

# Housing Authority of the City of Fort Worth, Texas



# 2018

Comprehensive Annual  
Financial Report  
Fiscal Year Ending  
December 31, 2018

**FORT WORTH HOUSING SOLUTIONS  
FORT WORTH, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2018**

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

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**SECTION I – INTRODUCTORY SECTION**

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July 23, 2019

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, Texas now with an assumed name of Fort Worth Housing Solutions ("FWHS"), for the fiscal year ended December 31, 2018. 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 other 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 of 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 Single Audit report that is included in the separately issued Fort Worth Housing Solutions Financial Statements and Supplementary Information report.

Accounting principles generally accepted in the United State 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 President 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 873 units in its public housing inventory and 344 units in its Rental Assistance Demonstration (RAD) inventory. With the exception of the Cavile Place (300 units) and Scattered Sites (16 units), the agency plans to convert all its remaining 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 666 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 2018 the total eligibility was prorated at 94.74%, a slight increase from 2017's 93.10%. The administrative fee for Housing Choice Voucher program was funded at 80%, which was better than the prior year's 77%. With perhaps the exception of voucher renewals that receive a proration of 97 to 99%, other programs remain deeply underfunded. For 2019, funding prorations facing housing authorities are grossly insufficient. The voucher administrative fee is currently prorated at 79%; but, hopefully may go up at the end of the year. The public housing operating subsidy has an interim proration level of 97.26%. 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 2018, the Authority had a total of 3,809 privately managed affordable and market rate units. This total also includes 80 Section 8 project based units. In 2019 FWHS plans to acquire more properties to pursue its objectives of increasing non federal 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 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. Various pieces of lands in the surrounding areas were acquired as part of this development plan. FWHS had previously intended to replace the 300 Cavile public housing units with 300 RAD units through various phases of development.

#### ***Cavile Place -Section 18 Demolition and Disposition of Public Housing***

In 2018, FWHS submitted an application for the demolition of the Cavile Place units due to the physical condition, location and other factors making these units unsuitable for housing purposes and no reasonable program of modification is cost-effective to return the portion of the property to useful life. Partial demolition will help to ensure the viability of the remaining portion of the property. FWHS intends to use the site for future development of mixed-income housing. Tenant Protection Vouchers will be available to FWHS based on demolition that temporarily or permanently remove units from its public housing inventory.

#### ***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 2018, FWHS has 344 RAD units. The remaining public housing units scheduled for RAD processing 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. At the end of 2018, 81 Butler units have been converted to RAD.

Additionally, a plan to redevelop Butler Place is underway. 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.

### ***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 2018, no unit remain 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 generally accepted accounting principles. 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, 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. It continues to adopt various cost saving measures to reduce the operating deficits and it aggressively acquires and develops more properties that will yield unrestricted profits in the years to come. FWHS and its entities serve in various capacities when acquiring these properties, which allow them to earn fees.

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, 2018 included the following: Low Rent Public Housing (consisting of 873 units in 8 Asset Management Projects); Rental Assistance Demonstration (consisting of 344 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 666 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, 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., Ironwood Crossing Public Facility Corporation 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, Amtex Avondale, LP, The Standard at Boswell Marketplace, LP, FW Reserve at McAlister, LLC, FW Western Center GP, LLC, FW Steele Sabine Place, LLC, FW Steele Prince Hall LLC, Post Oak East Apartments, LP, and Palladium Fort Worth, Ltd.

### **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, 2017. This was the 16<sup>th</sup> 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 generally accepted accounting principles 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  
President



Riza Nolasco  
Vice President Finance and Administration



**FORT WORTH HOUSING SOLUTIONS**

**LIST OF PRINCIPAL OFFICIALS  
December 31, 2018**

**Board of Commissioners**

Terri Attaway  
Chairman

Richard Stinson  
Vice Chairman

Michael Ramirez  
Commissioner

Danny Scarth  
Commissioner

Brittany Hall  
Resident Commissioner

**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

Brian Dennison  
Sr. Vice President Development and Asset Management



Government Finance Officers Association

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

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

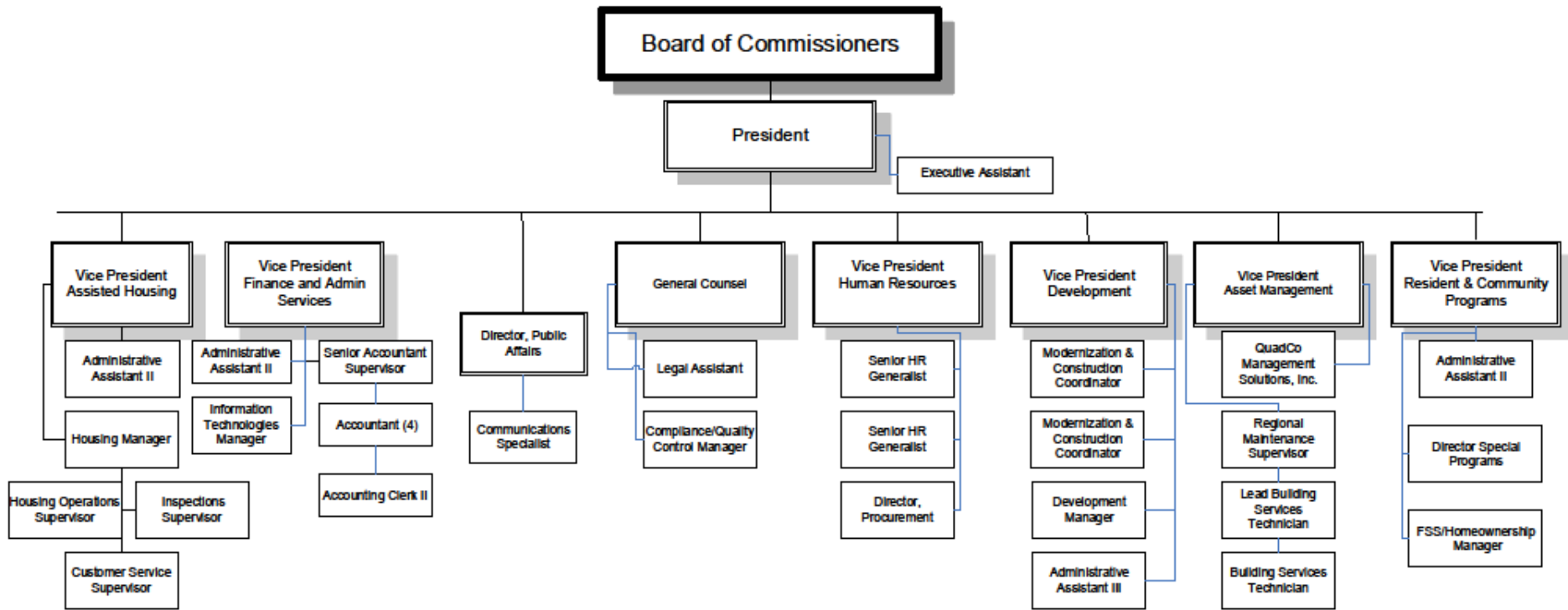
**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO



# Organizational Chart 2018



**SECTION II – FINANCIAL SECTION**

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## 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, 2018, 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 14%, -17%, and 7%, respectively, of the assets, net position, and revenues of the enterprise fund. We did not audit the financial statements of South Hulen, LP, Post Oak East Apartments, LP, Lincoln Terrace, LP, Samuels Avenue, LP, Cobb Park Townhomes II, LP, Trinity Quality Housing, LP, Western Hills Affordable Housing, LP, FW Hunter Plaza, LP, LDG Stallion Pointe, LP, Woodmont Apartments, Ltd, Hometowne at Matador Ranch, LP, Palladium Fort Worth, Ltd, FW Steele Prince Hall, LLC, FW Steele Sabine Place, LLC, Western Center Reserve, LLC, Reserve at McAlister Senior Living, LLC, FW Alton Park, LP, Amtex Avondale, LP, and The Standard at Boswell Marketplace, LP, which represents 91%, 96%, and 99%, respectively, of the assets, partner's equity 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 South Hulen, LP, Post Oak East Apartments, LP, Lincoln Terrace, LP, Samuels Avenue, LP, Cobb Park Townhomes II, LP, Trinity Quality Housing, LP, Western Hills Affordable Housing, LP, FW Hunter Plaza, LP, LDG Stallion Pointe, LP, Woodmont Apartments, Ltd, Hometowne at Matador Ranch, LP, Palladium Fort Worth, Ltd, FW Steele Prince Hall, LLC, FW Steele Sabine Place, LLC, Western Center Reserve, LLC, Reserve at McAlister Senior Living, LLC, FW Alton Park, LP, Amtex Avondale, LP, and The Standard at Boswell Marketplace, LP, 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.

### ***Opinions***

In our opinion, based on our audit and the reports 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, 2018, 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 16 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 July 23, 2019, 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  
July 23, 2019

**FORT WORTH HOUSING SOLUTIONS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

Fort Worth Housing Solutions (FWHS) is proud to provide this narrative overview and analysis of FWHS' financial activities for the year ended December 31, 2018. 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, 2018 by \$68.8 million (net position). This amount represents an increase of approximately \$4.7 million from the balance at December 31, 2017. This increase is reflected in the Statement of Revenues, Expenses, and Changes in Net Position and discussed in detail below.
- FWHS' cash and cash equivalents and investments balance as of December 31, 2018 was \$43.3 million representing a decrease of \$2.4 million from December 31, 2017. This decrease is due to reductions in replacement or repair completion reserve accounts of Villas of Eastwood Terrace, Aventine and Pennsylvania Place Apartments to pay vendors.
- Total assets increased by approximately \$33.3 million due to a donation of a property to FWHS' blended component unit. Ownership of The Henderson Apartments was transferred to Ironwood Crossing Public Facility Corporation through a lease agreement.
- Total operating income increased by \$7.5 million. This is due to increases in tenant revenue, HUD operating grants and other revenues. Other revenues went up due to the recognition of developer fees and receipts of other fees associated with the acquisition and development of new properties such as general contractor fees, bond issuer fees, incentive fees, etc.

**FORT WORTH HOUSING SOLUTIONS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**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.

	2018	2017
Current Assets	\$ 55,837,270	\$ 54,756,663
Noncurrent Assets	22,076,685	21,435,197
Capital Assets, Net	134,179,115	102,570,685
Total Assets	<u>212,093,070</u>	<u>178,762,545</u>
Current Liabilities	19,878,099	20,915,999
Long-Term Liabilities	123,452,511	93,739,554
Total Liabilities	<u>143,330,610</u>	<u>114,655,553</u>
Net Position:		
Net Investment in Capital Assets	55,879,527	7,289,639
Restricted Net Position	4,975,950	7,006,009
Unrestricted Net Position	7,906,983	49,811,344
Total Net Position	<u>68,762,460</u>	<u>64,106,992</u>
Total Deferred Inflow of Resources, Liabilities and Net Position	<u>\$ 212,093,070</u>	<u>\$ 178,762,545</u>

Total assets of FWHS at December 31, 2018 amounted to \$212.1 million. This amount represents an increase of approximately \$33.3 million from the balance at December 31, 2017. This increase is due to primarily to the donation of property, the Henderson Apartments, to Ironwood Crossing Public Facility Corporation (ICPFC), a blended component unit, in the amount of \$32.3 million. The contribution was in connection with a lease agreement between ICPFC and Henderson Apartments, L.P., owner of the Henderson Apartments. IPFC will recognize the contribution over the life of the lease, thus the contribution resulted in an increase in unearned revenue in the same amount, less the current year recognition.



**FORT WORTH HOUSING SOLUTIONS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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 \$143.3 million at December 31, 2018. This balance represents an increase of approximately \$28.7 million from what was reported at the end of 2017. As discussed above, this is due primarily to the \$32.3 million donation of a property to Ironwood Crossing Public Facility Corporation that is being recognized over the life of the lease. Additionally, there was a net decrease of \$1.9 million in long-term debt due to required debt service payments during the audit period

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 increased by approximately \$4.7 million during the year ended December 31, 2018.

