30,857 was outstanding.

\$ 7,403,664

On May 6, 2002, Overton Square, L.P. entered into a \$3,200,000 note with Trinity River Public Facility Corporation to finance development of the project. Commencing August 1, 2003, interest of 4% is payable semi-annually in August and February from Surplus Cash, as defined. The outstanding principal and any accrued, but unpaid interest is due on August 1, 2043. As of December 31, 2017, accrued interest of \$1,811,649 was outstanding.

3,200,000

On August 15, 2003, Overton Square, L.P. entered into a \$500,000 note with Trinity River Public Facility Corporation to finance development of the project. During May 2005, the Partnership made a principal payment in the amount of \$221,702, in accordance with the terms of the note. Commencing August 1, 2004, interest of 4% per annum on any outstanding principal balance is payable semi-annually in August and February from Surplus Cash, as defined. The outstanding principal and any accrued, but unpaid interest is due no later than August 15, 2048. As of December 31, 2017, accrued interest of \$156,599 was outstanding.

278,298

On December 14, 2016, Pennsylvania Place Apartment, LP obtained a new loan in the amount of \$6,690,000 from the HUD lender which is insured by the Project and insured by HUD. The loan bears interest at a rate of 3.05% and is due monthly. Principal and interest payments of \$25,934 are required to be paid for 420 consecutive months, beginning February 2017. As of December 31, 2017, accrued interest of \$16,751 was incurred and paid. At December 31, 2017, \$308,652 of debt issuance costs were expensed

6,590,515

During fiscal year 2015, New 172 Hillside Partners, LLC entered into a promissory note with Mutual of Omaha Bank in the amount of \$9,500,000. The note bears interest at 4% per annum and is payable in monthly installments of \$45,842, including principal and interest, through the maturity date on May 22, 2025.

9,008,108

On November 30, 2017, Aventine Tarrant Parkway Apartments, LP refinanced its existing mortgage into a mortgage with Red Mortgage Capital, LLC. The \$12,665,900 loan bears interest at a rate of 3.4 percent per annum and is payable in monthly installments of \$88,292, including principal and interest, beginning on January 1, 2018 and maturing 35 years later on December 1, 2052. As of December 31, 2017, accrued interest of \$61,387 remains payable.

21,665,900

Elimination

\$ (3,478,298)

Total

95,281,046

Less Current Portion

(1,915,842)

Total Primary Government Note Payable - Noncurrent

\$ 93,365,204

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

During fiscal year 2006, the Western Hills Affordable Housing, L.P., the owner and developer of Cambridge Courts Apartments, entered into a construction note with JP Morgan Chase Bank in the maximum amount of \$8,050,000. The agreement was modified on December 1, 2009, reducing the principal to \$6,500,000 and extending the maturity date to June 1, 2010. On June 1, 2010, the Partnership entered into a modification agreement to further extend the maturity date to June 1, 2011. The maturity date was further extended to December 31, 2011 and then again to July 1, 2012. During 2012, the Partnership obtained permanent financing from Berkadia for \$6,000,000 for the project. The principal amount bears interest at a rate of 3.89% with principal and interest of \$28,265 monthly. The mortgage payable is collateralized by the project and matures in July 2022. As of December 31, 2017, the total outstanding balance was \$5,383,209, shown net of unamortized debt issuance cost of \$126,128, and accrued interest of \$18,032 was outstanding.

\$ 5,257,081

During fiscal year 2009, Samuels Avenue, L.P. entered into a financing agreement with Pacific Life in the amount of \$1,625,500 in connection with the rehabilitation of the Pavilion at Samuels Avenue. The loan bears interest at a rate of 6.99% with monthly principal and interest installments of \$10,804. As of December 31, 2017, the total outstanding balance was \$1,449,746, shown net of unamortized debt issuance cost of \$17,261, and accrued interest of \$8,445 was outstanding.

1,432,485

During fiscal year 2007, Samuels Avenue, L.P. entered into a mortgage with the City of Fort Worth in the original amount of \$126,500 in connection with the rehabilitation of the Pavilion at Samuels Avenue. The note bears interest at 4.75% per annum. Interest only is payable annually to the extent of net cash flow, as defined. The loan matures on December 16, 2027. As of December 31, 2017, accrued interest of \$12,840 was outstanding.

126,500

During fiscal year 2009, South Hulen, L.P. entered into a construction loan with Wells Fargo in the original amount of \$4,000,000 in connection with the rehabilitation of Candletree Apartments. The note bears interest at a rate of 6.7% per annum and monthly payments of principal and interest in the amount of \$25,149 are required to be made until the loan matures on May 29, 2027. The loan is secured by a first lien deed of trust. As of December 31, 2017, the total outstanding balance was \$3,653,427, shown net of unamortized debt issuance cost of \$77,183, and accrued interest of \$21,078 was outstanding.

3,576,244

Candletree Apartments has a loan agreement with Trinity River Public Facility Corporation in the original amount of \$2,296,183. The note bears interest at the applicable federal rate at the date of the loan, which was 4.90%, compounded annually. The note matures on May 29, 2047, and is collateralized by the Project. The entire amount of unpaid principal and interest is due and payable on or before the maturity date. As of December 31, 2017, the outstanding principal balance was \$2,296,183 and is included in "Due to related parties" on the balance sheet. As of December 31, 2017, outstanding accrued interest was \$1,040,723.

2,296,183

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

On June 16, 2010, Lincoln Terrace, LP (Villas on the Hill) entered into an agreement with the Lender to obtain a construction loan in the principal amount of \$2,300,000. The construction loan was converted to permanent financing on June 14, 2013. The mortgage payable bears interest at 6.0% and is collateralized by the Project. Payments of principal and interest are due monthly with a maturity date of June 14, 2028. As of December 31, 2017, the total outstanding balance was \$1,576,455, shown net of unamortized debt issuance cost of \$266,640, and accrued interest of \$7,357 remained outstanding.

\$ 1,309,815

On June 16, 2010, Lincoln Terrace, LP (Villas on the Hill) entered into a \$7,894,851 note under the Tax Credit Exchange Program with the Texas Department of Housing and Community Affairs to finance development of the project. The note bears no interest and will not be payable as long as the project maintains compliance with program requirements for 40 years. As of December 31, 2017, the Exchange Program Grant balance and deferred income balance were \$4,548,012 and \$2,091,775, respectively.

4,548,012

On January 12, 2010, Wind River Apartments entered into a \$4,950,523 note with the Texas Department of Housing and Community Affairs to finance development of the project. The note requires monthly payments of principal and interest in the amount of \$14,811, based on .5%, due until maturity on April 1, 2032. As of December 31, 2017, the total outstanding balance was \$4,058,309, shown net of unamortized debt issuance cost of \$143,855, and accrued interest of \$1,723 remained outstanding.

3,914,454

On November 29, 2010, Cobb Park Townhomes II, L.P. entered into a capital lease obligation with Fort Worth Affordability, Inc. (Villas by the Park) to finance development and rehabilitation of the project. The lease obligation bears no interest and annual payments of \$158,333 are due beginning in 2011 until maturity on January 1, 2040. As of December 31, 2017, the balance of the obligation under capital lease was \$3,587,505. See Note 17 for more detail on this capital lease obligation.

3,587,505

On November 29, 2010, Cobb Park Townhomes II, L.P. (Villas by the Park) entered into a promissory note agreement for \$1,788,850 with Fort Worth Affordability, Inc. for the rehabilitation of the Project. The note is non-interest bearing, except that if an event of default occurs under the provisions of the Additional Rent Agreement, then interest will accrue at the lesser of 18% per annum or the highest interest rate allowed by applicable law. Payment of principal only are due beginning on January 1, 2011, and due and payable in the amount of \$4,969 on a monthly basis thereafter. The note is collateralized by the capital lease of the Project and matures on December 1, 2040. As of December 31, 2017, the total outstanding balance was \$1,183,828, and shown net of unamortized debt issuance cost of \$227,268.

956,560

On September 1, 2014, FW Hunter Plaza L.P entered into a promissory note with the City of Fort Worth, Texas in an amount of \$1,800,000. The note bears no interest. As of December 31, 2016, FWHS is still drawing on this amount and no payments are due at this time. The loan has a term of 20 years and is collateralized by the Project. As of December 31, 2017, accrued interest was \$60,060.

1,800,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

On September 1, 2014, FW Hunter Plaza L.P. entered into a \$15,000,000 note with Trinity River Public Facility Corporation to finance development of the project. Commencing October 1, 2014, interest of 4% is payable semi-annually in October and April from Surplus Cash, as defined. The outstanding principal and any accrued, but unpaid interest is due on September 1, 2032. As of December 31, 2017, the total outstanding balance was \$10,936,040, shown net of unamortized debt issuance cost of \$344,782, and accrued interest of \$0- remained outstanding.

\$ 10,591,258

On September 1, 2014, FW Hunter Plaza L.P. entered into a \$2,830,000 note with FWHS for the transfer of capital assets from FWHS to the Entity. Commencing October 1, 2014, interest of 2.94% is payable semi-annually in October and April from Surplus Cash, as defined. The outstanding principal and any accrued but unpaid interest is due on September 1, 2044. As of December 31, 2017, accrued interest of \$281,441 remained outstanding.

2,830,000

On September 1, 2014, FW Hunter Plaza, L.P. entered into a \$1,750,000 subordinate promissory note with Trinity River Public Facility Corporation for capital funds. The note does not accrue interest for a 30 year term and matures on September 1, 2044. The loan is secured by a deed of trust set forth in the agreement. As of December 31, 2017, the outstanding principal balance was \$1,750,000.

1,750,000

On July 1, 2016, LDG Stallion Pointe, LP, entered into a loan agreement with Citi Bank for a principal sum of up to \$27,000,000. The loan will mature on July 1, 2034. Interest will accrue at a variable rate as defined in the loan agreement and monthly interest payments began immediately. Subsequent to the conversion date, the loan will bear interest at a fixed rate of 3.78%. As of December 31, 2017, the unpaid principal balance was \$27,000,000, shown net of debt issuance costs of \$934,892, and accrued interest of \$85,111 remained outstanding.

26,081,150

In March 2012, Woodmont Apartments, Ltd obtained a loan to convert multifamily housing revenue bonds issued by the Texas Department of Housing and Community Affairs. The loan bears interest of 2.70% and monthly payments of principal and interest are due until the maturity date. As of December 31, 2017, the unpaid principal balance was \$13,998,996, shown net of unamortized debt issuance costs of \$1,487,011. During 2017, bond rate stack fees of \$397,100 were incurred.

12,511,985

In March 2012, Woodmont Apartments, Ltd obtained a loan from the Texas Department of Housing and Community Affairs through the Tax Credit Assistance Program for a principal sum of \$2,500,000. The loan will mature after 35 years. Interest on the loan accrues at 1% per annum. Principal and interest is repayable from available cash flows until the loan matures. As of December 31, 2017, the unpaid principal balance was \$2,141,696.

2,141,696

On May 23, 2009, Woodmont Apartments, Ltd obtained a loan from the Texas Department of Housing and Community Affairs for a principal sum of \$460,000. The loan will mature after 35 years. Interest on the loan accrues at the applicable federal rate, which was 4.38% at the time of the loan closing. Principal and interest is paid in 35 annual installments of \$25,932 to the extent of available surplus cash. 50% of residual cash will be added to annual payments to the extent there is residual cash. As of Decemer 31, 2017, accrued interest of \$115,476 remained outstanding.

430,284

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

On May 23, 2009, Woodmont Apartments, Ltd obtained a loan from the Texas Department of Housing and Community Affairs for a principal sum of \$316,000. The loan will mature after 35 years. Interest on the loan accrues at the applicable federal rate, which was 4.38% at the time of the loan closing. Principal and interest is paid in 35 annual installments of \$17,814 to the extent of available surplus cash. 50% of residual cash will be added to annual payments to the extent there is residual cash. As of December 31, 2017, accrued interest of \$79,327 remained outstanding.

\$ 294,212

Woodmont Apartments, Ltd obtained a loan from the City of Fort Worth for a principal sum of \$1,500,000. The loan will mature on July 30, 2047. Interest on the loan accrues at 3% on the earlier of July 30, 2012, or when 90% lease up has been achieved for ninety days. The loan is repayable from available cash flows over 35 years. Interest only payments are due semiannually beginning with the year the Deferred Development Fee is paid in full. Principal payments based on a 28 year amortization will commence upon repayment of the accrued interest of this loan and will continue until the entire outstanding principal and interest is due and payable on the maturity date. As of December 31, 2017, accrued interest of \$244,180 remained outstanding.

1,500,000

On December 19, 2017, Hometowne at Matador Ranch, LP obtained a mortgage from Dwight Capital LLC for a principal sum of \$10,301,500. The mortgage will mature on January 1, 2058. Interest on the mortgage accrues at 3.9% per annum. Principal and interest is payable in monthly installments of \$42,415 and are due beginning February 1, 2018. As of December 31, 2017, the unpaid principal balance was \$10,301,500, shown net of unamortized debt issuance costs of \$173,487, and accrued interest of \$-0- remained outstanding.

10,128,013

During June 2007, Hometowne at Matador Ranch, LP obtained a loan from the City of Fort Worth for a principal sum of \$650,000. The loan will mature on June 25, 2049. Interest on the mortgage accrues at 4% per annum. Principal and interest is payable in semiannual installments of \$16,354. As of December 31, 2017, accrued interest of \$221,271 remained outstanding.

650,000

On November 1, 2010, Post Oak East Apartments, LP entered into a \$13,600,000 loan with Berkadia, N.A. The loan bears interest at 5.5% per annum and is payable in monthly installments of \$73,034, including principal and interest, through the maturity date on November 1, 2021. As of December 31, 2017, \$714,960 of interest expense was incurred, which includes \$22,437 of amortization of debt issuance costs.

12,403,947

On June 1, 2017, FW Alton Park, LP obtained a loan from Trinity River Public Facility Corporation for a principal sum of \$20,000,000. The loan will mature on July 1, 2035. Interest on the loan accrues at 4.45% per annum. Principal and interest is payable in monthly installments of \$92,011. As of December 31, 2017, accrued interest of \$-0- remained outstanding.

20,000,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

On August 11, 2017, FW Campus Apartments, LP obtained a loan from Trinity River Public Facility Corporation for a principal sum of \$19,658,000. The loan will mature on March 1, 2037. Interest on the loan accrues at 4.93% per annum, plus a 0.14% servicing fee. Principal and interest is payable in monthly installments of \$100,090.84 beginning April 1, 2020. As of December 31, 2017, accrued interest of \$0 remained outstanding.

\$ 19,658,000

On June 23, 2017, the Standard at Boswell Marketplace, LP obtained a loan from Capital One, National Association for a principal sum of \$17,894,353. The loan will mature 15 years after payments begin. Interest on the loan accrues at 5.15% per annum. Principal and interest payments begin August 1, 2017.