**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, 2018**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

	2018	2017
<b>Operating Revenues</b>		
Net Tenant Rental Revenue	\$ 19,326,834	\$ 18,786,196
HUD Operating Grants	50,166,311	49,094,077
Other Revenue	16,309,730	7,975,145
Total Operating Revenue	85,802,875	75,855,418
<b>Operating Expenses</b>		
Administrative	15,848,466	14,340,179
Tenant Services	114,570	180,126
Utilities	3,274,366	3,039,972
Ordinary Maintenance and Operations	5,624,644	5,023,953
General and Other	4,356,312	6,430,023
Housing Assistance Payments	42,892,691	41,698,228
Depreciation	5,955,175	4,856,333
Total Operating Expenses	78,066,224	75,568,814
Operating Income	7,736,651	286,604
<b>Nonoperating Revenues</b>		
Investment Income	631,189	305,572
Gain on Sale of Capital Assets	21,144	16,567
Proceeds from Disposition of Assets Held for Sale	13,797	-
Other Gains/Revenues	-	(3,879,360)
Total Nonoperating Revenues	666,130	(3,557,221)
<b>Nonoperating Expenses</b>		
Interest Expense	3,746,010	3,899,217
Casualty Loss	1,303	813
Equity - Aventine	-	56,522
Total Nonoperating Expenses	3,747,313	3,956,552
Nonoperating Loss	(3,081,183)	(7,513,773)
<b>Change in Net Position</b>	4,655,468	(7,227,169)
Net Position - Beginning	64,106,992	71,334,161
<b>Net Position - Ending</b>	\$ 68,762,460	\$ 64,106,992

Fiscal year 2018 resulted in operating income of \$7.7 million, a favorable change of \$7.5 million from 2017. Total operating revenues increased by \$9.9 million and total operating expenses increased by \$2.5 million. Operating revenue increased due to an increase in net tenant rental revenue, HUD operating grants, and other revenue of \$0.5 million, \$1.1 million, and \$8.3 million, respectively. Several factors drive the increase in rental revenue. The increase in HUD operating grants was related to an increase in funding for the Housing Choice Vouchers program. This increase was consistent with the increase in Housing Assistance Payments in the program. The primary driver for the increase in other revenue was the current year recognition of various developer fees earned by FWHS and its entities in the current fiscal year.

**FORT WORTH HOUSING SOLUTIONS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

Total nonoperating revenues increased by \$4.2 million and total nonoperating expenses decreased by \$209 thousand. These favorable changes were primarily due to the inclusion of Aventine Tarrant Parkway Apartments, LP's financial activities in 2017 when the partnership agreement was amended to allow the withdrawal of the existing limited partners and admit new limited partners, which are entities related to FWHS. This inclusion resulted in a \$3.9 million decrease in FWHS' net position in 2017.

Investment income increased by approximately \$326 thousand due to an increase in the interest rate from 1.16% to 2.30%. This increase doubled the investment income from 2017 to 2018.

As shown in the above financial statements, the overall financial position of FWHS has increased 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 various factors.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The summary below shows the balances by line item for 2018 and 2017. 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.

	2018	2017
Land	\$ 34,577,153	\$ 26,692,402
Buildings	175,417,282	148,509,618
Furniture, Equipment and Machinery - Dwellings	2,637,871	2,611,977
Furniture, Equipment and Machinery - Administrative	5,879,401	3,403,118
Leasehold Improvements	11,496,615	9,611,502
Construction in Progress	158,872	126,254
Total Capital Assets	230,167,194	190,954,871
Less: Accumulated Depreciation	(95,988,079)	(88,384,186)
Net Capital Assets	\$ 134,179,115	\$ 102,570,685

**Debt Administration**

FWHS made its required debt service payments during the audit period. The table below shows the outstanding debt at the end of 2018 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.

	2018	2017
Bonds, Notes, and Loans Payable	\$ 93,368,324	\$ 95,281,046

**FORT WORTH HOUSING SOLUTIONS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**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 58% of FWHS' total revenues in 2018. Additionally, a majority of its \$134.2 million net capital assets as of December 31, 2018 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 2018 the operating fund and housing voucher administrative fee were prorated at 94.74% and 80%, 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. 13<sup>th</sup> Street  
Fort Worth, Texas 76102  
[www.fwhs.org](http://www.fwhs.org) (Fort Worth Housing Solutions website)

**FORT WORTH HOUSING SOLUTIONS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

		Enterprise Fund
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents - Unrestricted	\$	37,439,796
Cash and Cash Equivalents - Restricted		5,841,932
Accounts Receivable - HUD		258,730
Accounts Receivable - Tenants (Net of Allowance)		77,477
Accounts Receivable - Other (Net of Allowance)		9,654,277
Prepaid Expenses		613,056
Notes and Capital Lease Receivable - Current		217,962
Due from Discretely Presented Component Units		1,734,040
Total Current Assets		55,837,270
<b>NONCURRENT ASSETS</b>		
Capital Assets:		
Land		34,577,153
Buildings		175,417,282
Furniture, Equipment and Machinery - Dwelling		2,637,871
Furniture, Equipment and Machinery - Administration		5,879,401
Leasehold Improvements		11,496,615
Construction in Progress		158,872
		230,167,194
Accumulated Depreciation		(95,988,079)
Total Capital Assets		134,179,115
Notes and Capital Lease Receivable - Noncurrent		19,870,899
Other Assets		909,552
Investment in Joint Ventures		1,296,234
Total Noncurrent Assets		156,255,800
Total Assets	\$	212,093,070

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS  
STATEMENT OF NET POSITION - CONTINUED  
DECEMBER 31, 2018**

		Enterprise Fund
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$	820,759
Accounts Payable - HUD		426
Accrued Wages and Payroll Taxes Payable		184,830
Current Portion of Notes Payable		1,982,759
Accrued Compensated Absences - Current		357,038
Accrued Interest Payable		1,811,190
Tenant Security Deposits		520,859
Unearned Revenue - Current		13,747,073
Other Current Liabilities		394,113
Due to Discretely Presented Component Units		59,052
Total Current Liabilities		19,878,099
<b>LONG-TERM LIABILITIES</b>		
Notes Payable, Net of Current Portion		91,385,565
Accrued Compensated Absences - Noncurrent Portion		130,542
Unearned Revenue - Noncurrent Portion		31,699,179
Noncurrent Liabilities - Other		237,225
Total Long-Term Liabilities		123,452,511
Total Liabilities		143,330,610
<b>NET POSITION</b>		
Net Investment in Capital Assets		55,879,527
Restricted Net Position:		
Operating Reserves		2,213,497
Replacement Reserves		1,522,355
Escrow Reserves		971,882
Construction Reserves		181,953
HAP Equity		86,263
Unrestricted Net Position		7,906,983
Total Net Position		68,762,460
Total Liabilities and Net Position	\$	212,093,070

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS**  
**BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNITS**  
**DECEMBER 31, 2018**

	South Hulen, LP	Lincoln Terrace, LP	Samuels Avenue, LP	Cobb Park Townhomes II, LP	Trinity Quality Housing, LP	Western Hills Affordable Housing, LP	FW Hunter Plaza, LP
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 738,412	\$ 49,224	\$ 28,475	\$ 587,891	\$ 580,926	\$ 114,990	\$ 24,493
Restricted Cash	2,132,402	586,988	70,079	470,770	711,670	1,241,768	779,677
Accounts Receivable	6,588	502	3,481	64,785	4,312	15,231	3,324
Tenant Accounts Receivables	-	-	-	-	-	-	-
Notes Receivable, Current Portion	-	-	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-	-
Due from Related Parties	6,075	17,326	1,100	48,800	704	33,137	-
Prepaid Expenses	63,388	14,706	7,661	42,950	25,510	71,162	11,943
Prepaid Ground Lease	-	-	171,373	-	386,005	-	-
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-	-
Fixed Assets, Net of							
Accumulated Depreciation	9,182,272	6,844,775	2,482,597	6,156,920	9,780,625	8,576,426	25,793,397
Capitalized Costs, Net of							
Accumulated Amortization	-	-	-	-	-	-	-
Deferred Charges, Net of							
Accumulated Amortization	-	32,935	-	-	35,301	-	64,251
<b>Total Assets</b>	<b>\$ 12,129,137</b>	<b>\$ 7,546,456</b>	<b>\$ 2,764,766</b>	<b>\$ 7,372,116</b>	<b>\$ 11,525,053</b>	<b>\$ 10,052,714</b>	<b>\$ 26,677,085</b>

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS**  
**BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNITS – CONTINUED**  
**DECEMBER 31, 2018**

	LDG Stallion Pointe, LP	Post Oak East Apartments, LP	Hometown at Matador Ranch, LP	Woodmont Apartments, Ltd	FW Alton Park, LP	FW Campus Apartments, LP	Palladium Fort Worth, Ltd
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 220,099	\$ 853,512	\$ 659,998	\$ 25,368	\$ 2,479,437	\$ 114,487	\$ 629,548
Restricted Cash	299,999	282,309	900,565	124,546	9,700	5,089,315	100,226
Accounts Receivable	34,933	2,204	-	9,455	-	-	-
Tenant Accounts Receivables	-	29,996	4,435	-	50,733	114	-
Notes Receivable, Current Portion	-	-	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-	-
Due from Related Parties	-	-	-	-	-	-	-
Prepaid Expenses	253,712	36,285	132,083	62,512	35,170	22,038	-
Prepaid Ground Lease	2,540,890	-	-	1,120,090	-	843,598	1,724,800
Tax Credit Monitoring Fees, Net	-	-	-	-	61,516	-	-
Fixed Assets, Net of							
Accumulated Depreciation	36,609,605	10,812,872	12,084,654	16,379,145	27,546,946	24,078,415	17,803,203
Capitalized Costs, Net of							
Accumulated Amortization	-	-	-	20,198	-	-	-
Deferred Charges, Net of							
Accumulated Amortization	49,387	7,306	14,114	-	-	-	-
<b>Total Assets</b>	<b>\$ 40,008,625</b>	<b>\$ 12,024,484</b>	<b>\$ 13,795,849</b>	<b>\$ 17,741,314</b>	<b>\$ 30,183,502</b>	<b>\$ 30,147,967</b>	<b>\$ 20,257,777</b>

See accompanying Notes to Financial Statements



**FORT WORTH HOUSING SOLUTIONS**  
**BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNITS – CONTINUED**  
**DECEMBER 31, 2018**

	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC	Western Center Reserve, LLC	Reserve at McAlister Senior Living, LLC	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	Total Memorandum Only
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 48,742	\$ 56,866	\$ 224,868	\$ 133,622	\$ 444,625	\$ 255,874	\$ 8,271,457
Restricted Cash	701,260	85,819	672,463	552,981	97,137	3,003,902	17,913,576
Accounts Receivable	44,879	193,619	-	-	-	-	383,313
Tenant Accounts Receivables	-	-	1,144	-	9,384	14,007	109,813
Notes Receivable, Current Portion	-	-	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	58,885	-	58,885
Due from Related Parties	-	-	24,000	-	-	-	131,142
Prepaid Expenses	10,022	19,355	-	5,008	42,447	173,246	1,029,198
Prepaid Ground Lease	198,990	475,842	1,144,437	2,051,552	892,073	-	11,549,650
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-	61,516
Fixed Assets, Net of							
Accumulated Depreciation	7,695,612	9,165,389	11,935,209	11,329,720	21,487,983	22,599,444	298,345,209
Capitalized Costs, Net of							
Accumulated Amortization	16,360	16,496	-	-	-	-	53,054
Deferred Charges, Net of							
Accumulated Amortization	-	-	34,440	42,721	-	-	280,455
<b>Total Assets</b>	<b>\$ 8,715,865</b>	<b>\$ 10,013,386</b>	<b>\$ 14,036,561</b>	<b>\$ 14,115,604</b>	<b>\$ 23,032,534</b>	<b>\$ 26,046,473</b>	<b>\$ 338,187,268</b>

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS**  
**BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNITS – CONTINUED**  
**DECEMBER 31, 2018**

	South Hulen, LP	Lincoln Terrace, LP	Samuels Avenue, LP	Cobb Park Townhomes II, LP	Trinity Quality Housing, LP	Western Hills Affordable Housing, LP	FW Hunter Plaza, LP
<b>LIABILITIES</b>							
Accounts Payable	\$ 19,414	\$ 100	\$ 117	\$ 6,891	\$ 40,774	\$ 36,901	\$ 6,761
Security Deposits Payable	46,124	12,473	7,300	35,147	37,266	59,267	36,898
Prepaid Revenue	7,291	7,311	6,812	12,881	7,575	31,917	4,893
Accrued Interest	21,016	7,240	19,324	-	1,656	17,032	486,903
Accrued Expenses	25,328	1,910	387	9,462	41,055	21,667	13,334
Other Current Liabilities	-	-	-	-	-	-	-
Accrued Property Taxes	-	-	-	-	-	-	-
Deposit Liabilities	-	-	-	-	-	-	-
Interest Rate Swap Liability	-	-	-	-	-	-	-
Contractor Payable	-	-	-	-	-	-	-
Other Liabilities - Construction	-	-	-	-	-	-	-
Retainage Payable	-	-	-	-	-	-	-
Due to Related Parties	149,317	28,483	152,959	125,005	37,022	289,565	726,494
Exchange Fund Grant	-	-	-	-	-	-	-
Deferred Grant Income	-	2,420,727	-	-	-	-	-
Development Fee Payable, Including Accrued Interest	-	-	409,894	-	539,326	-	802,488
Subordinate Loan Payable	-	-	-	-	-	-	-
Long-Term Debt, Net of Unamortized Debt Issuance Costs	7,892,904	5,331,604	1,531,480	4,366,135	3,765,710	5,155,607	16,809,611
Total Liabilities	<u>8,161,394</u>	<u>7,809,848</u>	<u>2,128,273</u>	<u>4,555,521</u>	<u>4,470,384</u>	<u>5,611,956</u>	<u>18,887,382</u>
<b>PARTNERS' CAPITAL</b>	<u>3,967,743</u>	<u>(263,392)</u>	<u>636,493</u>	<u>2,816,595</u>	<u>7,054,669</u>	<u>4,440,758</u>	<u>7,789,703</u>
Total Liabilities and Partners' Capital	<u>\$ 12,129,137</u>	<u>\$ 7,546,456</u>	<u>\$ 2,764,766</u>	<u>\$ 7,372,116</u>	<u>\$ 11,525,053</u>	<u>\$ 10,052,714</u>	<u>\$ 26,677,085</u>

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS**  
**BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNITS – CONTINUED**  
**DECEMBER 31, 2018**

	LDG Stallion Pointe, LP	Post Oak East Apartments, LP	Hometown at Matador Ranch, LP	Woodmont Apartments, Ltd	FW Alton Park, LP	FW Campus Apartments, LP	Palladium Fort Worth, Ltd
<b>LIABILITIES</b>							
Accounts Payable	\$ 45,768	\$ 9,778	\$ 26,585	\$ 19,355	\$ 29,457	\$ 215,438	\$ 883,168
Security Deposits Payable	86,926	54,849	48,698	68,640	9,700	-	-
Prepaid Revenue	8,232	32,044	7,209	1,019	-	-	-
Accrued Interest	50,027	58,093	722,450	452,879	95,841	83,600	50,558
Accrued Expenses	11,442	39,862	29,945	56,143	-	-	-
Other Current Liabilities	-	-	-	-	31,300	4,891,856	2,362
Accrued Property Taxes	-	-	-	-	-	-	-
Deposit Liabilities	-	-	-	-	-	-	-
Interest Rate Swap Liability	-	-	-	593,367	-	-	-
Contractor Payable	1,299,582	822,375	334,000	-	-	-	-
Other Liabilities - Construction	-	-	-	-	3,742,340	-	-
Retainage Payable	-	-	-	-	-	-	-
Due to Related Parties	358,701	745,145	128,082	122,274	5,000	28,543	-
Exchange Fund Grant	-	-	-	-	-	-	-
Deferred Grant Income	-	-	-	-	-	-	100,000
Development Fee Payable, Including Accrued Interest	4,812,026	428,675	1,966,897	363,582	1,928,263	-	1,718,029
Subordinate Loan Payable	2,000,000	-	-	-	-	-	-
Long-Term Debt, Net of Unamortized Debt Issuance Costs	26,234,198	12,232,258	10,682,446	16,732,758	22,431,834	21,574,451	15,441,349
Total Liabilities	<u>34,906,902</u>	<u>14,423,079</u>	<u>13,946,312</u>	<u>18,410,017</u>	<u>28,273,735</u>	<u>26,793,888</u>	<u>18,195,466</u>
<b>PARTNERS' CAPITAL</b>	<u>5,101,723</u>	<u>(2,398,595)</u>	<u>(150,463)</u>	<u>(668,703)</u>	<u>1,909,767</u>	<u>3,354,079</u>	<u>2,062,311</u>
Total Liabilities and Partners' Capital	<u>\$ 40,008,625</u>	<u>\$ 12,024,484</u>	<u>\$ 13,795,849</u>	<u>\$ 17,741,314</u>	<u>\$ 30,183,502</u>	<u>\$ 30,147,967</u>	<u>\$ 20,257,777</u>

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS**  
**BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNITS – CONTINUED**  
**DECEMBER 31, 2018**

	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC	Western Center Reserve, LLC	Reserve at McAlister Senior Living, LLC	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	Total Memorandum Only
<b>LIABILITIES</b>							
Accounts Payable	\$ 662,279	\$ 73,840	\$ 43,626	\$ 19,927	\$ 1,642	\$ 220	\$ 2,142,041
Security Deposits Payable	-	-	15,656	32,289	32,603	36,746	620,582
Prepaid Revenue	-	-	9,796	13,643	-	6,670	157,293
Accrued Interest	30,921	29,691	17,233	18,007	-	-	2,162,471
Accrued Expenses	-	2,098	8,490	12,221	182,759	120,790	576,893
Other Current Liabilities	2,737	-	136,586	4,624	-	13,394	5,082,859
Accrued Property Taxes	28,008	-	-	-	-	-	28,008
Deposit Liabilities	12,806	12,234	-	-	-	-	25,040
Interest Rate Swap Liability	-	-	-	-	-	-	593,367
Contractor Payable	-	-	-	-	-	1,666,658	4,122,615
Other Liabilities - Construction	-	-	-	-	-	-	3,742,340
Retainage Payable	-	-	-	-	-	-	-
Due to Related Parties	-	-	25,000	58,451	-	12,100	2,992,141
Exchange Fund Grant	-	-	-	-	-	-	-
Deferred Grant Income	-	-	-	-	-	-	2,520,727
Development Fee Payable, Including Accrued Interest	108,500	874,286	301,839	873,544	1,154,625	1,509,623	17,791,597
Subordinate Loan Payable	-	-	-	-	-	-	2,000,000
Long-Term Debt, Net of Unamortized Debt Issuance Costs	6,971,459	6,772,085	3,042,527	3,560,542	8,787,564	13,984,585	213,301,107
Total Liabilities	<u>7,816,710</u>	<u>7,764,234</u>	<u>3,600,753</u>	<u>4,593,248</u>	<u>10,159,193</u>	<u>17,350,786</u>	<u>257,859,081</u>
<b>PARTNERS' CAPITAL</b>	<u>899,155</u>	<u>2,249,152</u>	<u>10,435,808</u>	<u>9,522,356</u>	<u>12,873,341</u>	<u>8,695,687</u>	<u>80,328,187</u>
Total Liabilities and Partners' Capital	<u>\$ 8,715,865</u>	<u>\$ 10,013,386</u>	<u>\$ 14,036,561</u>	<u>\$ 14,115,604</u>	<u>\$ 23,032,534</u>	<u>\$ 26,046,473</u>	<u>\$ 338,187,268</u>

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2018**

	<u>Enterprise Fund</u>
<b>OPERATING REVENUES</b>	
Net Tenant Rental Revenue	\$ 19,326,834
HUD Operating Grants	50,166,311
Other Governmental Grants	2,145,990
Other Revenue	14,163,740
Total Operating Revenues	<u>85,802,875</u>
<b>OPERATING EXPENSES</b>	
Administrative	15,848,466
Tenant Services	114,570
Utilities	3,274,366
Ordinary Maintenance and Operations	5,624,644
Protective Services	864,994
General	3,491,318
Housing Assistance Payments	42,892,691
Depreciation	5,955,175
Total Operating Expenses	<u>78,066,224</u>
Operating Income	<u>7,736,651</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Income	631,189
Interest Expense	(3,746,010)
Gain on Sale of Capital Assets	21,144
Proceeds from Disposition of Assets Held for Sale	13,797
Casualty Loss	(1,303)
Total Nonoperating Revenues (Expenses)	<u>(3,081,183)</u>
<b>CHANGE IN NET POSITION</b>	4,655,468
Total Net Position - Beginning of Year	<u>64,106,992</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u><u>\$ 68,762,460</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, 2018**

	South Hulen, LP	Lincoln Terrace, LP	Samuels Avenue, LP	Cobb Park Townhomes II, LP	Trinity Quality Housing, LP	Western Hill Affordable Housing, LP	FW Hunter Plaza, LP
<b>REVENUE</b>							
Rental Revenue	\$ 1,670,800	\$ 599,291	\$ 349,034	\$ 1,526,021	\$ 1,131,644	\$ 2,047,874	\$ 1,590,509
Less: Vacancy Loss	-	-	-	-	-	-	(96,496)
Other Revenue	26,194	1,131	4,099	13,958	32,316	59,102	114,804
Total Revenue	<u>1,696,994</u>	<u>600,422</u>	<u>353,133</u>	<u>1,539,979</u>	<u>1,163,960</u>	<u>2,106,976</u>	<u>1,608,817</u>
<b>OPERATING EXPENSES</b>							
General and Administrative	51,421	34,702	12,686	37,148	46,585	86,616	50,036
Payroll	328,735	99,644	26,526	347,662	326,580	532,439	287,806
Utilities	183,325	69,365	46,957	268,615	99,491	384,941	91,063
Taxes and Insurance	29,930	11,291	9,170	22,833	22,204	72,493	67,631
Property Management Fees	99,743	37,198	17,712	72,531	79,648	111,909	78,572
Property Insurance	-	-	-	-	-	-	-
Repairs and Maintenance	195,630	110,388	59,902	383,904	137,009	383,597	221,523
Marketing and Advertising	2,916	2,069	1,300	13,577	3,799	15,841	16,994
Legal and Other Professional Fees	16,919	5,765	11,858	22,575	18,704	25,769	70,548
Miscellaneous Operating Expenses	-	-	-	-	-	-	-
Bad Debt Expense	10,126	8,982	-	64,386	6,478	99,951	34,411
Ground Lease Expense	100	100	2,097	-	4,293	100	-
Total Operating Expense	<u>918,845</u>	<u>379,504</u>	<u>188,208</u>	<u>1,233,231</u>	<u>744,791</u>	<u>1,713,656</u>	<u>918,584</u>
Operating Income (Loss)	<u>778,149</u>	<u>220,918</u>	<u>164,925</u>	<u>306,748</u>	<u>419,169</u>	<u>393,320</u>	<u>690,233</u>
<b>OTHER INCOME AND (EXPENSES)</b>							
Interest Income	390	139	92	1,148	1,092	4,294	610
Forgiveness of Debt Income	300,112	-	-	-	-	-	25,393
Exchange Grant Income	-	197,371	-	-	-	-	-
Interest Expense	(316,303)	(120,025)	(114,796)	(20,155)	(43,738)	(236,714)	(595,549)
Other Financial Income (Expense)	-	-	-	-	-	-	-
Depreciation	(607,912)	(316,633)	(173,586)	(91,575)	(456,637)	(599,253)	(1,218,236)
Ground Lease	-	-	-	-	-	-	(34,750)
Amortization of Deferred Charges	-	-	-	-	-	-	-
Amortization of Prepaid Ground Lease	-	-	-	-	-	-	-
Investor Services Fees	-	-	-	-	-	-	-
Start-up and Organization Costs	-	-	-	-	-	-	-
Partnership Management Fee	-	-	-	-	-	-	-
Other Partnership Expenses	(38,857)	(53,027)	(8,822)	(19,834)	(32,956)	(126,414)	(10,403)
Bond Rate Stack Fees	-	-	-	-	-	-	-
Unrealized Gain (Loss) on Interest Rate Swap	-	-	-	-	-	-	-
Unamortized Loan Fees Written Off	(2,549)	-	-	-	-	-	-
Asset Management Fees	-	-	-	-	-	-	-
Casualty Loss from Hail Damage	-	-	-	-	-	-	-
Net Other Income and (Expense)	<u>(665,119)</u>	<u>(292,175)</u>	<u>(297,112)</u>	<u>(130,416)</u>	<u>(532,239)</u>	<u>(958,087)</u>	<u>(1,832,935)</u>
<b>NET INCOME (LOSS)</b>	<u>113,030</u>	<u>(71,257)</u>	<u>(132,187)</u>	<u>176,332</u>	<u>(113,070)</u>	<u>(564,767)</u>	<u>(1,142,702)</u>
<b>BALANCE - JANUARY 1, 2018</b>	3,854,713	(192,135)	768,680	2,640,263	7,167,739	5,025,122	8,932,405
<b>EQUITY TRANSFER IN</b>							
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	-	(19,597)	-
<b>SYNDICATION COSTS</b>	-	-	-	-	-	-	-
<b>BALANCE - DECEMBER 31, 2018</b>	<u>\$ 3,967,743</u>	<u>\$ (263,392)</u>	<u>\$ 636,493</u>	<u>\$ 2,816,595</u>	<u>\$ 7,054,669</u>	<u>\$ 4,440,758</u>	<u>\$ 7,789,703</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, 2018**