5,373,452

Total	155,148,836
Less Current Portion	(1,346,517)
Total Discretely Presented Component Units - Notes Payable Noncurrent	<u><u>\$ 153,802,319</u></u>

Principal and interest payments due on mortgages and notes payable for the primary government in each of the following years are as follows:

Cobb Park	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 217,962	\$ -	\$ 217,962
2019	217,962	-	217,962
2020	217,962	-	217,962
2021	217,962	-	217,962
2022	217,962	-	217,962
2023-2027	1,089,808	-	1,089,808
2028-2032	1,089,808	-	1,089,808
2033-2037	1,089,808	-	1,089,808
2038-2042	1,089,808	-	1,089,808
2043	90,817	-	90,817
Total	<u><u>\$ 5,539,859</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,539,859</u></u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Carlyle	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 158,330	\$ -	\$ 158,330
2019	158,330	-	158,330
2020	158,330	-	158,330
2021	158,330	-	158,330
2022	158,330	-	158,330
2023-2027	791,651	-	791,651
2028-2032	791,651	-	791,651
2033-2037	791,651	-	791,651
2038-2042	791,651	-	791,651
2043	13,195	-	13,195
Total	<u>\$ 3,971,449</u>	<u>\$ -</u>	<u>\$ 3,971,449</u>

Villas of Oak Hill	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 517,864	\$ 1,299,567	\$ 1,817,431
2019	543,417	1,274,014	1,817,431
2020	566,664	1,250,767	1,817,431
2021	598,191	1,219,240	1,817,431
2022	627,708	1,189,723	1,817,431
2023	24,310,360	1,158,750	25,469,110
Total	<u>\$ 27,164,204</u>	<u>\$ 7,392,061</u>	<u>\$ 34,556,265</u>

Knights of Pythias Lofts	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 21,887	\$ 92,648	\$ 114,535
2019	23,316	91,220	114,536
2020	24,578	89,958	114,536
2021	26,440	88,096	114,536
2022	28,165	86,371	114,536
2023-2027	170,619	402,061	572,680
2028-2032	233,862	338,817	572,679
2033-2037	321,083	251,597	572,680
2038-2042	440,463	132,217	572,680
2043-2044	181,698	10,296	191,994
Total	<u>\$ 1,472,111</u>	<u>\$ 1,583,281</u>	<u>\$ 3,055,392</u>

Fair Oaks Public Facility Corporation	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 19,471	\$ 105,246	\$ 124,717
2019	20,762	103,955	124,717
2020	21,843	102,875	124,718
2021	23,587	101,130	124,717
2022	25,152	99,566	124,718
2023-2027	152,765	470,821	623,586
2028-2029	1,362,736	123,162	1,485,898
Total	<u>\$ 1,626,316</u>	<u>\$ 1,106,755</u>	<u>\$ 2,733,071</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Fair Park Public Facility Corporation	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 20,348	\$ 109,988	\$ 130,336
2019	21,697	108,638	130,335
2020	22,827	107,509	130,336
2021	24,650	105,686	130,336
2022	26,285	104,051	130,336
2023-2027	159,648	492,031	651,679
2028-2029	1,424,124	128,710	1,552,834
Total	<u>\$ 1,699,579</u>	<u>\$ 1,156,613</u>	<u>\$ 2,856,192</u>

Eastwood Public Facility Corporation	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 119,392	\$ 315,248	\$ 434,640
2019	123,602	311,039	434,641
2020	127,960	306,681	434,641
2021	132,471	302,169	434,640
2022	137,142	297,499	434,641
2023-2027	761,739	1,411,464	2,173,203
2028-2032	905,831	1,267,372	2,173,203
2033-2037	1,077,181	1,096,022	2,173,203
2038-2042	1,280,944	892,259	2,173,203
2043-2047	1,523,251	649,952	2,173,203
2048-2052	1,811,393	361,810	2,173,203
2053-2055	1,138,435	56,825	1,195,260
Total	<u>\$ 9,139,341</u>	<u>\$ 7,268,340</u>	<u>\$ 16,407,681</u>

Hillside Partners	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 192,772	\$ 357,332	\$ 550,104
2019	200,626	349,478	550,104
2020	208,800	341,304	550,104
2021	217,307	332,797	550,104
2022	226,160	323,944	550,104
2023-2025	7,962,443	744,090	8,706,533
Total	<u>\$ 9,008,108</u>	<u>\$ 2,448,945</u>	<u>\$ 11,457,053</u>

Overton Square, L.P.	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 208,128	\$ 358,658	\$ 566,786
2019	218,574	348,303	566,877
2020	6,976,962	311,911	7,288,873
2021	-	-	-
2022	-	-	-
2023-2027	-	-	-
2028-2032	-	-	-
2033-2037	-	-	-
2038-2042	-	-	-
2043-2047	3,200,000	-	3,200,000
2048	278,298	-	278,298
Total	<u>\$ 10,881,962</u>	<u>\$ 1,018,872</u>	<u>\$ 11,900,834</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Pennsylvania Place	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 111,745	\$ 201,011	\$ 312,756
2019	115,201	197,650	312,851
2020	118,765	194,186	312,951
2021	122,438	190,617	313,055
2022	126,225	186,939	313,164
2023-2027	680,564	875,476	1,556,040
2028-2032	790,877	765,163	1,556,040
2033-2037	919,070	636,970	1,556,040
2038-2042	1,068,043	487,997	1,556,040
2043-2047	1,241,163	314,877	1,556,040
2048-2052	1,296,424	113,696	1,410,120
Total	<u>\$ 6,590,515</u>	<u>\$ 4,164,582</u>	<u>\$ 10,755,097</u>

Aventine Tarrant Parkway Apts, LP	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 327,943	\$ 731,561	\$ 1,059,504
2019	339,268	720,236	1,059,504
2020	350,985	708,519	1,059,504
2021	363,106	696,398	1,059,504
2022	375,646	683,858	1,059,504
2023-2027	2,082,016	3,215,504	5,297,520
2028-2032	2,467,231	2,830,289	5,297,520
2033-2037	2,923,718	2,373,802	5,297,520
2038-2042	3,464,664	1,832,856	5,297,520
2043-2047	4,105,696	1,191,824	5,297,520
2048-2052	4,865,627	432,188	5,297,815
Total	<u>\$ 21,665,900</u>	<u>\$ 15,417,035</u>	<u>\$ 37,082,935</u>

Total - Primary Government	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,915,842	\$ 3,571,259	\$ 5,487,101
2019	1,982,755	3,504,533	5,487,288
2020	8,795,676	3,413,710	12,209,386
2021	1,884,482	3,036,133	4,920,615
2022	1,948,775	2,971,951	4,920,726
2023-2027	38,161,613	8,770,197	46,931,810
2028-2032	9,066,120	5,453,513	14,519,633
2033-2037	7,122,511	4,358,391	11,480,902
2038-2042	8,135,573	3,345,329	11,480,902
2043-2047	7,155,820	2,166,949	9,322,769
2048-2052	7,973,444	907,694	8,881,138
2053-2055	1,138,435	56,825	1,195,260
Total	<u>\$ 95,281,046</u>	<u>\$ 41,556,484</u>	<u>\$ 136,837,530</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

The breakdown between current and long-term portions of debt for the enterprise fund is as follows:

	Beginning Debt	Loan Proceeds	Principal Payments	Refinancing/ Adjustment	Ending Debt	Current Portion	Long-Term Portion	Enterprise Fund
TDHCA Cobb Park	\$ 5,757,821	\$ -	\$ (217,962)	\$ -	\$ 5,539,859	\$ 217,962	\$ 5,321,897	\$ 5,539,859
TDHCA Carlyle	4,129,780	-	(158,331)	-	3,971,449	158,330	3,813,119	3,971,449
Villas of Oak Hill	27,657,716	-	(493,512)	-	27,164,204	517,864	26,646,340	27,164,204
Knights of Pythias	1,492,635	-	(20,524)	-	1,472,111	21,887	1,450,224	1,472,111
Fair Oaks	1,645,597	-	(19,281)	-	1,626,316	19,471	1,606,845	1,626,316
Fair Park	1,719,730	-	(20,151)	-	1,699,579	20,348	1,679,231	1,699,579
Eastwood Public Facility Corp	8,539,400	-	(8,539,400)	9,139,341	9,139,341	119,392	9,019,949	9,139,341
New 172 Hillside Partners, LLC	9,206,241	-	(198,133)	-	9,008,108	192,772	8,815,336	9,008,108
Overton Square, LP 1	7,601,845	-	(198,181)	-	7,403,664	208,128	7,195,536	7,403,664
Overton Square, LP 2	3,200,000	-	-	-	3,200,000	-	3,200,000	3,200,000
Overton Square, LP 3	278,298	-	-	-	278,298	-	278,298	278,298
Pennsylvania Place	6,690,000	-	(99,485)	-	6,590,515	111,745	6,478,770	6,590,515
Aventine Tarrant Pkwy Apts, LP	-	21,665,900	-	-	21,665,900	327,943	21,337,957	21,665,900
Elimination	(3,478,298)	-	-	-	(3,478,298)	-	(3,478,298)	(3,478,298)
Total	\$ 74,440,765	\$ 21,665,900	\$ (9,964,960)	\$ 9,139,341	\$ 95,281,046	\$ 1,915,842	\$ 93,365,204	\$ 95,281,046

A summary of principal retirements for the enterprise fund debt by 5-year segments is as follows:

	TDHCA Cobb Park	TDHCA Carlyle	Villas of Oak Hill	Knights of Pythias	Fair Oaks PFC	Fair Park PFC	Eastwood PFC	Hillside Partners	Overton Square LP	Penn Place	Aventine Tarrant	Elimination	Total
2018	\$ 217,962	\$ 158,330	\$ 517,864	\$ 21,887	\$ 19,471	\$ 20,348	\$ 119,392	\$ 192,772	\$ 208,128	\$ 111,745	\$ 327,943	\$ -	\$ 1,915,842
2019	217,962	158,330	543,417	23,316	20,762	21,697	123,602	200,626	218,574	115,201	339,268	-	1,982,755
2020	217,962	158,330	566,664	24,578	21,843	22,827	127,960	208,800	6,976,962	118,765	350,985	-	8,795,676
2021	217,962	158,330	598,191	26,440	23,587	24,650	132,471	217,307	-	122,438	363,106	-	1,884,482
2022	217,962	158,330	627,708	28,165	25,152	26,285	137,142	226,160	-	126,225	375,646	-	1,948,775
2023-2027	1,089,808	791,651	24,310,360	170,619	152,765	159,648	761,739	7,962,443	-	680,564	2,082,016	-	38,161,613
2028-2032	1,089,808	791,651	-	233,862	1,362,736	1,424,124	905,831	-	-	790,877	2,467,231	-	9,066,120
2033-2037	1,089,808	791,651	-	321,083	-	-	1,077,181	-	-	919,070	2,923,718	-	7,122,511
2038-2042	1,089,808	791,651	-	440,463	-	-	1,280,944	-	-	1,068,043	3,464,664	-	8,135,573
2043-2047	90,817	13,195	-	181,698	-	-	1,523,251	-	3,200,000	1,241,163	4,105,696	(3,200,000)	7,155,820
2048-2052	-	-	-	-	-	-	1,811,393	-	278,298	1,296,424	4,865,627	(278,298)	7,973,444
2053-2055	-	-	-	-	-	-	1,138,435	-	-	-	-	-	1,138,435
Total	\$ 5,539,859	\$ 3,971,449	\$ 27,164,204	\$ 1,472,111	\$ 1,626,316	\$ 1,699,579	\$ 9,139,341	\$ 9,008,108	\$ 10,881,962	\$ 6,590,515	\$ 21,665,900	\$ (3,478,298)	95,281,046
Less: Current Maturities													(1,915,842)
Long Term													<u>\$ 93,365,204</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

The breakdown between current and long-term portions of debt for the discretely presented component units is as follows:

	Beginning Debt	Loan Proceeds	Principal Payments	Ending Debt	Current Portion	Long-Term Portion	Unamortized Debt Issuance	Total Discretely Presented Component Unit
Western Hills Affordable Housing, L.P.	\$ 5,507,422	\$ -	\$ (124,213)	\$ 5,383,209	\$ 129,200	\$ 5,254,009	\$ 126,128	\$ 5,257,081
Samuels Avenue, L.P. - Pacific Life	1,477,008	-	(27,262)	1,449,746	29,230	1,420,516	17,261	1,432,485
Samuels Avenue, L.P. - City of Fort Worth	126,500	-	-	126,500	-	126,500	-	126,500
South Hulen, L.P. - Wells Fargo	3,696,339	-	(42,912)	3,653,427	50,682	3,602,745	77,183	3,576,244
South Hulen, L.P. Trinity River PFC	2,296,183	-	-	2,296,183	-	2,296,183	-	2,296,183
Lincoln Terrace, L.P. 1	1,600,100	-	(23,645)	1,576,455	24,770	1,551,685	266,640	1,309,815
Lincoln Terrace, L.P. 2	5,074,335	-	(526,323)	4,548,012	-	4,548,012	-	4,548,012
Wind River Apartments	4,215,335	-	(157,026)	4,058,309	157,520	3,900,789	143,855	3,914,454
Cobb Park Townhomes II, L.P. - FWAI 1	3,745,838	-	(158,333)	3,587,505	158,333	3,429,172	-	3,587,505
Cobb Park Townhomes II, L.P. - FWAI 2	1,243,457	-	(59,629)	1,183,828	59,628	1,124,200	227,268	956,560
FW Hunter Plaza, L.P. - City of Fort Worth	1,800,000	-	-	1,800,000	-	1,800,000	-	1,800,000
FW Hunter Plaza, L.P. - Bank of Oklahoma	15,000,000	-	(4,063,960)	10,936,040	195,044	10,740,996	344,782	10,591,258
FW Hunter Plaza, L.P. - FWHA	2,830,000	-	-	2,830,000	-	2,830,000	-	2,830,000
FW Hunter Plaza, L.P.- Trinity River PFC	1,750,000	-	-	1,750,000	-	1,750,000	-	1,750,000
FW Hunter Plaza, L.P.- PNC	4,004,604	-	(4,004,604)	-	-	-	-	-
LDG Stallion Pointe, L.P.	27,000,000	-	-	27,000,000	-	27,000,000	918,850	26,081,150
LDG Stallion Pointe, L.P. - Trinity River PFC	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000
Woodmont - TDHCA Bonds	14,193,448	-	(194,452)	13,998,996	204,199	13,794,797	1,487,011	12,511,985
Woodmont - TDHCA TCAP	2,204,624	-	(62,928)	2,141,696	-	2,141,696	-	2,141,696
Woodmont - TDHCA HOME 1	454,216	-	(23,932)	430,284	25,932	404,352	-	430,284
Woodmont - TDHCA HOME 2	312,027	-	(17,815)	294,212	17,814	276,398	-	294,212
Woodmont - City of Fort Worth HOME	1,500,000	-	-	1,500,000	-	1,500,000	-	1,500,000
Hometowne at MR LP - Dwight Capital	-	10,301,500	-	10,301,500	99,904	10,201,596	173,487	10,128,013
Hometowne at MR LP - City of Fort Worth	650,000	-	-	650,000	-	650,000	-	650,000
Post Oak East Apartments, LP	12,674,766	-	(183,888)	12,490,878	194,261	12,296,617	86,931	12,403,947
FW Alton Park, LP	-	20,000,000	-	20,000,000	-	20,000,000	-	20,000,000
FW Campus Apartments, LP	-	19,658,000	-	19,658,000	-	19,658,000	-	19,658,000
FW Campus Apartments, LP - Trinity River PFC	-	1,916,451	-	1,916,451	-	1,916,451	-	1,916,451
Standard at Boswell Marketplace, LP	-	5,373,452	-	5,373,452	-	5,373,452	-	5,373,452
Standard at Boswell Marketplace, LP - FWAI	-	1,000,000	-	1,000,000	-	1,000,000	-	1,000,000
Total	\$ 113,356,202	\$ 60,249,403	\$ (9,670,922)	\$ 163,934,683	\$ 1,346,517	\$ 162,588,166	\$ 3,869,396	\$ 160,065,287

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

A summary of principal retirements for the discretely presented component unit's debt by 5-year segments is as follows:

	Western/ Cambridge Apartments	Samuels Apartments	Samuels Apartments	South Hulen/ Candletree Apts	South Hulen/ Candletree Apts	Lincoln/ Villas on Hill Apartments	Lincoln/ Villas on Hill Apartments	Trinity / WR Apartments	Hunter Plaza
Year Ending December 31,									
2018	\$ 129,200	\$ 29,230	\$ -	\$ 50,682	\$ -	\$ 24,770	\$ -	\$ 157,520	\$ -
2019	134,389	31,340	-	54,184	-	26,320	-	158,321	-
2020	139,219	33,603	-	57,928	-	27,702	-	159,073	-
2021	145,377	36,028	-	61,931	-	29,699	-	159,933	-
2022	4,835,024	38,629	-	66,210	-	31,557	-	160,746	-
Thereafter	-	1,280,916	126,500	3,362,492	2,296,183	1,436,407	4,548,012	3,262,716	1,800,000
Total	5,383,209	1,449,746	126,500	3,653,427	2,296,183	1,576,455	4,548,012	4,058,309	1,800,000
Less: unamortized debt issuance costs	(126,128)	(17,261)	-	(77,183)	-	(266,640)	-	(143,855)	-
Mortgage payable, net of unamortized debt issuance costs	\$ 5,257,081	\$ 1,432,485	\$ 126,500	\$ 3,576,244	\$ 2,296,183	\$ 1,309,815	\$ 4,548,012	\$ 3,914,454	\$ 1,800,000

	Hunter Plaza	Hunter Plaza	Hunter Plaza	Cobb Park Townhomes/ Villa by the Park	Cobb Park Townhomes/ Villa by the Park	Stallion Pointe	Woodmont Apts, Ltd	Woodmont Apts, Ltd	Woodmont Apts, Ltd
Year Ending December 31,									
2018	\$ 195,044	\$ -	\$ -	\$ 158,333	\$ 59,628	\$ -	\$ 204,199	\$ -	\$ 25,932
2019	202,990	-	-	158,333	59,628	-	215,489	-	25,932
2020	210,076	-	-	158,333	59,628	-	227,191	-	25,932
2021	219,819	-	-	158,333	59,628	-	239,642	-	25,932
2022	228,775	-	-	158,333	59,628	-	252,774	-	25,932
Thereafter	9,879,336	2,830,000	1,750,000	2,795,840	885,688	29,000,000	12,859,701	2,141,696	300,624
Total	10,936,040	2,830,000	1,750,000	3,587,505	1,183,828	29,000,000	13,998,996	2,141,696	430,284
Less: unamortized debt issuance costs	(344,782)	-	-	-	(227,268)	(918,850)	(1,487,011)	-	-
Mortgage payable, net of unamortized debt issuance costs	\$ 10,591,258	\$ 2,830,000	\$ 1,750,000	\$ 3,587,505	\$ 956,560	\$ 28,081,150	\$ 12,511,985	\$ 2,141,696	\$ 430,284

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)

	Woodmont Apts, Ltd	Woodmont Apts, Ltd	Hometowne at Matador Ranch LP	Hometowne at Matador Ranch LP	Post Oak East Apartments, LP	FW Alton Park, LP	FW Campus Apartments, LP	Standard at Boswell Marketplace, LP	Grand Total
Year Ending December 31,									
2018	\$ 17,814	\$ -	\$ 99,904	\$ -	\$ 194,261	\$ -	\$ -	\$ -	\$ 1,346,517
2019	17,814	-	113,131	-	205,213	-	-	5,373,452	6,776,536
2020	17,814	-	117,623	-	216,795	-	-	-	1,450,917
2021	17,814	-	122,293	-	11,874,609	-	-	-	13,151,038
2022	17,814	-	127,149	-	-	-	-	-	6,002,571
Thereafter	205,142	1,500,000	9,721,400	650,000	-	20,000,000	21,574,451	1,000,000	135,207,104
Total	294,212	1,500,000	10,301,500	650,000	12,490,878	20,000,000	21,574,451	6,373,452	163,934,683
Less: unamortized debt issuance costs	-	-	(173,487)	-	(86,931)	-	-	-	(3,869,396)
Mortgage payable, net of unamortized debt issuance costs	\$ 294,212	\$ 1,500,000	\$ 10,128,013	\$ 650,000	\$ 12,403,947	\$ 20,000,000	\$ 21,574,451	\$ 6,373,452	\$ 160,065,287

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 9 RIPLEY ARNOLD REDEVELOPMENT ACTIVITIES

During 2001, FWHS sold its Ripley Arnold complex for \$20,000,000. Sales proceeds are earmarked for various development and rehabilitation purposes. As of December 31, 2017, the remaining unexpended proceeds consist of investments and receivables in the amount of \$8,818 and \$1,722,069, respectively. During 2002, FWHS purchased Villas of Oak Hill for \$31,475,000. This purchase replaced 58 of the 268 units FWHS is committed to replace. Additional redevelopment-related activities include the construction of 54 Public Housing units at Overton Park Townhomes, a community that consists of 216 total family units completed during 2003. The construction of the 280-unit Sycamore Center Villas at 2000 Sycamore School Road, which was completed in September 2004 contributed to the redevelopment activities by setting aside 47 units for public housing in exchange for a \$2.8 million, 0% interest, 50-year subordinated loan from FWHS. Candletree Apartments contributed 43 units to the Ripley redevelopment activities. As of December 31, 2017, 66 of the remaining Ripley units are outstanding; however, the property acquisitions made by FWHS have more than replaced the remaining units, therefore, the unit replacement process has officially ended. All activities associated with Ripley Arnold are included in the Blended Component Unit combining statements under Trinity River Public Facility Corporation.

NOTE 10 ANNUAL CONTRIBUTIONS CONTRACTS

Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget. Operating subsidy contributions for the year ended December 31, 2017 were \$4,238,969 for FWHS' Low-Rent Public Housing Program.

Housing Choice Voucher Program Annual Contributions Contracts provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit and the amount of rent contribution by a participating family and related administrative expense.

HUD contributions for the Housing Choice Voucher Program for the year ended December 31, 2017 were as follows:

Rental Vouchers	\$ 39,586,326
Moderate Rehabilitation	360,722
Mainstream	654,991
Total	<u>\$ 40,602,039</u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 11 EMPLOYEE RETIREMENT PLAN

FWHS participates in a Defined Contribution Plan administered by VOYA Retirement Insurance and Annuity Company (VRIAC) formerly known as ING Insurance and Annuity Company. The plan complies with IRS Code Section 401(a) regulations and can be amended or modified by FWHS' Board of Commissioners pursuant to applicable IRS guidelines.

A defined contribution pension plan provides benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual account are to be determined instead of specifying the amount of benefits the individual is to receive.

The new plan, which became effective January 1, 2015, is a restatement of an existing plan to comply with the current law. Employees are eligible for participation in the plan the first of the month following the date of hire. FWHS contributes 5% of the eligible participants' base pay to the plan. The employees can voluntarily contribute up to 10% of their base pay to the plan on an after tax basis. The new plan authorizes FWHS to match up to 5% of this contribution. Thus, after tax contributions above the 5% will not receive a matching contribution. Contributions made by FWHS vest at a rate of 20% per year during the first five years of participation and contributions made by the employees vest immediately. Employees leaving the employment of FWHS are entitled to their contributions and FWHS' contributions to the extent vested and the earnings on these accounts.

Due to pension plan provision changes which occurred during the year, the contributions required to be made by FWHS and its employees changed. During the year ended December 31, 2017, FWHS' required 5% contributions and 5% matching amounted to \$392,024. The total eligible payroll totaled \$5,014,506.

FWHS also offers its employees a 403(b) tax-deferred annuity plan also administered by VRIAC. Each employee may voluntarily take a portion of their earnings before taxes and invest it in any of the financial options available to them.

The VOYA Company Plan held no securities of FWHS or of other related parties during the year or as of the close of the fiscal year ended December 31, 2017. Additional information regarding the plan may be obtained by contacting VOYA Retirement Insurance and Annuity Company, PO Box 990063, Hartford, Connecticut 06199-0063 or by phone 800-262-3862.

NOTE 12 ECONOMIC DEPENDENCY

FWHS receives a significant portion of its revenue from funds provided through federal grants. The grant amounts are appropriated each year at the federal level. The amount of funds that FWHS receives has been reduced over the past several years. Current and future reductions are likely to have an adverse impact on operations.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 13 RELATED PARTY TRANSACTIONS

The material related party transactions to be reported for the fiscal year ended December 31, 2017 consisted of administrative and asset management fees charged by the Central Office Cost Center (COCC) to the various programs, loans made to component units (as disclosed in Note 5 and Note 8), and various funding through Accounts Payable - Interfund and Accounts Receivable - Interfund to temporary funding between programs, to record the activity related to the administrative and asset management fees and to record the activity related to the Notes Payable/Notes Receivable for component units. The interfund balances for the Accounts Payable - Interfund and Accounts Receivable - Interfund within the Primary Government as of December 31, 2017 was \$26,307,638, all of which has been eliminated for reporting purposes.

Capital Lease Obligation

On November 29, 2010, Cobb Park Townhomes II, L.P. entered into a 75-year master lease arrangement with Fort Worth Affordability, Inc. (a blended component unit of FWHS) whereby the Project will be operated by Cobb Park Townhomes II, L.P. In accordance with the accounting guidance for leases, the master lease qualifies as a capital lease as the term of the lease reflects more than 75% of the economic useful life of the leased assets. Under the accounting guidance for business combinations, capital leases among related parties are recorded at the lessor's carrying value. Accordingly, the Partnership's rental property has been recorded at the cost basis of the capital lease agreement on the accompanying financial statements.

The master lease with Fort Worth Affordability, Inc. is intended to comply with the requirements of Section 42 to permit the property to be acquired by capital lease by the Partnership for the purposes of receiving low-income housing tax credits and maintaining compliance under Section 42. The terms of the master lease agreement require that the Partnership pay base rent of all necessary financing sources to reimburse Fort Worth Affordability, Inc. for the rehabilitation cost of the Project as well as additional rent equal to any and all charges the Project is obligated to pay including costs of taxes, insurance, and public utility charges. As of December 31, 2017, \$4,771,333 is payable to Fort Worth Affordability, Inc. The Capital Lease Payable of \$3,587,505 and additional loan payable of \$1,183,828 were accrued on the books of Villas by the Park, formerly known as Cobb Park. During 2017, \$459,747 was repaid to Fort Worth Affordability, Inc. The capital lease obligation relating to the rehabilitation costs of the Project will be paid from cash flow and bears no interest, as defined. Any obligation arising from operating expenses will be paid from operating cash flow.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 13 RELATED PARTY TRANSACTIONS (CONTINUED)

Capital Lease Obligation (Continued)

Future minimum lease payments between the Partnership and Fort Worth Affordability, Inc. are as follows:

2018	\$	158,333
2019		158,333
2020		158,333
2021		158,333
2022		158,333
2023-2027		791,665
2028-2032		791,665
2033-2037		791,665
2038-2040		420,845
Total	<u>\$</u>	<u>3,587,505</u>

Investments in Joint Ventures

FWHS is a partner, owner, or interest holder either solely or severally with multiple organizations as part of various housing projects, development and construction projects, and for financing purposes. These separate legal entities are established to advance the mission of FWHS related to development and management of various forms of public housing. Activity of these entities is reflected in FWHS' financial statements as applicable, to the extent of their ownership interest and level of activity.

The following table reflects those entities, their purpose, and FWHS' interest.

<u>Project</u>	<u>Date Formed</u>	<u>FWHS Interest</u>	<u>Percentage Ownership</u>
AMTEX Avondale, L.P.	8/29/2014	Non-Managing General Partner	0.01%
Palladium Fort Worth, LTD	8/17/2017	Non-Managing General Partner	0.05%

Ground Leases

FWHS entered into eighteen ground lease agreements as the lessor with several limited partnerships that have constructed or are in the process of constructing rental home projects, from 2002 through 2018. The units must be used for affordable housing and are subject to affordable housing requirements. If at any time during the lease the affordable housing requirements are not met, the tenant is deemed to be in default and the lease is voided.

The terms of these leases vary from 50 years to 99 years with varying rent terms. Nine of the agreements required prepaid ground lease rent, totaling \$13,577,261. As of December 31, 2017, \$13,290,492 remains deferred and unearned. Total rent of \$236,797 was earned for the year ended December 31, 2017, and \$3,696,755 remains payable.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 13 RELATED PARTY TRANSACTIONS (CONTINUED)

Developer Fee

FWHS has entered into seven development agreements with several limited partnerships. These agreement provides for development fees and overhead in connections with the acquisition, development of the project, and the supervision of construction.

As of December 31, 2017, \$2,686,074 of the developer fee and interest on the developer fee remains payable due to FWHS.

NOTE 14 RISK MANAGEMENT

FWHS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. FWHS participates in the Texas Municipal League Intergovernmental Risk Pool (TML) for its property, liability, and worker's compensation coverage. TML's mission is to provide Texas municipalities and other units of local government with a stable source of risk financing and loss prevention services at the lowest cost consistent with sound business practices. By spreading the risk of losses across the state of Texas and across a variety of local governments, and by employing proactive loss prevention measures, TML is able to provide a stable and long-term risk financing system for its members. TML functions much like a commercial insurance carrier as premium payments are remitted to the carrier and deductible limits apply. FWHS utilizes commercial carriers for all remaining perils and claims. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. There were no claims in excess of coverage during the previous three years. These losses include an estimate of claims that have been incurred but not reported. At December 31, 2017, there were no liabilities to be reported.

NOTE 15 CONTINGENCIES

FWHS is subject to examination by federal regulators to determine compliance with terms, conditions, laws, and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by FWHS to federal grantors and/or program beneficiaries.