	LDG Stallion Pointe, LP	Post Oak East Apartments, LP	Hometowne at Matador Ranch, LP	Woodmont Apartments, Ltd	FW Alton Park, LP	FW Campus Apartments, LP	Palladium Forth Worth, Ltd.
<b>REVENUE</b>							
Rental Revenue	\$ 2,826,518	\$ 2,823,702	\$ 1,682,905	\$ 2,264,433	\$ 194,866	\$ -	\$ 64
Less: Vacancy Loss	(812,071)	(47,118)	-	-	(139,827)	-	-
Other Revenue	94,803	49,228	51,468	56,073	1,748	114	-
Total Revenue	2,109,250	2,825,812	1,734,373	2,320,506	56,787	114	64
<b>OPERATING EXPENSES</b>							
General and Administrative	96,414	119,771	61,004	77,721	-	89,793	11,588
Payroll	247,704	342,730	305,885	322,539	38,273	38,686	922
Utilities	165,203	157,092	170,581	140,988	13,162	-	-
Taxes and Insurance	70,029	40,898	85,408	83,345	-	-	-
Property Management Fees	121,071	112,027	86,576	117,182	3,540	-	-
Property Insurance	-	-	-	-	23,377	-	-
Repairs and Maintenance	83,408	294,193	211,171	298,049	8,947	-	-
Marketing and Advertising	13,011	-	4,112	63,834	-	-	-
Legal and Other Professional Fees	24,077	-	38,456	14,383	-	-	-
Miscellaneous Operating Expenses	-	-	-	-	29,191	-	-
Bad Debt Expense	28,680	-	2,318	18,043	-	-	-
Ground Lease Expense	100	-	100	-	-	-	-
Total Operating Expense	849,697	1,066,711	965,611	1,136,084	116,490	128,479	12,510
Operating Income (Loss)	1,259,553	1,759,101	768,762	1,184,422	(59,703)	(128,365)	(12,446)
<b>OTHER INCOME AND (EXPENSES)</b>							
Interest Income	7,297	40	925	443	132,385	169,287	(34)
Forgiveness of Debt Income	-	-	-	-	-	-	-
Exchange Grant Income	-	-	-	-	-	-	-
Interest Expense	(1,213,208)	(704,721)	(539,095)	(571,819)	-	-	-
Other Financial Income (Expense)	-	(12,300)	-	-	(15)	-	-
Depreciation	(1,027,844)	(482,585)	(416,535)	(765,804)	(51,056)	-	-
Ground Lease	-	-	-	-	-	-	(17,600)
Amortization of Deferred Charges	(3,535)	-	-	-	-	-	-
Amortization of Prepaid Ground Lease	(35,047)	-	-	(12,515)	-	-	-
Investor Services Fees	(111,329)	-	-	-	-	-	-
Start-up and Organization Costs	-	-	-	-	(173,911)	-	-
Partnership Management Fee	-	-	-	-	(5,000)	-	-
Other Partnership Expenses	-	(13,009)	9,870	(15,901)	-	-	-
Bond Rate Stack Fees	-	-	-	(391,883)	-	-	-
Unrealized Gain (Loss) on Interest Rate Swap	-	-	-	205,541	-	-	-
Unamortized Loan Fees Written Off	-	-	-	-	-	-	-
Asset Management Fees	-	-	(9,013)	-	-	-	-
Casualty Loss from Hail Damage	-	-	54,623	-	-	-	-
Net Other Income and (Expense)	(2,383,666)	(1,212,575)	(899,225)	(1,551,938)	(97,597)	169,287	(17,634)
<b>NET INCOME (LOSS)</b>	<b>(1,124,113)</b>	<b>546,526</b>	<b>(130,463)</b>	<b>(367,516)</b>	<b>(157,300)</b>	<b>40,922</b>	<b>(30,080)</b>
<b>BALANCE - JANUARY 1, 2018</b>	<b>3,210,756</b>	<b>(2,945,121)</b>	<b>(20,000)</b>	<b>(301,187)</b>	<b>1,551,900</b>	<b>3,313,157</b>	<b>-</b>
<b>EQUITY TRANSFER IN</b>							<b>2,092,291</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>3,015,080</b>				<b>580,167</b>		<b>100</b>
<b>SYNDICATION COSTS</b>					<b>(65,000)</b>		
<b>BALANCE - DECEMBER 31, 2018</b>	<b>\$ 5,101,723</b>	<b>\$ (2,398,595)</b>	<b>\$ (150,463)</b>	<b>\$ (668,703)</b>	<b>\$ 1,909,767</b>	<b>\$ 3,354,079</b>	<b>\$ 2,062,311</b>

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, 2018**

	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC	Western Center Reserve, LLC	Reserve at McAlister Senior Living, LLC	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	Total Memorandum Only
<b>REVENUE</b>							
Rental Revenue	\$ 526,772	\$ 875,033	\$ 1,231,207	\$ 1,128,553	\$ 1,520,956	\$ 786,178	\$ 24,776,360
Less: Vacancy Loss	(2,303)	(30,333)	(80,166)	(104,653)	(86,075)	(366,568)	(1,765,610)
Other Revenue	15,185	10,823	41,901	25,640	22,572	53,239	674,398
Total Revenue	539,654	855,523	1,192,942	1,049,540	1,457,453	472,849	23,685,148
<b>OPERATING EXPENSES</b>							
General and Administrative	78,404	119,989	-	-	131,035	51,866	1,156,779
Payroll	-	-	187,061	167,964	185,670	101,794	3,888,620
Utilities	77,322	120,041	118,482	84,535	93,873	46,768	2,331,804
Taxes and Insurance	18,999	25,801	131,516	136,483	223,540	12,837	1,064,408
Property Management Fees	-	-	58,645	51,935	71,224	22,961	1,142,474
Property Insurance	-	-	49,612	41,531	-	-	114,520
Repairs and Maintenance	41,020	67,230	93,943	46,178	127,122	43,812	2,807,026
Marketing and Advertising	-	-	-	-	-	-	137,453
Legal and Other Professional Fees	-	-	-	-	-	-	249,054
Miscellaneous Operating Expenses	84,152	-	84,395	100,422	-	-	298,160
Bad Debt Expense	-	-	-	-	-	-	273,375
Ground Lease Expense	-	-	-	-	-	-	6,890
Total Operating Expense	299,897	333,061	723,654	629,048	832,464	280,038	13,470,563
Operating Income (Loss)	239,757	522,462	469,288	420,492	624,989	192,811	10,214,585
<b>OTHER INCOME AND (EXPENSES)</b>							
Interest Income	-	-	768	799	473	383	320,531
Forgiveness of Debt Income	-	-	-	-	-	-	325,505
Exchange Grant Income	-	-	-	-	-	-	197,371
Interest Expense	(5,394)	(63,199)	(224,278)	(272,711)	(490,602)	(307,070)	(5,839,377)
Other Financial Income (Expense)	(2,060)	(24,202)	149	(11,286)	-	(54)	(49,768)
Depreciation	(48,126)	(121,114)	(715,701)	(608,377)	(998,500)	(375,995)	(9,075,469)
Ground Lease	-	-	-	-	-	-	(52,350)
Amortization of Deferred Charges	(564)	(4,727)	(5,740)	(12,744)	-	-	(27,310)
Amortization of Prepaid Ground Lease	-	-	(1,465)	-	-	-	(49,027)
Investor Services Fees	-	-	-	-	-	-	(111,329)
Start-up and Organization Costs	-	-	-	-	-	-	(173,911)
Partnership Management Fee	-	-	-	-	-	-	(5,000)
Other Partnership Expenses	-	(268,772)	-	-	-	(12,100)	(590,225)
Bond Rate Stack Fees	-	-	-	-	-	-	(391,883)
Unrealized Gain (Loss) on Interest Rate Swap	-	-	-	-	-	-	205,541
Unamortized Loan Fees Written Off	-	-	-	-	-	-	(2,549)
Asset Management Fees	-	-	(10,000)	(17,484)	(5,000)	(463)	(41,960)
Casualty Loss from Hail Damage	-	-	-	-	-	-	54,623
Net Other Income and (Expense)	(56,144)	(482,014)	(956,267)	(921,803)	(1,493,629)	(695,299)	(15,306,587)
<b>NET INCOME (LOSS)</b>	183,613	40,448	(486,979)	(501,311)	(868,640)	(502,488)	(5,092,002)
<b>BALANCE - JANUARY 1, 2018</b>	-	-	-	-	-	2,955,104	35,961,396
<b>EQUITY TRANSFER IN</b>	715,542	2,208,704	10,922,787	10,023,667	11,503,318	-	37,466,309
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	2,238,663	6,268,071	12,082,484
<b>SYNDICATION COSTS</b>	-	-	-	-	-	(25,000)	(90,000)
<b>BALANCE - DECEMBER 31, 2018</b>	\$ 899,155	\$ 2,249,152	\$ 10,435,808	\$ 9,522,356	\$ 12,873,341	\$ 8,695,687	\$ 80,328,187

See accompanying Notes to Financial Statements



**FORT WORTH HOUSING SOLUTIONS  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2018**

	Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Dwelling Rent Receipts	\$ 19,306,002
Operating Subsidy and Grant Receipts	52,326,104
Other Receipts	10,518,381
Payments to Vendors	(14,770,999)
Payments to Employees	(15,990,613)
Housing Assistance Payments	(42,892,691)
Net Cash Provided by Operating Activities	<u>8,496,184</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	631,189
Proceeds from Disposition of Assets Held for Sale	13,797
Investment in Partnership	(100)
Net Provided by Investing Activities	<u>644,886</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Grants Receipts	(1,303)
Payments on Notes Receivables	2,514,144
Issuance of Notes Receivables	(3,219,037)
Purchases of Capital Assets	(5,640,248)
Proceeds from Disposition of Capital Assets	422,787
Receipts from Notes Payable	20,523
Payments on Notes Payable	(1,933,245)
Interest Paid on Notes Payable	(3,746,010)
Net Cash Used by Capital and Related Financing Activities	<u>(11,582,389)</u>
<b>NET DECREASE IN CASH</b>	(2,441,319)
Cash and Cash Equivalents - Beginning of Year	<u>45,723,047</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 43,281,728</u>
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 7,736,651
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	5,955,175
Provision for Bad Debts	604,204
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable - HUD	39,666
Accounts Receivable - Tenants	(102,730)
Accounts Receivable - Other	(3,693,753)
Prepaid Expenses and Other Assets	(305,808)
Accounts Payable	30,605
Accounts Payable - HUD	(25,863)
Accrued Wages and Payroll Taxes Payable	(129,694)
Accrued Interest Payable	(460,454)
Accrued Compensated Absences	(12,453)
Tenant Security Deposits	(13,458)
Unearned Revenue	(339,616)
Other Current Liabilities	(784,610)
Noncurrent Liabilities - Other	(1,678)
Net Cash Provided by Operating Activities	<u>\$ 8,496,184</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>	
Transfer of Capital Assets to FWHS in Connection with Ground Lease	<u>\$ 32,325,000</u>

See accompanying Notes to Financial Statements

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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  
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**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, 2018**

**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, 2018, 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 Woodmont Apartments GP, LLC.