In 2012, Hillside Public Facility Corporation entered into a contractual agreement where the City of Fort Worth provided funding with a \$700,000 loan using grant monies received by the City through the CDBG Program per U.S. Department of HUD to acquire and renovate the Knights of Pythias Lofts. The funding is to be forgiven at the end of the 15 year Affordability Period provided all Contract terms and CDBG requirements were fulfilled. Additionally, \$250,000 of CDBG funds in the form of a second lien subordinate loan were provided as well which must be repaid with accrued interest at the end of the Affordability Period for a total of \$950,000.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 15 CONTINGENCIES (CONTINUED)

The “Repayment of Funds” provision of the Agreement are as follows:

“All funds are subject to repayment by Developer in the event the Project or the Development does not meet the requirements as set out in this Contract or in the CDGB Regulations, including but limited to meeting the National Objective. If Developer takes any actions that result in the City receiving a finding from HUD about the Project or results in the City being required to repay all or any portion of the Funds to HUD, Developer agrees it will reimburse City for such repayment. In the event of a finding or a request for repayment from HUD, whether or not repayment to HUD is required of City, Developer agrees it will pay City 10% of funds as liquidated damages.”

At December 31, 2017, there were no additional liabilities to be reported.

NOTE 16 CONDUIT DEBT OBLIGATION

Conduit (no-commitment) debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer’s financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued and is therefore not reported on the balance sheet.

On September 1, 2014, FW Hunter Plaza, L.P. entered into a financing agreement with the Trinity River Public Facility Corporation to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on September 1, 2032.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

Condensed combining information for FWHS' blended component units is of and for the year ended December 31, 2017 and is provided as follows:

	Corporation		Fort Worth Affordability, Inc.						Hillside Public Facility Corporation/ Knights of Pythias	
	Gateway Public Facility Corporation	Villas of Oak Hill	Fort Worth Affordability, Inc.	Spring Hill Apartments	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Eastwood Public Facility Corporation	Aventine	
ASSETS										
Cash	\$ 1,299,256	\$ 907,937	\$ 1,621,846	\$ 7,427,841	\$ 3,242,799	\$ -	\$ 53,727	\$ 297,183	\$ 455,940	\$ 12,666
Restricted Cash	-	556,937	-	-	-	-	140,547	779,984	1,755,824	5,240
Interprogram Assets	2,236,778	-	9,491,540	-	1,916,451	60,000	5,065	-	-	-
Other - Current Assets	108	135,712	2,053,752	-	-	-	46,066	14,709	384,511	3,773
Noncurrent Assets	-	-	6,153,373	-	-	-	12,475	9,591	7,641	-
Capital Assets, Net	-	16,706,770	-	-	-	-	4,333,679	6,405,393	12,286,270	2,616,847
Total Assets	3,536,142	18,307,356	19,320,511	7,427,841	5,159,250	60,000	4,591,559	7,506,860	14,890,186	2,638,526
LIABILITIES										
Current Liabilities	-	4,532,422	2,671,881	-	-	60,000	587,085	244,719	500,856	460,119
Noncurrent Liabilities	-	26,646,340	14,137,232	-	-	-	3,813,119	9,019,949	21,337,957	1,450,223
Total Liabilities	-	31,178,762	16,809,113	-	-	60,000	4,400,204	9,264,668	21,838,813	1,910,342
NET POSITION										
Net Investment in Capital Assets	-	(10,457,434)	(14,547,966)	-	-	-	362,230	(2,733,948)	(9,379,630)	1,144,736
Restricted	-	446,845	-	-	-	-	111,057	751,967	1,672,273	-
Unrestricted	3,536,142	(2,860,817)	17,059,364	7,427,841	5,159,250	-	(281,932)	224,173	758,729	(416,552)
Total Net Position	3,536,142	(12,871,406)	2,511,398	7,427,841	5,159,250	-	191,355	(1,757,808)	(6,948,627)	728,184
Total Liabilities and Net Position	\$ 3,536,142	\$ 18,307,356	\$ 19,320,511	\$ 7,427,841	\$ 5,159,250	\$ 60,000	\$ 4,591,559	\$ 7,506,860	\$ 14,890,186	\$ 2,638,526

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Hillside Apartments	Trinity River Public Facility Corporation	QuadCo Management Solutions, LLC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Overton Square	Pennsylvania Place	Cavile PFC	Other Projects	Total Blended Component Units	Eliminations	Primary Government	Total
ASSETS													
Cash	\$ 651,315	\$ 8,818	\$ 214,120	\$ 12,589	\$ 36,736	\$ 194,455	\$ 231,222	\$ -	\$ 137,003	\$ 16,805,453		\$ 20,998,627	\$ 37,804,080
Restricted Cash	1,081,680	-	-	471,702	293,144	1,004,912	1,212,253	-	-	7,302,223		616,744	7,918,967
Interprogram Assets	-	4,296,863	208,534	-	-	100	-	-	78,653	18,293,984	(26,307,638)	9,428,973	1,415,319
Other - Current Assets	31,423	1,190,821	64,943	34,029	14,904	34,987	23,688	125,579	22,545	4,181,550		3,436,747	7,618,297
Noncurrent Assets	-	14,260,932	-	-	-	-	923,247	-	12,869	21,380,128	(3,478,298)	3,533,367	21,435,197
Capital Assets, net	9,525,329	-	37,773	2,901,612	2,329,267	8,307,431	5,250,396	3,116,533	-	73,817,300		28,753,385	102,570,685
Total Assets	11,289,747	19,757,434	525,370	3,419,932	2,674,051	9,541,885	7,640,806	3,242,112	251,070	141,780,638	(29,785,936)	66,767,843	178,762,545
LIABILITIES													
Current Liabilities	9,220,882	1,966,447	384,923	232,443	127,955	2,339,832	800,651	68,267	17,764	24,216,246	(26,307,638)	23,007,391	20,915,999
Noncurrent Liabilities	9,412	-	-	1,606,845	1,679,232	10,673,835	6,478,770	-	-	96,852,914	(3,478,298)	364,938	93,739,554
Total Liabilities	9,230,294	1,966,447	384,923	1,839,288	1,807,187	13,013,667	7,279,421	68,267	17,764	121,069,160	(29,785,936)	23,372,329	114,655,553
NET POSITION													
Net Investment in Capital Assets	9,525,329	-	37,773	1,275,296	629,688	(2,574,532)	(1,340,119)	3,116,533	-	(24,942,043)	3,478,298	28,753,384	7,289,639
Restricted	1,028,215	-	-	454,755	282,805	951,164	1,181,673	-	-	6,880,754		125,255	7,006,009
Unrestricted	(8,494,091)	17,790,987	102,674	(149,407)	(45,629)	(1,848,414)	519,831	57,312	233,306	38,772,768	(3,478,298)	14,516,874	49,811,344
Total Net Position	2,059,453	17,790,987	140,447	1,580,644	866,864	(3,471,782)	361,385	3,173,845	233,306	20,711,478	-	43,395,514	64,106,992
Total Liabilities and Net Position	\$ 11,289,747	\$ 19,757,434	\$ 525,370	\$ 3,419,932	\$ 2,674,051	\$ 9,541,885	\$ 7,640,806	\$ 3,242,112	\$ 251,070	\$ 141,780,638	\$ (29,785,936)	\$ 66,767,843	\$ 178,762,545

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Gateway Public Facility Corporation		Fort Worth Affordability, Inc.					Eastwood Public Facility Corporation		Hillside Public Facility Corporation/ Knights of Pythias
	Gateway Public Facility Corporation	Villas of Oak Hill	Fort Worth Affordability, Inc.	Spring Hill Apartments	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Corporation	Aventine	
OPERATING REVENUES										
Tenant Revenue	\$ -	\$ 6,141,589	\$ -	\$ -	\$ -	\$ -	\$ 1,043,799	\$ 1,394,220	\$ 2,540,000	\$ 178,281
Other Revenues	-	46,083	920,393	619	619	-	12,684	63,013	30,962	1,601
Total Operating Revenues	-	6,187,672	920,393	619	619	-	1,056,483	1,457,233	2,570,962	179,882
OPERATING EXPENSES										
Administrative	-	873,232	3,663	-	-	-	226,090	229,441	509,471	25,548
Tenant Services	-	18,171	-	-	-	-	690	43,120	-	21
Utilities	-	533,415	-	-	-	-	93,021	151,125	220,141	18,673
Ordinary Maintenance and Operations	-	1,300,516	-	-	-	-	300,605	232,091	394,846	15,448
Protective Services	-	49,262	-	-	-	-	52,975	-	9,332	-
General Expenses	145	101,878	145	-	-	-	60,436	227,999	3,133,947	11,272
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-
Depreciation	-	1,025,082	-	-	-	-	155,026	495,481	551,714	67,907
Total Operating Expenses	145.00	3,901,556.00	3,808.00	-	-	-	888,843.00	1,379,257.00	4,819,451.00	138,869.00
Operating Income (Loss)	(145)	2,286,116	916,585	619	619	-	167,640	77,976	(2,248,489)	41,013
Total Nonoperating Revenues (Expenses)	12,780	(1,315,717)	10,987	63,759	35,816	-	(546)	(395,563)	(764,256)	(93,902)
Income (Loss) Before Contributions and Transfers	12,635	970,399	927,572	64,378	36,435	-	167,094	(317,587)	(3,012,745)	(52,889)
Equity Transfers	(2,739,802)	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	(2,727,167)	970,399	927,572	64,378	36,435	-	167,094	(317,587)	(3,012,745)	(52,889)
Total Net Position - Beginning of Year	6,263,309	(13,841,805)	1,583,826	7,363,463	5,122,815	-	24,261	(1,440,221)	-	781,073
Aventine Transfer In	-	-	-	-	-	-	-	-	(3,935,882)	-
TOTAL NET POSITION - END OF YEAR	<u>\$ 3,536,142</u>	<u>\$ (12,871,406)</u>	<u>\$ 2,511,398</u>	<u>\$ 7,427,841</u>	<u>\$ 5,159,250</u>	<u>\$ -</u>	<u>\$ 191,355</u>	<u>\$ (1,757,808)</u>	<u>\$ (6,948,627)</u>	<u>\$ 728,184</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Hillside Apartments	Trinity River Public Facility Corporation	QuadCo Management Solutions, LLC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Overton Square	Pennsylvania Place	Cavile PFC	Other Projects	Total Blended Component Units	Primary Government	Total
OPERATING REVENUES												
Tenant Revenue	\$ 1,890,177	\$ -	\$ -	\$ 586,221	\$ 454,775	\$ 1,650,490	\$ 1,299,628	\$ -	\$ -	\$ 17,179,180	\$ 1,607,016	\$ 18,786,196
Other Revenues	31,408	392,952	2,019,787	3,311	14,842	5,106	19,811	-	116,495	3,679,686	53,389,536	57,069,222
Total Operating Revenue	1,921,585	392,952	2,019,787	589,532	469,617	1,655,596	1,319,439	-	116,495	20,858,866	54,996,552	75,855,418
OPERATING EXPENSES												
Administrative	364,239	140,931	1,604,464	167,606	66,386	364,737	318,836	19,880	2,450	4,916,974	9,423,205	14,340,179
Tenant Services	2,971	-	-	29,038	18,785	5,357	31,041	-	-	149,194	30,932	180,126
Utilities	110,781	58	-	87,705	103,471	155,036	167,605	32	-	1,641,063	1,398,909	3,039,972
Ordinary Maintenance and Operations	320,558	-	(673)	143,931	139,534	322,908	286,989	38,464	-	3,495,217	1,528,736	5,023,953
Protective Services	7,500	-	-	-	21,835	-	3,300	-	-	144,204	680,625	824,829
General Expenses	48,272	579	50,071	17,392	13,963	46,876	32,438	-	144	3,745,557	1,859,637	5,605,194
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	41,698,228	41,698,228
Depreciation	253,339	-	11,244	149,708	82,924	467,344	278,556	-	-	3,538,325	1,318,008	4,856,333
Total Operating Expenses	1,107,660	141,568	1,665,106	595,380	446,898	1,362,258	1,118,765	58,376	2,594	17,630,534	57,938,280	75,568,814
Operating Income (Loss)	813,925	251,384	354,681	(5,848)	22,719	293,338	200,674	(58,376)	113,901	3,228,332	(2,941,728)	286,604
Total Nonoperating Revenues (Expenses)	(369,605)	10,307	112	(103,079)	(109,858)	(506,617)	(199,895)	(1,433)	293	(3,726,417)	148,526	(3,577,891)
Income (Loss) Before Contributions and Transfers	444,320	261,691	354,793	(108,927)	(87,139)	(213,279)	779	(59,809)	114,194	(498,085)	(2,793,202)	(3,291,287)
Equity Transfers	-	(11,283)	-	256,332	-	-	-	1,321,198	82,973	(1,090,582)	1,090,582	-
CHANGE IN NET POSITION	444,320	250,408	354,793	147,405	(87,139)	(213,279)	779	1,261,389	197,167	(1,588,667)	(1,702,620)	(3,291,287)
Total Net Position - Beginning of Year	1,615,133	17,540,579	(214,346)	1,433,239	954,003	(3,258,503)	360,606	1,912,456	36,139	26,236,027	45,098,134	71,334,161
Aventine Transfer In	-	-	-	-	-	-	-	-	-	(3,935,882)	-	(3,935,882)
TOTAL NET POSITION - END OF YEAR	\$ 2,059,453	\$ 17,790,987	\$ 140,447	\$ 1,580,644	\$ 866,864	\$ (3,471,782)	\$ 361,385	\$ 3,173,845	\$ 233,306	\$ 20,711,478	\$ 43,395,514	\$ 64,106,992

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Gateway Public Facility Corporation		Fort Worth Affordability, Inc.				Eastwood Public Facility Corporation	Hillside Public Facility Corporation Knights of Pythias
	Gateway Public Facility	Villas of Oak Hill	Fort Worth Affordability, Inc.	Spring Hill Apartments	Spring Glen Apartments	Carlyle Crossing		
Net Cash Provided (Used) by								
Operating Activities	\$ (737,195)	\$ 2,043,472	\$ 1,502,682	\$ (2,313)	\$ (1,915,832)	\$ 160,588	\$ 597,123	\$ 110,022
Capital and Related Financing Activities	(2,739,802)	(1,858,314)	(416,095)	-	-	(144,895)	203,961	(114,426)
Investing Activities	12,780	6,180	(771,053)	63,759	35,816	413	417	-
Net Increase/(Decrease) in Cash	(3,464,217)	191,338	315,534	61,446	(1,880,016)	16,106	801,501	(4,404)
Cash and Cash Equivalents - Beginning of Year	4,763,473	1,273,536	1,306,312	7,366,395	5,122,815	178,168	275,667	22,310
Cash and Cash Equivalents - End of Year	\$ 1,299,256	\$ 1,464,874	\$ 1,621,846	\$ 7,427,841	\$ 3,242,799	\$ 194,274	\$ 1,077,168	\$ 17,906

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Hillside	Trinity River Public Facility Corporation	QuadCo Management Solutions, LLC	Facility Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Overton	Pennsylvania Place	Cavile PFC	Aventine	Total Blended Component Units	Primary Government	Total
Net Cash Provided (Used) by												
Operating Activities	\$ 829,049	\$ 2,109,400	\$ 20,283	\$ (446,280)	\$ 54,505	\$ 376,498	\$ 417,394	\$ (241,813)	\$ (2,105,545)	\$ 2,772,038	\$ 333,413	\$ 3,105,451
Capital and Related Financing Activities	(375,290)	230,960	(24,628)	131,715	(53,562)	(198,181)	(99,485)	241,813	3,612,662	(1,603,567)	(11,828,837)	(13,432,404)
Investing Activities	5,133	(3,906,144)	112	2,254	219	(166,136)	(233,433)	-	(1,247,838)	(6,197,521)	6,503,093	305,572
Net Increase/(Decrease) in Cash	458,892	(1,565,784)	(4,233)	(312,311)	1,162	12,181	84,476	-	259,279	(5,029,050)	(4,992,331)	(10,021,381)
Cash and Cash Equivalents - Beginning of Year	1,274,103	1,574,602	218,353	796,602	328,718	182,480	146,746	-	196,661	25,026,941	30,717,487	55,744,428
Cash and Cash Equivalents - End of Year	<u>\$ 1,732,995</u>	<u>\$ 8,818</u>	<u>\$ 214,120</u>	<u>\$ 484,291</u>	<u>\$ 329,880</u>	<u>\$ 194,661</u>	<u>\$ 231,222</u>	<u>\$ -</u>	<u>\$ 455,940</u>	<u>\$ 19,997,891</u>	<u>\$ 25,725,156</u>	<u>\$ 45,723,047</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 18 PENDING GASB PRONOUNCEMENTS

GASB routinely issues standards that will become effective in future years. The following is a list of standards that have been issued that management has determined may have an impact on future financial statements of the Commission. Management is currently evaluating the specific impact of these Standards.

Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement is effective for the period ending December 31, 2018.

Statement No. 83, Certain Asset Retirement Obligations

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement is effective for the period ending December 31, 2019.

Statement No. 84, Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement is effective for the period ended December 31, 2019.

Statement No. 85, Omnibus 2017

The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This statement is effective for the period ended December 31, 2018.

Statement No. 86 – Certain Debt Extinguishment Issues

The primary objective of this Statement is to improve the usefulness of financial statements by requiring the 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. This Statement is effective for the period ending December 31, 2018.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 18 PENDING GASB PRONOUNCEMENTS (CONTINUED)

Statement No. 87 – Leases

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt using existing resources placed in a trust. This Statement is effective for the period ending December 31, 2020.

Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This statement is effective for the period ending December 31, 2019.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement is effective for the period ending December 31, 2020.

SUPPLEMENTAL INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL – PUBLIC HOUSING
YEAR ENDED DECEMBER 31, 2017**

	Budget	Actual	Over (Under) Budget
OPERATING REVENUE			
Net Tenant Rental Revenue	\$ 1,535,781	\$ 1,607,016	\$ 71,235
HUD Grants	3,471,379	4,660,400	1,189,021
Other Revenue	209,164	205,329	(3,835)
Total Operating Revenue	<u>5,216,324</u>	<u>6,472,745</u>	<u>1,256,421</u>
OPERATING EXPENSES			
Administrative	2,571,813	1,678,030	(893,783)
Asset Management Fee	87,360	87,360	-
Tenant Services	1,296	30,932	29,636
Utilities	1,154,040	1,285,028	130,988
Ordinary Maintenance and Operations	539,279	1,301,749	762,470
Protective Services	497,844	612,342	114,498
General	106,956	1,319,106	1,212,150
Non-Routine Expenses	33,445	-	(33,445)
Total Operating Expenses	<u>4,992,033</u>	<u>6,314,547</u>	<u>1,322,514</u>
Operating Income (Loss)	<u>224,291</u>	<u>158,198</u>	<u>(66,093)</u>
NONOPERATING REVENUE (EXPENSES)			
Investment Income	-	66,440	66,440
Interest Expense	-	(22,500)	(22,500)
Loss on RAD Conversion	-	(256,332)	(256,332)
Depreciation and Amortization Expense	-	(794,131)	(794,131)
Total Nonoperating Income (Expenses)	<u>-</u>	<u>(1,006,523)</u>	<u>(1,006,523)</u>
Gain (Loss) Before Capital Grants	<u>224,291</u>	<u>(848,325)</u>	<u>(1,072,616)</u>
CHANGE IN NET POSITION	<u>\$ 224,291</u>	<u>\$ (848,325)</u>	<u>\$ (1,072,616)</u>

FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL – HOUSING CHOICE VOUCHERS
YEAR ENDED DECEMBER 31, 2017

	Budget	Actual	Over (Under) Budget
OPERATING REVENUE			
HUD Operating Grants	\$ 39,393,497	\$ 39,586,326	\$ 192,829
Other Revenue	27,784	143,213	115,429
Total Operating Revenue	<u>39,421,281</u>	<u>39,729,539</u>	<u>308,258</u>
OPERATING EXPENSES			
Administrative	3,842,710	3,868,115	25,405
Ordinary Maintenance and Operations	69,509	51,830	(17,679)
Protective Services	1,451	14,279	12,828
General	6,834	21,370	14,536
Housing Assistance Payments	36,220,750	36,366,427	145,677
Total Operating Expenses	<u>40,141,254</u>	<u>40,322,021</u>	<u>180,767</u>
Operating Income (Loss)	<u>(719,973)</u>	<u>(592,482)</u>	<u>127,491</u>
NONOPERATING REVENUE (EXPENSES)			
Investment Income	3,108	2,750	(358)
Transfer To/From Funds	708,824	935,904	227,080
Fraud Recovery	16,507	57,706	41,199
Depreciation and Amortization Expense	-	(11,010)	(11,010)
Total Nonoperating Income (Expenses)	<u>728,439</u>	<u>985,350</u>	<u>256,911</u>
CHANGE IN NET POSITION	<u>\$ 8,466</u>	<u>\$ 392,868</u>	<u>\$ 384,402</u>

FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL – MODERATE REHABILITATION
YEAR ENDED DECEMBER 31, 2017

	Budget	Actual	Over (Under) Budget
OPERATING REVENUE			
HUD Operating Grants	\$ 358,110	\$ 360,722	\$ 2,612
Other Revenue	-	-	-
Total Operating Revenue	<u>358,110</u>	<u>360,722</u>	<u>2,612</u>
OPERATING EXPENSES			
Administrative	46,794	39,986	(6,808)
General	-	47	47
Ordinary Maintenance and Operations	2,123	2,115	(8)
Housing Assistance Payments	<u>294,102</u>	<u>296,489</u>	<u>2,387</u>
Total Operating Expenses	<u>343,019</u>	<u>338,637</u>	<u>(4,382)</u>
Operating Income (Loss)	15,091	22,085	6,994
NONOPERATING REVENUE (EXPENSES)			
Investment Income	<u>-</u>	<u>378</u>	<u>378</u>
CHANGE IN NET POSITION	<u>\$ 15,091</u>	<u>\$ 22,463</u>	<u>\$ 7,372</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**SECTION III STATISTICAL SECTION
(UNAUDITED)**

THIS PAGE INTENTIONALLY LEFT BLANK

**FORT WORTH HOUSING SOLUTIONS
GUIDE TO THE STATISTICAL SECTION
(UNAUDITED)
DECEMBER 31, 2017**

This section of FWHS' Comprehensive Annual Financial Report presents detailed information as a context for understanding the information in the financial statements, net disclosures, and required supplementary information.

PAGES

Financial Trends	81-83
These schedules contain trend information to assist the reader in understanding how FWHS' financial performance and condition have changed over time. This includes post GASB 34 information for the last three years as well as ten-year expense data.	
Revenue Capacity	84-85
These schedules contain information to assist the reader in assessing FWHS' two most significant own-source revenues: Federal Funds and Rental Income. This includes ten-year revenue data.	
Debt Capacity	86-87
This schedule provides a summary of debt outstanding for each of the last ten years. This represents all periods since the adoption of GASB Statement No. 34. Debt is not a significant funding source as the ability to issue additional debt is generally limited to the underlying property values associated with acquisition of Ripley Arnold replacement unit properties.	
Economic and Demographic Information	88-97
These schedules offer economic and demographic indicators for the City of Fort Worth and Tarrant County to assist the reader in understanding the environment within which FWHS' financial activities take place.	
Operating Information	98-104
These schedules contain specific FWHS data including wait list and resident demographic data, performance grading indicators, units available by program data to assist the reader in understanding how the information in FWHS' financial report relates to the communities and services that FWHS provides and the population that it serves.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports or audited financial statements for the relevant year.

THIS PAGE INTENTIONALLY LEFT BLANK

**FORT WORTH HOUSING SOLUTIONS
FINANCIAL TRENDS**

**NET POSITION BY COMPONENT
(UNAUDITED)
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Enterprise Fund										
Net Investment in Capital Assets	\$ 7,289,639	\$ 6,314,951	\$ 3,915,926	\$ 6,834,251	\$ 11,418,683	\$ 19,709,842	\$ 20,202,270	\$ 29,532,376	\$ 31,600,454	\$ 32,973,602
Restricted	7,006,009	5,647,331	2,002,126	966,178	746,058	11,030,293	10,284,741	9,064,006	3,995,989	3,094,793
Unrestricted	<u>49,811,344</u>	<u>59,371,879</u>	<u>65,882,514</u>	<u>48,508,012</u>	<u>45,943,646</u>	<u>29,316,735</u>	<u>33,473,453</u>	<u>24,150,112</u>	<u>21,161,695</u>	<u>19,619,735</u>
Total net position	<u>\$ 64,106,992</u>	<u>\$ 71,334,161</u>	<u>\$ 71,800,566</u>	<u>\$ 56,308,441</u>	<u>\$ 58,108,387</u>	<u>\$ 60,056,870</u>	<u>\$ 63,960,464</u>	<u>\$ 62,746,494</u>	<u>\$ 56,758,138</u>	<u>\$ 55,688,130</u>

Note:

a) Accounting standards require that net position be reported in three components in the financial statements; net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the city. FWHS engages only in business-type activities.

**FORT WORTH HOUSING SOLUTIONS
FINANCIAL TRENDS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(UNAUDITED)
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating revenues										
Business-type activities:										
Charges for services:										
Tenant rents	\$ 18,786,196	\$ 16,241,967	\$ 15,358,079	\$ 13,011,291	\$ 11,398,982	\$ 9,891,185	\$ 9,551,929	\$ 7,911,257	\$ 8,769,626	\$ 7,886,974
Operating grants and contributions	50,901,450	50,283,804	45,818,066	45,744,461	48,170,926	46,018,899	49,270,918	52,609,202	46,358,163	38,624,679
Other revenue	6,167,772	8,184,409	6,819,065	3,992,409	2,282,444	3,364,432	4,698,542	3,811,626	2,535,315	2,763,670
Total business-type activities operating revenues	<u>75,855,418</u>	<u>74,710,180</u>	<u>67,995,210</u>	<u>62,748,161</u>	<u>61,852,352</u>	<u>59,274,516</u>	<u>63,521,389</u>	<u>64,332,085</u>	<u>57,663,104</u>	<u>49,275,323</u>
Operating expenses										
Business-type activities:										
Owned housing	33,720,416	29,010,233	26,364,508	24,348,674	23,088,114	23,104,503	23,586,869	19,811,750	19,335,647	17,568,611
Assisted housing	41,698,228	40,003,577	37,830,613	36,140,006	38,891,436	38,951,594	37,642,835	38,700,123	37,218,339	38,528,981
Tenant services	150,170	159,819	97,559	96,135	79,113	126,319	127,235	226,546	122,142	122,028
Total business-type activities operating expenses	<u>75,568,814</u>	<u>69,173,629</u>	<u>64,292,680</u>	<u>60,584,815</u>	<u>62,058,663</u>	<u>62,182,416</u>	<u>61,356,939</u>	<u>58,738,419</u>	<u>56,676,128</u>	<u>56,219,620</u>
Operating income (loss)	<u>286,604</u>	<u>5,536,551</u>	<u>3,702,530</u>	<u>2,163,346</u>	<u>(206,311)</u>	<u>(2,907,900)</u>	<u>2,164,450</u>	<u>5,593,666</u>	<u>986,976</u>	<u>(6,944,297)</u>
Nonoperating revenues (expenses)										
Business-type activities:										
Capital grants	-	-	2,230,797	494,119	580,672	1,701,343	531,100	1,914,075	1,267,808	1,803,801
Investment income	305,572	140,065	25,892	10,645	36,498	25,378	21,583	279,994	407,341	571,248
Interest expense	(3,899,217)	(3,315,615)	(3,026,801)	(2,495,118)	(2,409,260)	(1,628,433)	(1,640,317)	(1,844,522)	(1,801,725)	(1,689,614)
Other	(3,920,128)	(2,827,406)	12,559,707	(1,972,938)	49,918	182,302	137,154	782,444	209,608	22,592
Total business-type activities nonoperating revenues (expenses)	<u>(7,513,773)</u>	<u>(6,002,956)</u>	<u>11,789,595</u>	<u>(3,963,292)</u>	<u>(1,742,172)</u>	<u>280,590</u>	<u>(950,480)</u>	<u>1,131,991</u>	<u>83,032</u>	<u>708,027</u>
Change in net position	<u>\$ (7,227,169)</u>	<u>\$ (466,405)</u>	<u>\$ 15,492,125</u>	<u>\$ (1,799,946)</u>	<u>\$ (1,948,483)</u>	<u>\$ (2,627,310)</u>	<u>\$ 1,213,970</u>	<u>\$ 6,725,657</u>	<u>\$ 1,070,008</u>	<u>\$ (6,236,270)</u>

**FORT WORTH HOUSING SOLUTIONS
FINANCIAL TRENDS**

**EXPENSES BY FUNCTION
(UNAUDITED)
LAST TEN FISCAL YEARS**

Fiscal Year	Administration	Tenant Services	Utilities	Maintenance	General	Housing Assistance Payments	Other	Interest	Depreciation	Totals
2008	\$ 8,812,477	\$ 122,028	\$ 2,508,839	\$ 3,257,185	\$ 979,391	\$ 36,175,219	\$ 346,336	\$ 1,689,614	\$ 3,624,204	\$ 57,515,293
2009	\$ 9,375,205	\$ 122,142	\$ 2,746,321	\$ 4,301,858	\$ 1,617,685	\$ 34,160,423	\$ 707,452	\$ 1,801,725	\$ 3,645,042	\$ 58,477,853
2010	\$ 10,816,216	\$ 226,546	\$ 2,509,148	\$ 3,532,603	\$ 1,542,636	\$ 35,857,734	\$ 834,158	\$ 1,844,522	\$ 3,419,378	\$ 60,582,941
2011	\$ 10,380,848	\$ 127,235	\$ 2,413,297	\$ 3,638,002	\$ 3,133,766	\$ 37,642,835	\$ 702,289	\$ 1,640,317	\$ 3,318,667	\$ 62,997,256
2012	\$ 12,073,824	\$ 126,319	\$ 2,282,568	\$ 3,548,316	\$ 666,589	\$ 38,951,594	\$ 1,021,664	\$ 1,628,433	\$ 3,511,542	\$ 63,810,849
2013	\$ 11,123,142	\$ 79,113	\$ 2,355,815	\$ 3,734,602	\$ 1,908,563	\$ 38,891,436	\$ 369,896	\$ 2,409,260	\$ 3,596,096	\$ 64,467,923
2014	\$ 13,068,423	\$ 96,405	\$ 2,411,056	\$ 3,818,148	\$ 933,483	\$ 36,140,006	\$ 2,650,985	\$ 2,495,118	\$ 3,439,247	\$ 65,052,871
2015	\$ 13,126,097	\$ 97,559	\$ 2,492,700	\$ 4,431,575	\$ 2,288,512	\$ 37,830,613	\$ -	\$ 3,026,801	\$ 4,025,624	\$ 67,319,481
2016	\$ 14,544,441	\$ 159,819	\$ 2,806,977	\$ 4,540,413	\$ 1,877,495	\$ 40,003,577	\$ 734,599	\$ 3,315,615	\$ 4,506,308	\$ 72,489,244
2017	\$ 14,340,179	\$ 180,126	\$ 3,039,972	\$ 5,023,953	\$ 5,605,194	\$ 41,698,228	\$ 824,829	\$ 3,899,217	\$ 4,856,333	\$ 79,468,031

Source: Fort Worth Housing Solutions internal records.