*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, 2018, 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, 2018**

**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, 2018, 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, 2018, 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, 2018, 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, 2018, 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, 2018, 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  
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**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, 2018, 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 Square, L.P. (Overton)*

Consists of a 216-unit multi-family apartment complex, Overton Park Townhomes, 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, 2018, 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 Apartments, LP (Pennsylvania Place)*

Pennsylvania Place was formed as a limited partnership under the laws of Texas on December 26, 1996, for the purpose of developing and operating a 152-unit project known as Pennsylvania Place Apartments. FWAI is the sole member of Pennsylvania Place's general partner with 99% ownership. Accordingly, the financial statements are presented on a blended basis and are included in the blended component units combining statements.

*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, 2018, 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.

*Ironwood Crossing Public Facility Corporation (ICPFC)*

ICPFC is a public non profit corporation created and existing under the laws of the State of Texas and acting as instrumentality of FWHS. The ICPFC was established to assist FWHS in financing, refinancing or providing "public facilities", as defined in the Texas Public Facility Corporation Act. As of December 31, 2018 the ICPFC 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.

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Blended Component Units (Continued)**

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, Wind Terrace, and Barbara Holston - Education Fund.

**Discretely Presented Component Units**

FWHS has a controlling minority interest in these real estate limited partnerships as of December 31, 2018. 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, 2018. 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, LP and is under construction to build a 195 unit multifamily apartment complex.

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Discretely Presented Component Units (Continued)**

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.
15. Palladium Fort Worth, Ltd.- Owns a 150 unit multifamily residential rental community known as Palladium Fort Worth.
16. FW Steele Prince Hall, LLC- Owns a 76 unit apartment property in 10 buildings known as Prince Hall Gardens II.
17. FW Steele Sabine Place, LLC- Owns a 72 unit apartment property in 12 buildings known as Sabine Place Apartments.
18. Western Center Reserve, LLC- Owns a 120 unit apartment project known as The Reserve at Western Center.
19. Reserve at McAlister Senior Living, LLC- Owns a 124 unit apartment project known as the Reserve at McAlister Senior Living.
20. Amtex Avondale, LP- Owns a 160 multifamily apartment complex known as Avondale Apartments.

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



**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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, 2018, 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.

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Developer Fees Receivable**

Developer fees receivable consists of amounts due from component units and unrelated parties in connection with the development of various projects. The fees are earned in accordance with the underlying developer fee agreement and are expected to be fully collected.

**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.

**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.

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**New GASB Pronouncements**

In fiscal year 2018, FWHS implemented GASB Statement No. 85, *Omnibus 2017*. The objective of this Statement was to address practice issues that have been identified during implementation and application of certain GASB statements. This Statement addressed a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The implementation had no impact on the basic financial statements or footnotes of FWHS.

**NOTE 2 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.

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

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, 2018, the carrying amount of FWHS' cash and cash equivalents was \$43,281,728 and bank balances were \$42,697,422.

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

Cash and Cash Equivalents - Unrestricted	\$ 37,439,796
Cash and Cash Equivalents - Restricted	5,841,932
Total Cash and Cash Equivalents	<u>\$ 43,281,728</u>

All deposits were fully collateralized as of December 31, 2018 with the exception of \$2,116,727. The public housing properties, Butler Apartments, Caville Apartments, and Scattered Sites accounts were under collateralized by \$309,758. All of the blended component units have nonfederally insured monies and were under-collateralized by \$1,806,969.

**NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS**

Restricted cash as of December 31, 2018 consisted of the following:

Tenant Security Deposits	\$ 520,859
Escrows and Reserves	5,126,912
Restricted for Other Current Liabilities	107,898
HAP Equity	86,263
Total	<u>\$ 5,841,932</u>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 ACCOUNTS RECEIVABLE**

Accounts receivable as of December 31, 2018 consisted of the following:

Accounts Receivable - HUD	\$ 258,730
Tenants (Net of Allowance of \$11,552)	77,477
Developer Fees Receivable	8,134,580
Miscellaneous (Net of Allowance of \$3,869,223)	1,519,697
Total	<u>\$ 9,990,484</u>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 NOTES RECEIVABLE**

Notes receivable of the primary government 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, 2018, accrued interest was \$1,576,287. 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, 2018, accrued interest was zero. 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. This note was paid off on March 27, 2018.</p>	-
<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>	3,429,172
<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>	1,124,201
<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, 2018**

**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, 2018, accrued interest was \$364,643. 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, 2018, 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. As of December 31, 2018, accrued interest was \$45,584.</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>On June 1, 2017, Trinity River Public Facility Corporation, a blended component unit of FWHS, entered into a loan agreement in the amount of \$3,219,037 with Alton Park, LP. The mortgage bears interest of 4.45% per annum and matures on June 1, 2052. As of December 31, 2018, the accrued interest was \$16,632, and the outstanding principal was \$3,219,037, shown net of debt issuance costs net of accumulated amortization of \$190,476.</p>	3,219,037
<p>Less: Elimination for Consolidated Entities</p>	(3,478,298)
<p style="padding-left: 20px;">Total Notes and Capital Lease Receivable</p>	20,088,861
<p>Less: Current Maturities</p>	217,962
<p style="padding-left: 20px;">Long Term</p>	\$ 19,870,899

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 6 CAPITAL ASSETS**

The following is a summary of changes in capital assets of the primary government during the year ended December 31, 2018:

	Balance December 31, 2017	Additions	Deletions	Adjustment/ Reclass	Balance December 31, 2018
Nondepreciable:					
Land	\$ 26,692,402	\$ 9,484,386	\$ (204,006)	\$ (1,395,629)	\$ 34,577,153
Construction in Progress	126,254	57,778	(39,555)	14,395	158,872
Depreciable:					
Buildings and Improvements	158,121,120	28,236,204	(130,648)	687,221	186,913,897
Furniture, Equipment and Machinery	6,015,095	186,880	(273,797)	2,589,094	8,517,272
	<u>190,954,871</u>	<u>37,965,248</u>	<u>(648,006)</u>	<u>1,895,081</u>	<u>230,167,194</u>
Accumulated Depreciation					
Buildings and Improvements	(83,605,398)	(5,896,863)	25,673	(4,589,909)	(94,066,316)
Furniture, Equipment and Machinery	(4,778,788)	(58,312)	186,194	2,729,143	(1,921,763)
	<u>(88,384,186)</u>	<u>(5,955,175)</u>	<u>211,867</u>	<u>(1,860,766)</u>	<u>(95,988,079)</u>
Total Capital Assets - Net	<u>\$ 102,570,685</u>	<u>\$ 32,010,073</u>	<u>\$ (436,139)</u>	<u>\$ 34,315</u>	<u>\$ 134,179,115</u>

**NOTE 7 COMPENSATED ABSENCES**

Changes in compensated absences for the year ended December 31, 2018 were as follows:

Compensated Absences at December 31, 2017	\$ 500,033
Increase During 2018	13,226
Decrease During 2018	(25,679)
Compensated Absences at December 31, 2018	<u>\$ 487,580</u>

Accrued compensated absences as of December 31, 2018 are classified as follows:

Current Portion	\$ 357,038
Noncurrent Portion	130,542
Total	<u>\$ 487,580</u>



**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE**

Mortgages and notes payable of the primary government consist of the following at December 31, 2018:

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.

\$ 5,303,734

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.

3,813,119

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.

26,646,340

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.

1,450,131

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.

1,605,763

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.

1,678,100

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, 2018 totaled \$314,903.

9,019,949

**FORT WORTH HOUSING SOLUTIONS  
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**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, 2018, accrued interest of \$29,989 was outstanding.

\$ 7,195,537

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, 2018, accrued interest of \$1,576,286 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, 2018, accrued interest of zero 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. As of December 31, 2018, accrued interest of \$16,751 was incurred and paid.

6,478,770

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

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.

\$ 8,838,928

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, 2018, accrued interest of \$60,458 remains payable.

21,337,953

Elimination

(3,478,298)

Total

93,368,324

Less Current Portion

(1,982,759)

Total Primary Government Note Payable - Noncurrent

\$ 91,385,565

Mortgages and notes payable of the discretely presented component units consist of the following at December 31, 2018:

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, 2018, the total outstanding balance was \$5,254,009, shown net of unamortized debt issuance cost of \$98,402 and accrued interest of \$17,032 was outstanding.

\$ 5,155,607

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, 2018, the total outstanding balance was \$1,420,515, shown net of unamortized debt issuance cost of \$15,535. As of December 31, 2018, no interest remained outstanding.

1,404,980

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, 2018, accrued interest of \$19,324 was outstanding.

126,500

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

During May 2009, South Hulen, L.P. entered into a permanent financing agreement with Wells Fargo Bank, N.A., in the amount of \$4,000,000. On March 27, 2018, the Date of Refinance, the Partnership obtained a loan insured by HUD, which is held by Greystone, in the amount of \$8,339,700. The HUD Mortgage bears interest at 3.9% per annum with monthly principal and interest payments of \$36,426 starting May 1, 2018 through April 1, 2053. The loan is secured by the Project. As of December 31, 2018, the total outstanding balance was \$8,264,258, shown net of unamortized debt issuance cost of \$371,354.

\$ 7,892,904

During May 2007, South Hulen, L.P. obtained a loan of \$2,296,183 for the Project from TRPFC. The note bore interest at the applicable federal rate as of the date of the loan, which was 4.90%, compounded annually. The note matured on March 27, 2018, and was collateralized by the project. The entire amount of unpaid principal and interest after the forgiveness was paid in full at the maturity date. During 2018, TRPFC forgave a portion of the outstanding principal amount in the amount of \$300,112. As a result, the Partnership recognized revenue for the year ended December 31, 2018, which is included in "Other partnership expenses" on the accompanying statement of operations.

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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, 2018, the total outstanding balance was \$1,551,360, shown net of unamortized debt issuance cost of \$241,445, and accrued interest of \$7,240 remained outstanding.

1,309,915

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, 2018, the Exchange Program Grant balance and deferred income balance were \$4,021,689 and \$2,420,727, respectively.

4,021,689

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, 2018, the total outstanding balance was \$3,900,501, shown net of unamortized debt issuance cost of \$134,791, and accrued interest of \$1,656 remained outstanding.

3,765,710

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, 2018, the balance of the obligation under capital lease was \$3,429,172. See Note 12 for more detail on this capital lease obligation.

3,429,172

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

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, 2018, the total outstanding balance was \$1,144,076, and shown net of unamortized debt issuance cost of \$207,113.

\$ 936,963

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, 2018, accrued interest was \$78,060.

1,800,000

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, 2018, the total outstanding balance was \$10,751,018 shown net of unamortized debt issuance cost of \$321,407, and accrued interest of \$0- remained outstanding.

10,429,611

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, 2018, accrued interest of \$364,643 remained outstanding. During 2018 interest payments of \$83,202 were made.

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, 2018, 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, 2018, the unpaid principal balance was \$27,000,000, shown net of unamortized debt issuance costs of \$765,802.

26,234,198

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

On July 1, 2016, LDG Stallion Pointe, LP entered into an agreement with Trinity River Public Facility Corporation, a related party of the General Partner, in the amount of \$2,000,000 for the funding of construction of Stallion Pointe Apartments. The subordinate loan payable bears interest at 1.0% and is due and payable on July 1, 2056. During 2018, interest expense was \$20,000. As of December 31, 2018, subordinate loan payable was \$2,000,000.

\$ 2,000,000

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, 2018, the unpaid principal balance was \$13,793,887, shown net of unamortized debt issuance costs of \$1,379,714. During 2018, bond rate stack fees of \$391,883 were incurred.

12,414,173

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, 2018, the unpaid principal balance was \$2,078,134.

2,078,134

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 December 31, 2018, accrued interest of \$97,038 remained outstanding.

438,927

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, 2018, accrued interest of \$66,661 remained outstanding.

301,524

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, 2018, accrued interest of \$289,180 remained outstanding.

1,500,000

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

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, 2018, the unpaid principal balance was \$10,201,596, shown net of unamortized debt issuance costs of \$169,150, and accrued interest of \$-0- remained outstanding.

\$ 10,032,446

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, 2018, accrued interest of \$197,456.

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, 2018, \$704,721 of interest expense was incurred, which includes \$22,571 of amortization of debt issuance costs, and the unpaid principal balance was \$12,296,618, shown net of amortized debt issuance costs of \$64,360.

12,232,258

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, 2018, accrued interest of \$79,209 remained outstanding, and the unpaid principal balance was \$20,000,000, shown net of unamortized debt issuance costs of \$536,370.

19,463,630

FW Alton Park, LP entered into a loan agreement in the amount of \$4,500,000 dated June 13, 2017 payable to Citibank, N.A., secured by a deed of trust on the property. The construction loan requires interest only payments and matures on January 1, 2020. As of December 31, 2018, no amount has been drawn, however, debt issuance costs, net of accumulated amortization totaled \$60,357.

(60,357)

On June 1, 2017, Alton Park, LP entered into a loan agreement in the amount of \$3,219,037 with Trinity River Public Facility Corporation. The mortgage bears interest of 4.45% per annum and matures on June 1, 2052. As of December 31, 2018, the accrued interest was \$16,632, and the outstanding principal was \$3,219,037, shown net of debt issuance costs net of accumulated amortization of \$190,476.

3,028,561

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 \$100,091 beginning April 1, 2020. As of December 31, 2018, accrued interest of \$80,700 remained outstanding.

19,658,000

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

On August 1, 2017, FW Campus Apartments, LP obtained a subordinate promissory note from Trinity River Public Facility Corporation for a principal sum of \$1,916,451. The loan will mature on August 1, 2052. Interest on the loan accrues at 3.00% per annum. Principal and interest payments prior to the maturity date shall consist of annual payments of 60% of residual cash flow as stipulated in the Partnership Agreement. As of December 31, 2018, accrued interest of \$2,900 remained outstanding.

\$ 1,916,451

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. As of December 31, 2018, the unpaid principal balance was \$13,003,287, shown net of unamortized debt issuance costs of \$18,702.

12,984,585

On June 1, 2017, the Standard at Boswell Marketplace, LP entered into a promissory note with Trinity River Public Facility Corporation, a Texas nonprofit corporation, in the original amount of \$1,000,000. The note bears interest at a rate of 3 percent per annum. Annual payments are subject to available surplus cash as defined in the note. The note matures on June 1, 2057. During the year ended December 31, 2018, interest expense of \$48,584 was incurred. As of December 31, 2018, accrued interest was \$48,584.

1,000,000

Amtex Avondale, L.P. entered into a loan agreement in the original amount not to exceed \$21,000,000 dated June 3, 2015 payable to Community Bank of Texas, N.A. The construction portion of the loan converted to a permanent loan January 25, 2018 in the amount of \$9,350,000 with a fixed interest rate per annum equal to 4.50%. Beginning on the first day of the first month following the loan conversion, equal monthly installments of principal and interest in the amount of \$47,732 shall be due and payable. As of December 31, 2018, accrued interest was \$0 and the unpaid principal balance was \$9,212,731, shown net of unamortized debt issuance costs of \$425,167.

8,787,564

On December 22, 2017, Palladium Fort Worth, Ltd. entered into a construction loan agreement and promissory note (the "Construction Loan") with the Investment Limited Partner. The Construction Loan provides for an original loan amount of \$12,672,000, with a variable interest rate equal to the daily LIBOR plus 2%. The loan has a maturity date of June 21, 2020, subject to a six-month extension option. Interest only payments are due through maturity, at which time all outstanding principal and any accrued interest must be paid. As of December 31, 2018 the outstanding principal due was \$12,672,000 and accrued interest was \$47,228.

12,672,000

On December 22, 2017, Palladium Fort Worth, Ltd. entered into a bridge loan agreement and promissory note with the Investment Limited Partner, in the original principal amount not to exceed \$9,950,000. The loan bears variable interest at a rate equal to Daily LIBOR + 2% through June 21, 2020, requiring interest only payments. Remaining principal and interest are due at maturity. The loan matures on June 21, 2020, subject to a six-month extension option. At December 31, 2018, accrued interest was \$3,330, and the unpaid principal balance was \$2,769,349.

2,769,349



**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

The acquisition and rehabilitation of Prince Hall Gardens II by FW Steele Prince Hall, LLC was financed, in part, with the Trinity River Public Facility Corporation Governmental Note Series 2018 bonds ("Bonds") in the amount of \$7,180,000. The loan agreement details an arrangement between the Trinity River Public Facility Corporation and Citibank, NA. Citibank purchased the Bonds issued by TRPFC, the proceeds of which were loaned to Prince Hall to finance the acquisition, construction and equipping of the Prince Hall Gardens II in the form of a non-recourse permanent mortgage loan. The terms of the loan provide for a maximum principal in the amount of \$7,180,000 and an annual fixed interest rate of 5.19% with a term of at least 17 years with a mandatory prepayment date of July 1, 2035 and a maturity date of July 1, 2048. The loan also provides for monthly deposits for reserve for replacements and monthly principal and interest payments of \$37,111 commencing August 1, 2018 based on a 35 year amortization period with a balloon payment of the remaining principal balance at maturity. Accrued interest at December 31, 2018 totaled \$30,921 and the unpaid principal balance was \$7,149,448, shown net of unamortized debt issuance costs of \$177,989.

\$ 6,971,459

The acquisition and rehabilitation of Sabine Place Apartments by FW Steele Sabine Place, LLC was financed, in part, with the Trinity River Public Facility Corporation Governmental Note Series 2018 bonds ("Bonds") in the amount of \$7,000,000. The loan agreement details an arrangement between the Trinity River Public Facility Corporation and Citibank, NA. Citibank purchased the Bonds issued by TRPFC, the proceeds of which were loaned to Prince Hall to finance the acquisition, construction and equipping of the Prince Hall Gardens II in the form of a non-recourse permanent mortgage loan. The terms of the loan provide for a maximum principal in the amount of \$7,000,000 and an annual fixed interest rate of 5.13% with a term of at least 17 years with a mandatory prepayment date of March 1, 2035 and a maturity date of July 1, 2048. The loan also provides for monthly deposits for reserve for replacements and monthly principal and interest payments of \$35,911 commencing August 1, 2018 based on a 35 year amortization period with a balloon payment of the remaining principal balance at maturity. Accrued interest at December 31, 2018 totaled \$29,691 and the unpaid principal balance was \$6,945,199, shown net of unamortized debt issuance costs of \$173,114.

6,772,085

Reserve at McAlister Senior Living, LLC obtained a construction loan payable to Capital One, National Association for \$4,800,000 with an interest rate of 5.85 percent. Upon maturity, which occurred July 18, 2017, \$3,850,000 of the construction loan converted to a permanent mortgage that is to mature 15 years after the conversion date. The remainder of the loan was paid in full from equity proceeds as of December 31, 2018. The permanent mortgage amount of \$3,850,000 bears interest at a rate of 5.85 percent per annum, with monthly payments of principal and interest of \$21,905 which are due until maturity on July 1, 2032. As of December 31, 2018, accrued interest was \$18,007, and the unpaid principal balance was \$3,782,754, shown net of unamortized debt issuance costs of \$222,212.

3,560,542

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

Western Center Reserve, LLC entered into an agreement with Pacific Life for a mortgage payable held by Impact C.I.L. in the original amount of \$3,405,000. The mortgage is secured by a deed of trust on the property. The loan accrues interest at 6.30 percent and matures on January 31, 2034. The loan requires monthly payments of principal and interest in the amount of \$21,076. As of December 31, 2018, the outstanding balance was \$3,282,411, shown net of unamortized debt issuance costs of \$239,884, and accrued interest payable was \$17,233.

	<b>\$ 3,042,527</b>
Total	215,301,107
Less Current Portion	(14,867,372)
Total Discretely Presented Component Units - Notes Payable Noncurrent	<b>\$ 200,433,735</b>

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

<b>Cobb Park</b>	Principal	Interest	Total
2019	\$ 217,962	\$ -	\$ 217,962
2020	217,962	-	217,962
2021	217,962	-	217,962
2022	217,962	-	217,962
2023	217,962	-	217,962
2024-2028	1,089,808	-	1,089,808
2029-2033	1,089,808	-	1,089,808
2034-2038	1,089,808	-	1,089,808
2039-2043	944,500	-	944,500
Total	\$ 5,303,734	\$ -	\$ 5,303,734

<b>Carlyle</b>	Principal	Interest	Total
2019	\$ 158,330	\$ -	\$ 158,330
2020	158,330	-	158,330
2021	158,330	-	158,330
2022	158,330	-	158,330
2023	158,330	-	158,330
2024-2028	791,651	-	791,651
2029-2033	791,651	-	791,651
2034-2038	791,651	-	791,651
2039-2043	646,516	-	646,516
Total	\$ 3,813,119	\$ -	\$ 3,813,119

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

<b>Villas of Oak Hill</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 543,416	\$ 1,274,014	\$ 1,817,430
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	24,310,361	1,158,750	25,469,111
Total	<u>26,646,340</u>	<u>\$ 6,092,494</u>	<u>\$ 32,738,834</u>
<b>Knights of Pythias Lofts</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	30,003	84,533	114,536
2024-2028	181,537	391,142	572,679
2029-2033	249,333	323,347	572,680
2034-2038	342,031	230,649	572,680
2039-2043	469,199	103,481	572,680
2044	75,529	1,836	77,365
Total	<u>\$ 1,450,131</u>	<u>\$ 1,490,633</u>	<u>\$ 2,940,764</u>
<b>Fair Oaks Public Facility Corporation</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	26,820	97,898	124,718
2024-2028	162,642	460,944	623,586
2029	1,324,957	35,140	1,360,097
Total	<u>\$ 1,605,763</u>	<u>\$ 1,001,508</u>	<u>\$ 2,607,271</u>
<b>Fair Park Public Facility Corporation</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	28,028	102,308	130,336
2024-2028	169,969	481,710	651,679
2029	1,384,644	36,723	1,421,367
Total	<u>\$ 1,678,100</u>	<u>\$ 1,046,625</u>	<u>\$ 2,724,725</u>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