**FORT WORTH HOUSING SOLUTIONS
REVENUE CAPACITY**

**FEDERAL FINANCIAL ASSISTANCE BY PROGRAM
(UNAUDITED)
LAST TEN FISCAL YEARS**

Fiscal Year	Low Rent Housing Program	Section 8 Housing Assistance Program Cluster	Capital Fund Programs	ROSS/EDSS & Miscellaneous Federal Grants	Continuum of Care	Disaster Programs	Totals
2008	\$ 5,383,472	\$ 27,821,924	\$ 2,283,922	\$ 344,541	\$ 3,387,459	\$ 1,207,162	\$ 40,428,480
2009	\$ 5,615,572	\$ 35,060,613	\$ 2,199,133	\$ 367,184	\$ 3,834,060	\$ 223,574	\$ 47,300,136
2010	\$ 6,362,357	\$ 37,903,879	\$ 2,974,962	\$ 283,186	\$ 4,123,054	\$ 55,824	\$ 51,703,262
2011	\$ 6,551,445	\$ 36,579,453	\$ 1,397,570	\$ 670,325	\$ 4,199,584	\$ 23,131	\$ 49,421,508
2012	\$ 5,095,158	\$ 37,309,909	\$ 2,516,369	\$ 761,276	\$ 4,693,244	\$ 30,042	\$ 50,405,998
2013	\$ 5,762,868	\$ 36,654,369	\$ 1,347,826	\$ 1,628,896	\$ 4,560,348	-	\$ 49,954,307
2014	\$ 4,910,043	\$ 35,097,425	\$ 1,565,330	\$ 1,139,547	\$ 3,422,300	-	\$ 46,134,645
2015	\$ 4,418,401	\$ 36,658,056	\$ 2,396,493	\$ 1,362,051	\$ 3,245,787	-	\$ 48,080,788
2016	\$ 4,284,579	\$ 38,986,115	\$ 834,592	\$ 1,395,600	\$ 3,364,447	-	\$ 48,865,333
2017	\$ 4,238,969	\$ 40,333,031	\$ 421,431	\$ 1,492,732	\$ 3,337,864	-	\$ 49,824,027

Source: Fort Worth Housing Solutions internal records.

**FORT WORTH HOUSING SOLUTIONS
REVENUE CAPACITY**

**REVENUES BY FUNCTION
(UNAUDITED)
LAST TEN FISCAL YEARS**

Fiscal Year	Program Grants/ Subsidies	Tenant Revenue	Interest	Other	Totals
2008	\$ 40,428,480	\$ 7,886,974	\$ 571,248	\$ 2,786,262	\$ 51,672,964
2009	\$ 47,625,971	\$ 8,769,626	\$ 407,341	\$ 2,744,923	\$ 59,547,861
2010	\$ 54,523,277	\$ 7,911,257	\$ 279,994	\$ 4,566,716	\$ 67,281,244
2011	\$ 49,802,018	\$ 9,551,929	\$ 21,583	\$ 4,955,781	\$ 64,331,311
2012	\$ 47,720,242	\$ 9,891,185	\$ 25,378	\$ 3,546,734	\$ 61,183,539
2013	\$ 47,127,931	\$ 11,398,982	\$ 36,498	\$ 3,956,029	\$ 62,519,440
2014	\$ 45,425,082	\$ 13,011,291	\$ 10,645	\$ 4,805,907	\$ 63,252,925
2015	\$ 47,178,196	\$ 15,358,079	\$ 25,892	\$ 7,689,732	\$ 70,251,899
2016	\$ 50,283,804	\$ 16,241,967	\$ 140,065	\$ 8,184,409	\$ 74,850,245
2017	\$ 49,094,077	\$ 18,786,196	\$ 305,572	\$ 8,056,899	\$ 76,242,744

Source: Fort Worth Housing Solutions internal records.

**FORT WORTH HOUSING SOLUTIONS
DEBT CAPACITY**

**DEBT OUTSTANDING
(UNAUDITED)
LAST FIVE FISCAL YEARS**

	Fiscal Year				
	2017	2016	2015	2014	2013
Enterprise Fund					
Bonds, notes and loans payable	<u>\$ 95,281,046</u>	<u>\$ 74,440,765</u>	<u>\$ 62,192,500</u>	<u>\$ 62,192,500</u>	<u>\$ 54,953,017</u>
Notes payable					
Villas of Oak Hill	\$ 27,164,204	\$ 27,657,716	\$ 28,124,357	\$ 28,572,720	\$ 29,000,000
TDHCA	9,511,308	9,887,601	10,263,894	10,429,343	10,805,635
Knights of Pythias	1,472,111	1,492,635	1,511,644	1,525,000	1,447,581
Wind River	9,008,108	9,206,241	9,399,759	-	-
Fair Oaks Public Facility Corporation	1,626,316	1,645,597	1,663,394	1,017,196	-
Fair Park Public Facility Corporation	1,699,579	1,719,730	1,738,332	955,747	-
Eastwood Public Facility Corporation	9,139,341	8,539,400	8,659,855	8,773,026	8,879,325
Ameresco	-	-	831,265	1,030,862	1,221,923
Spring Hill	-	-	-	1,835,463	1,889,682
Spring Glen	-	-	-	1,271,317	1,308,871
Hunter Plaza	-	-	-	-	400,000
Overton Square	7,403,664	7,601,845	-	-	-
Pennsylvania Place	6,590,515	6,690,000	-	-	-
Aventine Tarrant Parkway Apartments, LP	<u>21,665,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt outstanding at end of year	<u>\$ 95,281,046</u>	<u>\$ 74,440,765</u>	<u>\$ 62,192,500</u>	<u>\$ 55,410,674</u>	<u>\$ 54,953,017</u>

**FORT WORTH HOUSING SOLUTIONS
DEBT CAPACITY**

**RATIO OF DEBT TO CAPITAL ASSETS
(UNAUDITED)
LAST SEVEN FISCAL YEARS**

Fiscal Year	Notes Payable	Total Debt	Capital Assets, Net	Ratio of Total Debt To Capital Assets
2011	\$ 38,087,321	\$ 38,087,321	\$ 58,289,591	65.34%
2012	\$ 39,224,671	\$ 39,224,671	\$ 58,934,513	66.56%
2013	\$ 54,953,017	\$ 54,953,017	\$ 66,371,700	82.80%
2014	\$ 55,410,674	\$ 55,410,674	\$ 62,244,925	89.02%
2015	\$ 62,192,500	\$ 62,192,500	\$ 66,108,426	94.08%
2016	\$ 74,440,765	\$ 74,440,765	\$ 80,755,716	92.18%
2017	\$ 95,281,046	\$ 95,281,046	\$ 102,570,685	92.89%

Note: Total debt amount includes short-term portion due within one year.

**FORT WORTH HOUSING SOLUTIONS
ECONOMIC AND DEMOGRAPHIC INFORMATION**

**FORT WORTH TEXAS SOCIAL INFORMATION
PROFILE OF SELECTED SOCIAL CHARACTERISTICS: 2016
GEOGRAPHIC AREA: FORT WORTH CITY
(UNAUDITED)**

<u>Subject</u>	<u>Number</u>	<u>Percent</u>	<u>Subject</u>	<u>Number</u>	<u>Percent</u>
SCHOOL ENROLLMENT			PLACE OF BIRTH		
Population 3 years and over enrolled in school	236,073	(X)	Total population	815,930	(X)
Nursery school, preschool	14,815	6.3	Native	675,460	82.8
Kindergarten	13,053	5.5	Born in United States	662,725	81.2
Elementary school (grades 1-4)	55,567	23.5	State of residence	464,948	57.0
			Different state	197,777	24.2
Elementary school (grades 5-8)	50,170	21.3	Born in Puerto Rico, U.S. Island areas, or born abroad to American parent(s)	12,735	1.6
High school (grades 9-12)	45,522	19.3	Foreign born	140,470	17.2
College, undergraduate	46,143	19.5	US CITIZENSHIP STATUS		
Graduate, professional school	1,803	4.6	Foreign-born population	140,470	(X)
EDUCATIONAL ATTAINMENT			Naturalized US citizen	44,477	31.7
Population 25 years and over	501,427	(X)	Not a US citizen	95,993	68.3
Less than 9th grade	46,172	7.2	YEAR OF ENTRY		
9th to 12th grade, no diploma	47,872	9.5	Population born outside the United States	153,205	(X)
High school graduate (includes equivalency)	124,516	24.8	Native	12,735	(X)
Some college, no degree	112,074	22.4	Entered 2010 or later	1,687	13.2
Associates Degree	32,427	6.5	Entered before 2010	11,048	86.8
Bachelor's degree	91,982	18.3	Foreign born	140,470	(X)
Graduate or professional degree	46,384	9.3	Entered 2010 or later	16,934	12.1
MARITAL STATUS			Entered before 2010	123,536	87.9
Population 15 years and over	617,456	(X)	WORLD REGION OF BIRTH OF FOREIGN BORN		
Never married	214,198	34.6	Total (excluding born at sea)	140,470	(X)
Now married, except separated	283,816	45.9	Europe	6,316	4.5
Separated	16,391	2.6	Asia	25,497	18.2
Widowed	27,806	4.5	Africa	8,609	6.1
Divorced	75,245	12.1	Oceania	536	0.4
MARITAL STATUS			Latin America	97,992	69.8
Male population 15 years and over	298,152	(X)	North America	1,520	1.1
Never married	110,366	37.0	LANGUAGE SPOKEN AT HOME		
Now married, except separated	143,743	48.2	Population 5 years and over	748,445	(X)
Separated	6,642	2.2	English only	51,417	67.0
Widowed	7,259	2.4	Language other than English	247,028	33.0
Divorced	30,142	10.1	Speak English less than "very well"	106,662	14.0
MARITAL STATUS			Spanish	201,959	26.9
Female population 15 years and over	319,304	(X)	Speak English less than "very well"	88,030	11.7
Never married	103,832	32.5	Other Indo-European languages	18,417	2.5
Now married, except separated	140,073	43.9	Speak English less than "very well"	5,679	0.7
Separated	9,749	3.1	Asian and Pacific Island languages	17,890	2.3
Widowed	20,547	6.4	Speak English less than "very well"	8,752	1.1
Divorced	45,103	14.1	Other languages	8,762	1.1
			Speak English less than "very well"	4,201	0.5

**FORT WORTH HOUSING SOLUTIONS
ECONOMIC AND DEMOGRAPHIC INFORMATION
(CONTINUED)**

**FORT WORTH TEXAS SOCIAL INFORMATION
PROFILE OF SELECTED SOCIAL CHARACTERISTICS: 2016
GEOGRAPHIC AREA: FORT WORTH CITY
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
GRANDPARENTS LIVING WITH OWN GRANDCHILDREN UNDER 18	22,288	(X)	ANCESTRY (single and multiple)		
Grandparents responsible for grandchildren	8,867	39.8	Total population	815,930	(X)
Years responsible for grandchildren			American	48,092	6.0
Less and 1 year	2,074	9.3	Arab	3,174	0.3
1 or 2 years	1,857	8.3	British	3,854	0.4
3 or 4 years	1,495	6.7	Canadian	693	-
5 or more years	3,441	15.4	Czech	3,772	0.4
VETERAN STATUS			Danish	1,911	0.2
Civilian population 18 years and over	581,425	(X)	Dutch	5,761	0.7
Civilian veterans	42,375	7.3	English	48,187	6.0
DISABILITY STATUS OF THE CIVILIAN			European	11,804	1.0
NONINSTITUTIONALIZED POPULATION - TOTAL POPULATION	805,483	(X)	French (except Basque)	14,460	2.0
With a disability	84,464	10.5	French Canadian	2,368	0.2
Population under 18 years	223,005	(X)	German	68,842	8.0
With a disability	8,557	3.7	Greek	1,831	0.2
Population 18 to 64 years	500,202	(X)	Hungarian	1,430	0.1
With a disability	48,802	9.8	Irish	56,050	7.0
Population 65 years and over	72,276	(X)	Italian	15,627	2.0
With a disability	27,105	37.5	Lithuanian	390	-
RESIDENCE 1 YEAR AGO			Norwegian	5,236	0.7
Population 1 year and over	802,811	(X)	Polish	7,662	0.9
Same house	655,387	81.6	Portuguese	1,017	0.1
Different house in the U.S.	140,969	17.6	Russian	3,367	0.4
Same county	99,792	12.4	Scandinavian	1,474	0.1
Different county	41,177	5.1	Scotch-Irish	6,521	0.8
Same state	23,154	2.9	Scottish	12,076	1.0
Different state	18,023	2.2	Slovak	571	-
Abroad	6,455	0.8	Sub-Saharan African	13,013	2.0
			Swedish	4,120	0.3
			Swish	987	-
			Ukrainian	658	-
			Welsh	2,906	0.3
			West Indian (e(X)cluding Hispanic groups)	2,036	0.3
			Other Groups	489,172	60.0
			Unclassified or not reported	99,081	12.0

**FORT WORTH HOUSING SOLUTIONS
ECONOMIC AND DEMOGRAPHIC INFORMATION
(CONTINUED)**

**FORT WORTH TEXAS SOCIAL INFORMATION
PROFILE OF SELECTED DEMOGRAPHIC CHARACTERISTICS: 2016
GEOGRAPHIC AREA: FORT WORTH CITY
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
Total population	815,930	(X)	RACE AND HISPANIC OR LATINO ORIGIN		
SEX AND AGE			One Race	789,126	96.7
Male	399,410	49	White	531,736	65.2
Female	416,520	51	Black or African American	156,413	19.2
Under 5 years	67,485	8.3	American Indian and Alaska Native	3,592	0.4
5 to 9 years	67,702	8.3	Asian	31,328	3.8
10 to 14 years	63,287	7.8	Native Hawaiian and Other Pacific Islander	966	0.1
15 to 19 years	57,475	7.0	Some Other Race	65,091	8.0
20 to 24 years	58,554	7.2	Two or More Races	26,804	3.3
25 to 34 years	132,592	16.3	White and Black or African American	6,924	0.8
35 to 44 years	115,438	14.1	White and American Indian and Alaska Native	4,796	0.6
45 to 54 years	100,200	12.3	White and Asian	5,827	0.7
55 to 59 years	43,408	5.3	Black or African American and American Indian and Alaska Native	1,099	0.1
60 to 64 years	35,134.0	4.3			
65 to 74 years	43,716.0	5.4			
75 to 84 years	21,608.0	2.3			
85 years and over	9,331	1.1			
Median age (years)	32	(X)			
18 years and over	582,757	71.4			
21 years and over	547,971	67.2			
62 years and over	94,316	11.6			
65 years and over	74,655	9.1			
18 years and over	582,757	(X)			
Male	280,449	48.1			
Female	302,308	51.9			
65 years and over	74,655	(X)			
Male	32,079	43.0			
Female	42,576	57.0			

- Represents zero or rounds to zero

(X) Not Applicable

Source: U.S. Census Bureau, 2016 American Community Survey

**FORT WORTH HOUSING SOLUTIONS
ECONOMIC AND DEMOGRAPHIC INFORMATION
(CONTINUED)**

**FORT WORTH TEXAS SOCIAL INFORMATION
PROFILE OF SELECTED DEMOGRAPHIC CHARACTERISTICS: 2016
GEOGRAPHIC AREA: FORT WORTH CITY
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
RACE					
Total population	815,930	(X)	Race alone or in combination with one or more other races: ³		
One race	789,126	96.7	Total population	815,930	(X)
Two or more races	26,804	3.3	White	554,267	67.9
One race	789,126	(X)	Black or African American	167,683	20.6
White	531,736	65.2	American Indian and Alaska Native	10,832	1.3
Black or African American	156,413	19.2	Asian	39,519	4.8
American Indian and Alaska Native	3,592	0.4	Native Hawaiian & Other Pacific Islander	1,780	0.2
Cherokee tribal grouping	369	-	Some other race	70,671	8.7
Chippewa tribal grouping	110	-			
Navajo tribal grouping	257	-			
Sioux tribal grouping	94	-			
Asian	6,167	0.8	HOUSING OCCUPANCY		
Asian Indian	6,167	0.8	Total housing units	306,326	(X)
Chinese	2,160	0.3	Occupied housing units	279,426	91.2
Filipino	3,006	0.4	Vacant housing units	26,900	8.8
Japanese	397	-			
Korean	1,804	0.2	Homeowner vacancy rate (percent)	(X)	1.2
Vietnamese	7,593	0.9	Rental vacancy rate (percent)	(X)	9.0
Other Asian ¹	10,201	1.3	HOUSING TENURE		
Native Hawaiian and Other Pacific Islander	966	0.1	Occupied housing units	279,426	(X)
Native Hawaiian	151	-	Owner-occupied housing units	158,379	56.7
Guamanian or Chamorro	281	-	Renter-occupied housing units	121,047	43.3
Samoan	166	-			
Other Pacific Islander ²	368	-	Average household size of owner-occupied unit	3.02	(X)
Some other race	65,091	8.0	Average household size of renter-occupied unit	2.66	(X)
Two or more races	26,804	3.3			
White and Black or African American	6,924	0.8			
White and American Indian & Alaska Native	4,796	0.6			
White and Asian	5,827	0.7			
Black or African American and American Indian and Alaska Native	1,099	0.1			

- Represents zero or rounds to zero

(X) Not Applicable

(N) Indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

¹ Other Asian alone, or two or more Asian categories.

² Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

³ In combination with one or more of the other races listed. The six numbers may add to more than the total population and the six percentages may add to more than 100 percent because individuals may report more than one race.

Source: U.S. Census Bureau, 2016 American Community Survey

**FORT WORTH HOUSING SOLUTIONS
ECONOMIC AND DEMOGRAPHIC INFORMATION
(CONTINUED)**

**FORT WORTH TEXAS SOCIAL INFORMATION
PROFILE OF SELECTED HOUSING CHARACTERISTICS: 2016
GEOGRAPHIC AREA: FORT WORTH CITY
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
Total housing units	306,326	(X)	OCCUPANTS PER ROOM		
UNITS IN STRUCTURE			Occupied housing units	279,426	(X)
1-unit, detached	204,994	66.9	1.00 or less	264,168	94.5
1-unit, attached	10,782	3.5	1.01 to 1.50	11,672	4.2
2 units	5,696	1.9	1.51 or more	3,586	1.3
3 or 4 units	9,981	3.3			
5 to 9 units	17,317	5.7	VALUE		
10 to 19 units	23,868	7.8	Owner Occupied Units	158,379	(X)
20 or more units	28,900	9.4	Less than \$50,000	14,568	9.2
Mobile home	4,626	1.5	\$50,000 to \$99,999	39,988	25.2
Boat, RV, van, etc.	162	0.1	\$100,000 to \$149,999	39,478	24.9
			\$150,000 to \$199,999	27,920	17.6
YEAR STRUCTURE BUILT			\$200,000 to \$299,999	20,489	12.9
2014 or later	2,533	0.8	\$300,000 to \$499,999	10,819	6.8
2010 to 2013	12,380	4.0	\$500,000 to \$999,999	4,007	2.5
2000 to 2009	83,395	27.2	\$1,000,000 or more	1,110	0.7
1990 to 1999	35,051	11.4			
1980 to 1989	41,309	13.5	Median (dollars)	131,100	(X)
1970 to 1979	32,563	10.6			
1960 to 1969	25,847	8.4	MORTGAGE STATUS		
1950 to 1959	35,863	11.7	SELECTED MONTHLY OWNER COSTS (SMOC)		
1940 to 1949	17,043	5.6	Housing Units With a mortgage	105,649	(X)
1939 or earlier	20,342	6.6	Less than \$500	138	1.0
			\$500 to \$999	18,395	17.4
ROOMS			\$1,000 to 1,499	41,501	39.3
1 room	6,009	2.0	\$1,500 to 1,999	26,382	25.0
2 rooms	9,514	3.1	\$2,000 to 2, 499	9,541	9.0
3 rooms	34,887	11.4	\$2,500 to \$2,999	4,040	3.8
4 rooms	51,322	16.6	\$3,000 or more	4,752	4.5
5 rooms	71,112	23.2	Median (dollars)	1,407	(X)
6 rooms	55,669	18.2	Housing units without a mortgage	52,730	(X)
7 rooms	30,524	10.0	Median (dollars)	492	(X)
8 rooms	20,445	6.7			
			SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME (SMOCAPI)		
9 or more rooms	26,844	8.8	Housing unit with a mortgage*	105,092	(X)
Median (rooms)	5.2	(X)	Less than 20.0 percent	46,408	44.2
			20.0 to 24.9 percent	18,965	18.0
YEAR HOUSEHOLDER MOVED INTO UNIT			25.0 to 29.9 percent	12,284	11.7
Occupied Housing Units	279,426	91.2	30.0 to 34.9 percent	7,239	6.9
2015 or later	19,548	7.0	35 percent or more	20,196	19.2
2010 to 2014	116,064	41.5	Not computed	557	(X)
2000 to 2009	89,603	32.1			
1990 to 19999	28,354	10.1			
1980 to 1989	11,146	4.0			
1979 or earlier	14,711	5.3			

- Represents zero or rounds to zero

(X) Not Applicable

* Excluding units where SMOCAPI cannot be computed

Source: U.S. Census Bureau, 2016 American Community Survey

**FORT WORTH HOUSING SOLUTIONS
ECONOMIC AND DEMOGRAPHIC INFORMATION
(CONTINUED)**

**FORT WORTH TEXAS SOCIAL INFORMATION
PROFILE OF SELECTED HOUSING CHARACTERISTICS: 2016
GEOGRAPHIC AREA: FORT WORTH CITY
(UNAUDITED)**

<u>Subject</u>	<u>Number</u>	<u>Percent</u>	<u>Subject</u>	<u>Number</u>	<u>Percent</u>
VEHICLES AVAILABLE			GROSS RENT		
Occupied housing units	279,426	(X)	Occupied units paying rent	117,316	(X)
No vehicles available	17,041	6.5	Less than \$500	7,825	6.7
1 vehicle available	98,231	35.2	\$500 to \$999	59,763	50.9
2 vehicles available	111,629	39.9	\$1,000 to \$1,499	34,881	29.7
3 or more vehicles available	52,525	18.8	\$1,500 to \$1,999	11,189	9.5
HOUSING HEATING FUEL			\$2,000 to \$2,499	2,395	2.0
Occupied housing units	279,426	(X)	\$2,500 to \$2,999	627	0.5
Utility gas	101,563	36.3	\$3,000 or more	636	0.5
Bottled, Tank, or LP gas	1,692	0.6	No rent paid	3,731	(X)
Electricity	174,736	62.5	Median (dollars)	931	(X)
Fuel oil, kerosene, etc.	156	0.1	HOUSEHOLD INCOME		
Coal or coke	13	-	Specified renter-occupied units	114,171	(X)
Wood	341	0.1	Less than 15.0 percent	13,988	12.3
Solar energy	86	-	15.0 to 19.9 percent	15,685	13.7
Other fuel	85	-	20.0 to 24.9 percent	16,148	14.1
No fuel used	754	0.3	25.0 to 29.9 percent	12,888	11.3
SELECTED CHARACTERISTICS			30.0 to 34.9 percent	9,849	8.6
Occupied housing units	279,426	(X)	35.0 percent or more	45,613	40.0
Lacking complete plumbing facilities	757	0.3	Not computed	6,876	(X)
Lacking complete kitchen facilities	1,851	0.7			
No telephone service	6,972	2.5			

- Represents zero or rounds to zero

(X) Not Applicable or Not Available

(N) Indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

Source: U.S. Census Bureau, 2016 American Community Survey

**FORT WORTH HOUSING SOLUTIONS
ECONOMIC AND DEMOGRAPHIC INFORMATION
(CONTINUED)**

**FORT WORTH TEXAS SOCIAL INFORMATION
PROFILE OF SELECTED ECONOMIC CHARACTERISTICS: 2016
GEOGRAPHIC AREA: FORT WORTH CITY
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
EMPLOYMENT STATUS			INCOME AND BENEFITS (IN 2016 INFLATED-ADJUSTED DOLLARS)		
			Total Households	279,426	(X)
Population 16 years and over	605,116	(X)	Less than \$10,000	20,670	7.4
In labor force	405,510	67.0	\$10,000 to \$14,999	13,642	4.9
Civilian labor force	404,178	66.8	\$15,000 to \$24,999	28,266	10.1
Employed	378,382	62.5	\$25,000 to \$34,999	27,724	9.9
Unemployed	25,796	4.3	\$35,000 to \$49,999	35,944	12.9
Armed forces	1,332	0.2	\$50,000 to \$74,999	53,988	19.3
Not in labor force	199,606	33.0	\$75,000 to \$99,999	36,228	13.0
			\$100,000 to \$149,000	38,052	13.6
Civilian Labor Force	404,178	(X)	\$150,000 to \$199,999	13,255	4.7
Unemployment Rate	(X)	6.4	\$200,000 or more	11,657	4.2
Females 16 years and over	313,495	(X)	Median household income (dollars)	54,876	(X)
In labor force	187,295	59.7	Mean household income (dollars)	73,009	(X)
Civilian labor force	187,110	59.7			
Employed	174,811	55.8	With earnings	233,578	83.6
			Mean earnings (dollars) ¹	74,093	(X)
Own children under 6 years	78,758	(X)	With Social Security	59,445	21.3
All parents in family in labor force	48,075	61.0	Mean Social Security income (dollars) ¹	16,777	(X)
			With retirement income	34,280	12.3
Own children 6 to 17 years	144,740	(X)	Mean retirement income (dollars) ¹	23,371	(X)
All parents in family in labor force	98,649	68.2	With Supplemental Security income	13,674	4.9
			Mean Social Security income (dollars) ¹	9,229	(X)
COMMUTING TO WORK			With cash public assistance income	5,301	1.9
Workers 16 years and over	373,287	(X)	Mean cash public assistance income (dollars) ¹	2,792	(X)
Car, truck, or van - drove alone	304,907	81.7	With Food Stamp/SNAP benefits in the past	43,055	15.4
Car, truck, or van - carpooled	41,617	11.1	12 months		
Public transportation (excluding taxicab)	3,294	0.9			
Walked	4,636	1.2	Families	187,921	(X)
Other means	5,541	1.5	Less than \$10,000	9,944	5.3
Worked at home	13,292	3.6	\$10,000 to \$14,999	5,860	3.1
Mean travel time to work (minutes) ¹	26.8	(X)	\$15,000 to \$24,999	16,160	8.6
			\$25,000 to \$34,999	17,411	9.3
Employed civilian population 16 years and over	378,382	(X)	\$35,000 to \$49,999	22,562	12.0
			\$50,000 to \$74,999	36,360	19.3
OCCUPATION			\$75,000 to \$99,999	27,033	14.4
Management, business, science and arts occupations	129,339	34.2	\$100,000 to \$149,999	31,215	16.6
Service occupations	65,746	17.4	\$150,000 to \$199,999	11,536	6.1
Sales and office occupations	91,049	24.1	\$200,000 or more	9,840	5.2
Natural resources, construction, and maintenance occupations	38,362	10.1	Median family income (dollars)	64,412	(X)
Production, transportation, and material moving occupations	53,886	14.2	Mean family income (dollars)	82,896	(X)
			Per capita income (dollars) ¹	26,040	(X)

(X) Not Applicable

¹ If the denominator of a mean value or per capita value is less than 30, then that value is calculated using a rounded aggregate in the numerator.