<b>Eastwood Public Facility Corporation</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	141,977	292,664	434,641
2024-2028	788,595	1,384,608	2,173,203
2029-2033	937,768	1,235,435	2,173,203
2034-2038	1,115,159	1,058,044	2,173,203
2039-2043	1,326,106	847,097	2,173,203
2044-2048	1,576,956	596,247	2,173,203
2049-2053	1,875,258	297,945	2,173,203
2054-2055	736,955	23,667	760,622
Total	<u>\$ 9,019,949</u>	<u>\$ 6,953,095</u>	<u>\$ 15,973,044</u>
<b>Hillside Partners</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	235,374	323,944	559,318
2024-2025	7,750,661	744,090	8,494,751
Total	<u>\$ 8,838,928</u>	<u>\$ 2,415,557</u>	<u>\$ 11,254,485</u>
<b>Overton Square, L.P.</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 218,574	\$ 348,303	\$ 566,877
2020	6,976,963	311,911	7,288,874
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024-2028	-	-	-
2029-2033	-	-	-
2034-2038	-	-	-
2039-2043	3,200,000	-	3,200,000
2044-2048	278,298	-	278,298
Total	<u>\$ 10,673,835</u>	<u>\$ 660,214</u>	<u>\$ 11,334,049</u>

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

<b>Pennsylvania Place</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	128,059	183,149	311,208
2024-2028	701,321	854,719	1,556,040
2029-2033	814,999	741,041	1,556,040
2034-2038	947,102	608,938	1,556,040
2039-2043	1,100,618	455,422	1,556,040
2044-2048	1,279,018	277,022	1,556,040
2049-2052	1,025,024	73,889	1,098,913
Total	<u>\$ 6,478,770</u>	<u>\$ 3,963,572</u>	<u>\$ 10,442,342</u>
<b>Aventine Tarrant Parkway Apts, LP</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 339,273	\$ 720,236	\$ 1,059,509
2020	350,989	708,519	1,059,508
2021	363,111	696,398	1,059,509
2022	375,651	683,858	1,059,509
2023	388,624	670,886	1,059,510
2024-2028	2,153,919	3,143,601	5,297,520
2029-2033	2,552,437	2,745,083	5,297,520
2033-2038	3,024,688	2,272,832	5,297,520
2039-2043	3,584,316	1,713,204	5,297,520
2044-2048	4,247,486	1,050,034	5,297,520
2049-2052	3,957,459	280,822	4,238,281
Total	<u>21,337,953</u>	<u>\$ 14,685,473</u>	<u>\$ 36,023,426</u>
<b>Total - Primary Government</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,982,759	\$ 3,504,533	\$ 5,487,292
2020	8,795,681	3,413,710	12,209,391
2021	1,884,487	3,036,133	4,920,620
2022	1,948,780	2,971,951	4,920,731
2023	25,665,538	2,914,132	28,579,670
2024-2028	13,790,103	7,460,814	21,250,917
2029-2033	9,145,597	5,116,769	14,262,366
2034-2038	7,310,439	4,170,463	11,480,902
2039-2043	11,271,255	3,119,204	14,390,459
2044-2048	4,257,287	1,925,139	6,182,426
2049-2053	6,579,443	652,656	7,232,099
2054-2055	736,955	23,667	760,622
Total	<u>\$ 93,368,324</u>	<u>\$ 38,309,171</u>	<u>\$ 131,677,495</u>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
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**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	\$ 5,539,859	\$ -	\$ (236,125)	\$ -	\$ 5,303,734	\$ 217,962	\$ 5,085,772	\$ 5,303,734
TDHCA Carlyle	3,971,449	-	(158,330)	-	3,813,119	158,330	3,654,789	3,813,119
Villas of Oak Hill	27,164,204	-	(517,864)	-	26,646,340	543,416	26,102,924	26,646,340
Knights of Pythias	1,472,111	-	(42,503)	20,523	1,450,131	23,316	1,426,815	1,450,131
Fair Oaks	1,626,316	-	(20,553)	-	1,605,763	20,762	1,585,001	1,605,763
Fair Park	1,699,579	-	(21,479)	-	1,678,100	21,697	1,656,403	1,678,100
Eastwood Public Facility Corp	9,139,341	-	(119,392)	-	9,019,949	123,602	8,896,347	9,019,949
New 172 Hillside Partners, LLC	9,008,108	-	(169,180)	-	8,838,928	200,626	8,638,302	8,838,928
Overton Square, LP 1	7,403,664	-	(208,127)	-	7,195,537	218,574	6,976,963	7,195,537
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	6,590,515	-	(111,745)	-	6,478,770	115,201	6,363,569	6,478,770
Aventine Tarrant Pkwy Apts, LP	21,665,900	-	(327,947)	-	21,337,953	339,273	20,998,680	21,337,953
Elimination	(3,478,298)	-	-	-	(3,478,298)	-	(3,478,298)	(3,478,298)
<b>Total</b>	<b>\$ 95,281,046</b>	<b>\$ -</b>	<b>\$ (1,933,245)</b>	<b>\$ 20,523</b>	<b>\$ 93,368,324</b>	<b>\$ 1,982,759</b>	<b>\$ 91,385,565</b>	<b>\$ 93,368,324</b>

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

Year Ended	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
2019	\$ 217,962	\$ 158,330	\$ 543,416	\$ 23,316	\$ 20,762	\$ 21,697	\$ 123,602	\$ 200,626	\$ 218,574	\$ 115,201	\$ 339,273	\$ -	\$ 1,982,759
2020	217,962	158,330	566,664	24,578	21,843	22,827	127,960	208,800	6,976,963	118,765	350,989	-	8,795,681
2021	217,962	158,330	598,191	26,440	23,587	24,650	132,471	217,307	-	122,438	363,111	-	1,884,487
2022	217,962	158,330	627,708	28,165	25,152	26,285	137,142	226,160	-	126,225	375,651	-	1,948,780
2023	217,962	158,330	24,310,361	30,003	26,820	28,028	141,977	235,374	-	128,059	388,624	-	25,665,538
2024-2028	1,089,808	791,651	-	181,537	162,642	169,969	788,595	7,750,661	-	701,321	2,153,919	-	13,790,103
2029-2033	1,089,808	791,651	-	249,333	1,324,957	1,384,644	937,768	-	-	814,999	2,552,437	-	9,145,597
2034-2038	1,089,808	791,651	-	342,031	-	-	1,115,159	-	-	947,102	3,024,688	-	7,310,439
2039-2043	871,847	633,321	-	469,199	-	-	1,326,106	-	-	1,100,618	3,584,316	-	7,985,407
2044-2048	72,653	13,195	-	75,529	-	-	1,576,956	-	3,200,000	1,279,018	4,247,486	(3,200,000)	7,264,837
2049-2053	-	-	-	-	-	-	1,875,258	-	278,298	1,025,024	3,957,459	(278,298)	6,857,741
2054-2055	-	-	-	-	-	-	736,955	-	-	-	-	-	736,955
<b>Total</b>	<b>\$ 5,303,734</b>	<b>\$ 3,813,119</b>	<b>\$ 26,646,340</b>	<b>\$ 1,450,131</b>	<b>\$ 1,605,763</b>	<b>\$ 1,678,100</b>	<b>\$ 9,019,949</b>	<b>\$ 8,838,928</b>	<b>\$ 10,673,835</b>	<b>\$ 6,478,770</b>	<b>\$ 21,337,953</b>	<b>\$ (3,478,298)</b>	<b>93,368,324</b>
Less: Current Maturities													(1,982,759)
Long Term													<b>\$ 91,385,565</b>

**FORT WORTH HOUSING SOLUTIONS  
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**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.	\$ 5,383,209	\$ -	\$ (129,200)	\$ 5,254,009	\$ 134,389	\$ 5,119,620	\$ 98,402	\$ 5,155,607
Samuels Avenue, L.P. - Pacific Life	1,449,746	-	(29,231)	1,420,515	31,340	1,389,175	15,535	1,404,980
Samuels Avenue, L.P. - City of Fort Worth	126,500	-	-	126,500	-	126,500	-	126,500
South Hulen, L.P. - Wells Fargo	3,653,427	-	(3,653,427)	-	-	-	-	-
South Hulen, L.P. - Greystone	-	8,339,700	(75,442)	8,264,258	116,899	8,147,359	371,354	7,892,904
South Hulen, L.P. Trinity River PFC	2,296,183	-	(2,296,183)	-	-	-	-	-
Lincoln Terrace, L.P. 1	1,576,455	-	(25,095)	1,551,360	26,320	1,525,040	241,445	1,309,915
Lincoln Terrace, L.P. 2	4,548,012	-	(526,323)	4,021,689	-	4,021,689	-	4,021,689
Wind River Apartments	4,058,309	-	(157,808)	3,900,501	158,321	3,742,180	134,791	3,765,710
Cobb Park Townhomes II, L.P. - FWAI 1	3,587,505	-	(158,333)	3,429,172	158,333	3,270,839	-	3,429,172
Cobb Park Townhomes II, L.P. - FWAI 2	1,183,828	-	(39,752)	1,144,076	59,628	1,084,448	207,113	936,963
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	10,936,040	-	(185,022)	10,751,018	202,990	10,548,028	321,407	10,429,611
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
LDG Stallion Pointe, L.P.	27,000,000	-	-	27,000,000	-	27,000,000	765,802	26,234,198
LDG Stallion Pointe, L.P. - Trinity River PFC	2,000,000	-	-	2,000,000	-	2,000,000	-	2,000,000
Woodmont - TDHCA Bonds	13,998,996	-	(205,109)	13,793,887	215,489	13,578,398	1,379,714	12,414,173
Woodmont - TDHCA TCAP	2,141,696	-	(63,562)	2,078,134	-	2,078,134	-	2,078,134
Woodmont - TDHCA HOME 1	448,735	-	(9,808)	438,927	25,932	412,995	-	438,927
Woodmont - TDHCA HOME 2	306,888	-	(5,364)	301,524	17,814	283,710	-	301,524
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	-	(99,904)	10,201,596	113,131	10,088,465	169,150	10,032,446
Hometowne at MR LP - City of Fort Worth	650,000	-	-	650,000	-	650,000	-	650,000
Post Oak East Apartments, LP	12,490,878	-	(194,260)	12,296,618	205,519	12,091,099	64,360	12,232,258
FW Alton Park, LP - Citibank 1	20,000,000	-	-	20,000,000	-	20,000,000	536,370	19,463,630
FW Alton Park, LP - Citibank 2	-	-	-	-	-	-	60,357	(60,357)
FW Alton Park, LP - Trinity River PFC	-	3,219,037	-	3,219,037	-	3,219,037	190,476	3,028,561
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	7,629,835	-	13,003,287	13,003,287	-	18,702	12,984,585
Standard at Boswell Marketplace, LP - FWAI	1,000,000	-	-	1,000,000	-	1,000,000	-	1,000,000
Amtex Avondale, LP - Comm Bank of Texas, NA	-	9,212,731	-	9,212,731	155,143	9,057,588	425,167	8,787,564
Palladium Fort Worth, Ltd - Construction Loan	-	12,672,000	-	12,672,000	-	12,672,000	-	12,672,000
Palladium Fort Worth, Ltd - Bridge Loan	-	2,769,349	-	2,769,349	-	2,769,349	-	2,769,349
FW Steele Prince Hall, LLC - Trinity River PFC	-	7,149,448	-	7,149,448	76,071	7,073,377	177,989	6,971,459
FW Steele Sabine Place, LLC - Trinity River PFC	-	6,945,199	-	6,945,199	76,419	6,868,780	173,114	6,772,085
Reserve at McAlister Senior Living, LLC	-	3,782,754	-	3,782,754	42,622	3,740,132	222,212	3,560,542
	-	3,282,411	-	3,282,411	47,725	3,234,686	239,884	3,042,527
<b>Total</b>	<b>\$ 163,965,810</b>	<b>\$ 65,002,464</b>	<b>\$ (7,853,823)</b>	<b>\$ 197,185,290</b>	<b>\$ 14,867,372</b>	<b>\$ 160,831,167</b>	<b>\$ 5,813,344</b>	<b>\$ 215,301,107</b>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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	Lincoln/ Villas on Hill Apartments	Lincoln/ Villas on Hill Apartments	Trinity / WR Apartments	Cobb Park Townhomes/ Villa by the Park	Cobb Park Townhomes/ Villa by the Park
Year Ending December 31,									
2019	\$ 134,389	\$ 31,340	\$ -	\$ 116,899	\$ 26,320	\$ -	\$ 158,321	\$ 158,333	\$ 59,628
2020	139,219	33,603	-	121,541	27,702	-	159,073	158,333	59,628
2021	145,377	36,028	-	126,366	29,699	-	159,933	158,333	59,628
2022	4,835,024	38,629	-	131,384	31,557	-	160,746	158,333	59,628
2023	-	41,417	-	136,600	33,531	-	161,563	158,333	59,628
Thereafter	-	1,239,498	126,500	7,631,468	1,402,551	4,021,689	3,100,865	2,637,507	845,936
Total	5,254,009	1,420,515	126,500	8,264,258	1,551,360	4,021,689	3,900,501	3,429,172	1,144,076
Less: Unamortized Debt Issuance Costs	(98,402)	(15,535)	-	(371,354)	(241,445)	-	(134,791)	-	(207,113)
Mortgage Payable, Net of Unamortized Debt Issuance Costs	<u>\$ 5,155,607</u>	<u>\$ 1,404,980</u>	<u>\$ 126,500</u>	<u>\$ 7,892,904</u>	<u>\$ 1,309,915</u>	<u>\$ 4,021,689</u>	<u>\$ 3,765,710</u>	<u>\$ 3,429,172</u>	<u>\$ 936,963</u>