Source: U.S. Census Bureau, 2016 American Community Survey

**FORT WORTH HOUSING SOLUTIONS
ECONOMIC AND DEMOGRAPHIC INFORMATION
(CONTINUED)**

**FORT WORTH TEXAS SOCIAL INFORMATION
PROFILE OF SELECTED ECONOMIC CHARACTERISTICS: 2016
GEOGRAPHIC AREA: FORT WORTH CITY
(UNAUDITED)**

<u>Subject</u>	<u>Number</u>	<u>Percent</u>	<u>Subject</u>	<u>Number</u>	<u>Percent</u>
INDUSTRY			PERCENTAGE OF FAMILIES AND WHOSE INCOME IN THE PAST 12 MONTHS IS BELOW POVERTY LEVEL		
Civilian employed population 16 years and over	378,382	(X)	All Families	(X)	14.1
Agriculture, forestry, fishing and hunting, and mining	6,193	1.6	With related children under 18 years	(X)	20.0
Construction	28,789	7.6	With related children under 5 years	(X)	20.1
Manufacturing	41,837	11.1	Married couples	(X)	7.3
Wholesale trade	11,755	3.1	With related children under 18	(X)	10.4
Retail trade	41,192	10.9	With related children under 5 years	(X)	7.1
Transportation and warehousing, and utilities	27,809	7.3	Families with female householder, no husband present		33.1
Information	7,429	2.0	With related children under 18	(X)	41.0
Finance, insurance, real estate, and rental and leasing	27,207	7.2	With related children under 5 years	(X)	49.7
Profession, scientific, management, administrative, and waste management services	39,352	10.4	All people	(X)	18.0
Educational, health care and social services	77,675	20.5	Under 18 years	(X)	24.7
Arts, entertainment, recreation, accommodation and food services	35,544	9.4	Related children under 18 years	(X)	24.5
Other services (except public administration)	19,565	5.2	Related children under 5 years	(X)	27.3
Public administration	14,035	3.7	Related children 5 to 17 years	(X)	23.3
			18 years and over	(X)	15.2
			18 to 64 years	(X)	15.8
			65 years and over	(X)	11.4
CLASS OF WORKER			People in families	(X)	16.0
Private wage and salary workers	314,907	83.2	Unrelated individuals 15 years and over	(X)	27.2
Government workers	41,424	10.9			
Self-employed workers in own no incorporated business	21,502	5.7			
Unpaid family workers	549	0.1			

(X) Not Applicable or Not Available

Source: U.S. Census Bureau, 2016 American Community Survey

**FORT WORTH HOUSING SOLUTIONS
ECONOMIC AND DEMOGRAPHIC INFORMATION
(CONTINUED)**

**DEMOGRAPHIC AND HOUSING MARKET DATA FOR FORT WORTH, TX
AND SELECTED MARKETS: 2016
(UNAUDITED)
LAST TEN FISCAL YEARS**

Census Data	Fort Worth	Tarrant County	Texas	United States
Population	815,930	1,947,529	26,956,435	318,558,162
Area in square miles	340	902	268,820	3,535,932
People per sq. mi.	2,400	2,159	101	90
Median Age	32	34	34	38
Median Family Income	\$ 64,412	\$ 71,446	\$ 64,585	\$ 67,871
Civilians	67.0%	74.3%	64.2%	63.1%
Armed Forces	0.2%	0.1%	0.5%	0.4%
Not in Labor Force	33.0%	21.4%	35.4%	36.5%

Education Levels	Fort Worth	Tarrant County	Texas	United States
Less than high School Graduate	9.5%	15.5%	16.3%	13.8%
High School Diploma	24.8%	31.8%	31.2%	30.0%
College Graduate	19.5%	14.0%	12.6%	18.8%
Post Graduate	5.0%	10.1%	9.6%	11.5%

Real Estate Market Data	Fort Worth	Tarrant County	Texas	United States
Total Housing Units	306,326	740,355	10,441,643	134,054,899
Average Home Price	\$ 131,100	\$ 148,100	\$ 142,700	\$ 184,700
Median Rental Price	\$ 931	\$ 944	\$ 911	\$ 949
Owner Occupied	56.7%	60.4%	55.0%	56.0%
Rental Units	43.3%	35.0%	32.0%	30.0%
Vacant Units	8.8%	9.7%	11.0%	6.2%

Source: U.S. Census Bureau, 2016 American Community Survey

**FORT WORTH HOUSING SOLUTIONS
ECONOMIC AND DEMOGRAPHIC INFORMATION
(CONTINUED)**

**FORT WORTH TEXAS, PROFILE OF LARGEST EMPLOYERS: 2011-2015 (AVERAGED)
AND 2016 (UNAUDITED)**

2011-2015 (Averaged)

Employer	Average No. of Employees	Percentage of Civilian Labor Force
American Airlines	22,627	6.65%
Texas Health Resources	17,150	5.11%
Lockheed Martin Aeronautics Co.	14,664	4.34%
Fort Worth ISD	11,250	3.31%
NAS-Fort Worth-JRB	11,175	3.13%
Arlington ISD	8,171	2.40%
University of Texas at Arlington	6,239	1.91%
City of Fort Worth	6,187	1.83%
JPS Health Network	5,154	1.51%
Cook's Children's Medical Center	5,089	1.49%

2016

Employer	Average No. of Employees	Percentage of Civilian Labor Force
AMR/American Airlines	25,000	6.16%
Lockheed Martin Aeronautics Co.	13,690	3.37%
Fort Worth ISD	12,000	2.95%
Texas Health Resources	12,000	2.95%
NAS-Fort Worth-JRB	10,000	2.46%
Arlington ISD	8,500	2.09%
University of Texas at Arlington	7,311	1.80%
JPS Health Network	6,500	1.60%
City of Fort Worth	6,161	1.51%
Cook's Children's Medical Center	6,042	1.49%

Source: Fort Worth Chamber of Commerce - February 28, 2018

**FORT WORTH HOUSING SOLUTIONS
OPERATING INFORMATION**

**SCHEDULE OF UNITS AVAILABLE BY PROGRAM
(UNAUDITED)
LAST THIRTEEN FISCAL YEARS**

Fiscal Year	Low Rent Housing Program	RAD	Section 8 Housing Choice Vouchers/ Others	Continuum of Care	New Construction	SRO	DHAP	Directions Home	HHC	HHSP	Section 8 Totals
2006	1,315		4,793	423	148	70	-	-	-	-	5,434
2007	1,315		4,793	423	-	70	161	-	-	-	5,447
2008	1,353		4,793	463	-	70	140	-	-	-	5,466
2009	1,340		4,978	563	-	70	340	116	-	-	6,067
2010	1,157		5,359	476	-	70	3	116	-	-	6,024
2011	1,141		5,384	476	-	70	8	108	-	-	6,046
2012	1,175		5,434	696	-	70	3	105	-	-	6,308
2013	1,122 *		5,494	659	-	70	-	105	-	-	6,328
2014	1,122 *		5,497	477	-	70	-	110	-	-	6,154
2015	1,122 *		5,536	419	-	70	-	112	95	61	6,293
2016	998	149	5,543	454	-	70	-	112	95	61	6,335
2017	998	149	5,543	400	-	70	-	103	76	61	6,253

Source: Fort Worth Housing Solutions internal records.

*Excludes Hunter Plaza's 225 units and includes 124 RAD units

**FORT WORTH HOUSING SOLUTIONS
OPERATING INFORMATION**

**SCHEDULE OF UNITS AVAILABLE BY PROGRAM
(UNAUDITED)
AS OF DECEMBER 31, 2017**

PUBLIC HOUSING

Development Number	Development Name	Address	Development Type	Availability/ Acquisition Date	Number of Units
TX 4-2	Butler Place	1201 Luella Street	Family	1964	412
TX 4-3	Cavile Place	1041 Etta Street	Family	1954	300
TX 4-16	Scattered Sites	Various	Family	1941	16
TX 4-18	Overton Park	5501 Overton Ridge	Family	2002	54
TX 4-19	Sycamore Center Villa	Various	Family	2005	47
TX 4-20	Villas of Oak Hill	2501 Oakhill Circle	Family	2005	58
TX 4-21	Cambridge Court	8135 Calmont Avenue	Family	2006	33
TX 4-22	Candletree	7425 Hulen St.	Family	2007	44
TX 4-23	Wind River	8725 Calmont Avenue	Family	2011	34
TOTAL PH UNITS AVAILABLE AS OF DECEMBER 31, 2017					<u>998</u>

RAD UNITS

TX 4-5	Hunter Plaza	605 W. First St.	Family	1974	25
TX 4-6	Fair Oaks	4401 Quail Trail	Elderly/Disabled	1975	76
TX 4-12	Fair Park	4400 Fair Park	Family	1988	48
TX 4-2	Stallion Pointe	9075 S. Race St.	Family	2017	15
TOTAL RAD UNITS AVAILABLE AS OF DECEMBER 31, 2017					<u>164</u>

SECTION 8 PROGRAMS

Program/Development	Address	Type	Number of Units
Housing Choice Vouchers	Various	Tenant-based	5,104
Mainstream Vouchers	Various	Tenant-based	100
Continuum of Care	Various	Tenant-based	400
Samaritan House (SRO)	929 Hemphill Rd.	Tenant-based	52
Cornerstone Apartments (SRO)	1415 E Lancaster	Tenant-based	18
Veterans Affairs Supportive Housing (VASH)	Various	Tenant-based	339
Directions Homes	Various	Tenant-based	103
Healthy Community Collaborative (HCC)	Various	Tenant-based	76
Homeless Housing and Services Programs (HHSP)	Various	Tenant-based	61
TOTAL UNITS AVAILABLE AS OF DECEMBER 31, 2017			<u>6,253</u>

Source: Fort Worth Housing Solutions internal records.

**FORT WORTH HOUSING SOLUTIONS
OPERATING INFORMATION**

**SCHEDULE OF UNITS AVAILABLE BY PROGRAM
(UNAUDITED)
LAST THIRTEEN FISCAL YEARS**

SECTION 8 PROGRAMS

Program/Development	Address	Type	Number of Units
Housing Choice Vouchers	Various	Tenant-based	5,104
Mainstream Vouchers	Various	Tenant-based	100
Continuum of Care	Various	Tenant-based	400
Samaritan House (SRO)	929 Hemphill Rd.	Tenant-based	52
Cornerstone Apartments (SRO)	1415 E Lancaster	Tenant-based	18
Veterans Affairs Supportive Housing (VASH)	Various	Tenant-based	339
Directions Homes	Various	Tenant-based	103
Healthy Community Collaborative (HCC)	Various	Tenant-based	76
Homeless Housing and Services Programs (HHSP)	Various	Tenant-based	61
TOTAL UNITS AVAILABLE AS OF DECEMBER 31, 2017			<u>6,253</u>

Source: Fort Worth Housing Solutions internal records.

**FORT WORTH HOUSING SOLUTIONS
OPERATING INFORMATION**

**DEMOGRAPHIC REPORT
(CURRENT PARTICIPANTS)
(UNAUDITED)
AS OF DECEMBER 31, 2017**

AFFORDABLE/MARKET RATE UNITS

Development	Address	Number of Units
Candletree Apartments	7425 Hulen Street	172
Villas of Oak Hill	2501 Oakhill Circle	525
Overton Park Townhomes	5501 Overton Ridge	162
Wind River Apartments	8725 Calmont Avenue	134
The Pavilion at Samuels Avenue	1120 Samuels	36
Cambridge Court Apartments	8135 Calmont Avenue	297
Villas on the Hill *	4744 Horne	72
Woodmont Apartments	1029 Oak Grove Rd.	252
Post Oak East Apartments	3888 Post Oak Blvd.	246
Villas by the Park	2450 East Berry South	172
Carlyle Crossing	6300 Vega Dr	138
Hunter Plaza	605 W 1st St.	139
Aventine Tarrant Parkway Apartments	5551 N. Tarrant Pkwy.	240
Villas of Eastwood Terrace	4700 E. Berry St.	160
Knight of Pythias Lofts	303-307 Crump St.	18
Hometowne at Matador Ranch	8500 Crowley Rd.	198
Pennsylvania Place	250 E. Pennsylvania Ave.	152
Hillside Apartments	300 Crump St.	172
Avondale Apartments**	13101 Avondale Farms Drive	135
Stallion Pointe	9100 Barbaro Drive	264
TOTAL UNITS AVAILABLE AS OF DECEMBER 31, 2017		3,684

* Project based Section 8

** Financial Information not included in this report

**FORT WORTH HOUSING SOLUTIONS
OPERATING INFORMATION**

**DEMOGRAPHIC REPORT
(WAIT LIST)
(UNAUDITED)
AS OF DECEMBER 31, 2017**

CHARACTERISTICS		PUBLIC HOUSING	HOUSING CHOICE VOUCHER
NUMBER OF UNITS		1002	4739
OCCUPANCY RATE		90.5%	90.8%
TOTAL NUMBER OF HOUSEHOLDS		907	4739
GENDER	Male	123	619
	Female	784	4104
AVERAGE AGE		N/A	N/A
ETHNICITY	Not Hispanic or Latino	792	0
	Not Assigned	0	0
	Hispanic or Latino	115	409
RACE	White	62	996
	Hispanic	115	409
	Black	714	3680
	American Indian	2	10
	Asian	14	37
	Other	0	N/A
ELDERLY		110	N/A
ELDERLY/DISABLED (62 & OVER)		102	851
ELDERLY/DISABLED (UNDER 62)		194	1204
AVERAGE INCOME *		\$ 11,495	\$ 12,914
AVERAGE RENT		\$ 193	N/A
MINIMUM RENT		N/A	N/A
FLAT RENT		N/A	N/A
TOTAL PUBLIC HOUSING POPULATION		N/A	N/A

* May total over 100% since some families have more than one source of income.

N/A - Not Available

Note: Due to conversion to the new Elite system, some of the data previously available for this schedule is no longer available. (Ave. Age, Income Source, Marital Status)

**FORT WORTH HOUSING SOLUTIONS
OPERATING INFORMATION**

**PUBLIC HOUSING AND SECTION 8 ASSESSMENT SCORES
(UNAUDITED)
LAST THIRTEEN FISCAL YEARS**

Fiscal Year	Public Housing Assessment System Scores	HUD Designation	Section 8 Management Assessment Program Score	HUD Designation
2002	95.00	High Performer	100.00	High Performer
2003	96.00	High Performer	100.00	High Performer
2004	90.78	High Performer	95.00	High Performer
2005	89.00	Standard Performer	95.00	High Performer
2006	94.00	High Performer	95.00	High Performer
2007	90.00	High Performer	100.00	High Performer
2008	N/A	N/A	100.00	High Performer
2009	N/A	N/A	103.00	High Performer
2010	N/A	N/A	103.00	High Performer
2011	84.00	Standard Performer	100.00	High Performer
2012	77.00	Standard Performer	100.00	High Performer
2013	75.00	Substandard Management **	97.00	High Performer
2014	83.00	Substandard Management	100.00	High Performer
2015	91.00	High Performer	97.00	High Performer
2016	82.00	Standard	100.00	High Performer
2017	NA	NA	NA	NA

NA - Not Available at this time

** Due to Hunter Plaza vacant units.

**FORT WORTH HOUSING SOLUTIONS
OPERATING INFORMATION**

**NUMBER OF EMPLOYEES
(UNAUDITED)
LAST TEN FISCAL YEARS**

Fiscal Year	Budgeted Positions	Filled Positions	Temporary Positions
2005	124	111	-
2006	131	122	-
2007	132	130	4
2008	139	136	3
2009	141	134	1
2010	140	122	7
2011	131	118	8
2012	130	118	5
2013	130	109	4
2014	106	76	-
2015	92	77	-
2016	93	84	-
2017	89	86	-