	Hunter Plaza	Hunter Plaza	Cobb Park Townhomes/ Villa by the Park	Cobb Park Townhomes/ Villa by the Park	Stallion Pointe	Stallion Pointe	Woodmont Apts, Ltd	Woodmont Apts, Ltd	Woodmont Apts, Ltd
Year Ending December 31,									
2019	\$ -	\$ -	\$ -	\$ 202,990	\$ -	\$ -	\$ 215,489	\$ -	\$ 25,932
2020	-	-	-	210,076	-	-	227,191	-	25,932
2021	-	-	-	219,819	-	-	239,642	-	25,932
2022	-	-	-	228,775	-	-	252,774	-	25,932
2023	-	-	-	238,096	-	-	266,628	-	25,932
Thereafter	2,830,000	1,750,000	1,800,000	9,651,262	27,000,000	2,000,000	12,592,163	2,078,134	309,267
Total	2,830,000	1,750,000	1,800,000	10,751,018	27,000,000	2,000,000	13,793,887	2,078,134	438,927
Less: Unamortized Debt Issuance Costs	-	-	-	(321,407)	(765,802)	-	(1,379,714)	-	-
Mortgage Payable, Net of Unamortized Debt Issuance Costs	<u>\$ 2,830,000</u>	<u>\$ 1,750,000</u>	<u>\$ 1,800,000</u>	<u>\$ 10,429,611</u>	<u>\$ 26,234,198</u>	<u>\$ 2,000,000</u>	<u>\$ 12,414,173</u>	<u>\$ 2,078,134</u>	<u>\$ 438,927</u>



**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
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**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 Alton Park, LP	FW Alton Park, LP	FW Campus Apartments, LP
Year Ending December 31,									
2019	\$ 17,814	\$ -	\$ 113,131	\$ -	\$ 205,519	\$ -	\$ -	\$ -	\$ -
2020	17,814	-	117,623	-	216,795	-	-	-	-
2021	17,814	-	122,293	-	11,874,304	-	-	-	-
2022	17,814	-	127,149	-	-	-	-	-	-
2023	17,814	-	132,198	-	-	-	-	-	-
Thereafter	212,454	1,500,000	9,589,202	650,000	-	20,000,000	-	3,219,037	19,658,000
Total	301,524	1,500,000	10,201,596	650,000	12,296,618	20,000,000	-	3,219,037	19,658,000
Less: Unamortized Debt Issuance Costs	-	-	(169,150)	-	(64,360)	(536,370)	(60,357)	(190,476)	-
Mortgage Payable, Net of Unamortized Debt Issuance Costs	\$ 301,524	\$ 1,500,000	\$ 10,032,446	\$ 650,000	\$ 12,232,258	\$ 19,463,630	\$ (60,357)	\$ 3,028,561	\$ 19,658,000

	FW Campus Apartments, LP	Standard at Boswell Marketplace, LP	Standard at Boswell Marketplace, LP	Amtex Avondale, LP	Palladium Fort Worth, Ltd	Palladium Fort Worth, Ltd	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC	Reserve at McAlister Senior Living, LLC
Year Ending December 31,									
2019	\$ -	\$ 13,003,287	\$ -	\$ 155,143	\$ -	\$ -	\$ 76,071	\$ 76,419	\$ 42,622
2020	-	-	-	161,201	12,672,000	2,769,349	80,115	80,433	45,183
2021	-	-	-	169,881	-	-	84,373	84,657	47,898
2022	-	-	-	177,796	-	-	88,857	89,104	50,777
2023	-	-	-	186,080	-	-	93,580	93,784	53,828
Thereafter	1,916,451	-	1,000,000	8,362,630	-	-	6,726,452	6,520,802	3,542,446
Total	1,916,451	13,003,287	1,000,000	9,212,731	12,672,000	2,769,349	7,149,448	6,945,199	3,782,754
Less: Unamortized Debt Issuance Costs	-	(18,702)	-	(425,167)	-	-	(177,989)	(173,114)	(222,212)
Mortgage Payable, Net of Unamortized Debt Issuance Costs	\$ 1,916,451	\$ 12,984,585	\$ 1,000,000	\$ 8,787,564	\$ 12,672,000	\$ 2,769,349	\$ 6,971,459	\$ 6,772,085	\$ 3,560,542

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 MORTGAGES AND NOTES PAYABLE (CONTINUED)**

Year Ending December 31,	Western Center Reserve, LLC	Grand Total
2019	\$ 47,725	\$ 14,867,372
2020	50,820	17,373,631
2021	54,115	13,656,092
2022	57,625	6,531,904
2023	61,362	1,760,374
Thereafter	3,010,764	166,925,078
Total	3,282,411	221,114,451
Less: Unamortized Debt Issuance Costs	(239,884)	(5,813,344)
Mortgage Payable, Net of Unamortized Debt Issuance Costs	\$ 3,042,527	\$ 215,301,107

**NOTE 9 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, 2018 were \$4,793,952 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, 2018 were as follows:

Rental Vouchers	\$ 40,644,806
Moderate Rehabilitation	401,070
Mainstream	672,162
Total	\$ 41,718,038

**FORT WORTH HOUSING SOLUTIONS**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 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.

During the year ended December 31, 2018, FWHS' required 5% contributions and 5% matching amounted to \$409,947. The total eligible payroll totaled \$5,090,500.

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, 2018. 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 11 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, 2018**

**NOTE 12 RELATED PARTY TRANSACTIONS**

The material related party transactions to be reported for the fiscal year ended December 31, 2018 consisted of administrative and asset management fees charged by the Central Office Cost Center (COCC) to the various programs 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. The interfund balances for the Accounts Payable - Interfund and Accounts Receivable - Interfund within the Primary Government as of December 31, 2018 was \$23,780,421, 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, 2018, \$4,553,373 is payable to Fort Worth Affordability, Inc. The Capital Lease Payable of \$3,429,172 and additional loan payable of \$1,124,201 were accrued on the books of Villas by the Park, formerly known as Cobb Park. During 2018, \$217,960 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, 2018**

**NOTE 12 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Capital Lease Obligation (Continued)**

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

2019	\$	158,333
2020		158,333
2021		158,333
2022		158,333
2023		158,333
2024-2028		791,665
2029-2033		791,665
2034-2038		791,665
2039-2040		262,512
Total	<u>\$</u>	<u>3,429,172</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 that do not meet the criteria of a component unit of FWHS:

<u>Project</u>	<u>Date Formed</u>	<u>FWHS Interest</u>	<u>Percentage Ownership</u>
Henderson Apartments, L.P.	1/30/2018	Special Limited Partner	0.01%

**Ground Leases**

FWHS entered into twenty-three 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. Ten of the agreements required prepaid ground lease rent, totaling \$45,902,261. As of December 31, 2018, \$45,076,334 remains deferred and unearned. Total rent of \$539,558 was earned for the year ended December 31, 2018.

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 13 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, 2018, there were no liabilities to be reported.

**NOTE 14 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.

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."

As of the date that the financial statements were available to be issued, FWHS had outstanding litigation cases that had not yet been resolved. FWHS has assessed the likelihood of such cases resulting in monetary settlement to be minimal and as such has not recorded an associated liability at fiscal year-end.

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 15 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  
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**NOTE 16 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS**

Condensed combining information for FWHS' blended component units is of and for the year ended December 31, 2018 and is provided as follows:

	Gateway Public Facility Corporation		Fort Worth Affordability, Inc.					Eastwood Public Facility Corporation
	Gateway Public Facility Corporation	Villas of Oak Hill	Fort Worth Affordability, Inc.	Spring Hill Apartments	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	
<b>ASSETS</b>								
Cash	\$ 2,132,523	\$ 80,777	\$ 555,724	\$ 7,367,572	\$ 3,166,336	\$ -	\$ 89,718	\$ 685,465
Restricted Cash	-	849,392	-	-	-	-	139,785	310,845
Interprogram Assets	1,421,399	-	9,391,651	-	1,916,451	60,000	5,064	-
Other - Current Assets	96	118,208	5,431,860	-	-	-	57,887	41,980
Noncurrent Assets	-	-	5,935,461	-	-	-	-	-
Capital Assets, Net	-	15,714,822	1,979,046	-	-	-	4,193,047	5,909,912
<b>Total Assets</b>	<b>3,554,018</b>	<b>16,763,199</b>	<b>23,293,742</b>	<b>7,367,572</b>	<b>5,082,787</b>	<b>60,000</b>	<b>4,485,501</b>	<b>6,948,202</b>
<b>LIABILITIES</b>								
Current Liabilities	1,221	2,342,657	1,554,572	15	15	60,000	560,313	256,652
Noncurrent Liabilities	-	26,102,923	13,543,997	-	-	-	3,654,788	8,896,347
<b>Total Liabilities</b>	<b>1,221</b>	<b>28,445,580</b>	<b>15,098,569</b>	<b>15</b>	<b>15</b>	<b>60,000</b>	<b>4,215,101</b>	<b>9,152,999</b>
<b>NET POSITION</b>								
Net Investment in Capital Assets	-	(10,931,517)	(11,983,539)	-	-	-	379,928	(3,110,037)
Restricted	-	731,983	-	-	-	-	113,896	283,498
Unrestricted	3,552,797	(1,482,847)	20,178,712	7,367,557	5,082,772	-	(223,424)	621,742
<b>Total Net Position</b>	<b>3,552,797</b>	<b>(11,682,381)</b>	<b>8,195,173</b>	<b>7,367,557</b>	<b>5,082,772</b>	<b>-</b>	<b>270,400</b>	<b>(2,204,797)</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 3,554,018</b>	<b>\$ 16,763,199</b>	<b>\$ 23,293,742</b>	<b>\$ 7,367,572</b>	<b>\$ 5,082,787</b>	<b>\$ 60,000</b>	<b>\$ 4,485,501</b>	<b>\$ 6,948,202</b>



**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 16 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Aventine	Hillside Public Facility Corporation/ Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	QuadCo Management Solutions, LLC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Overton Square, L.P.
<b>ASSETS</b>								
Cash	\$ 703,793	\$ 3,188	\$ 1,102,206	\$ 3,057,329	\$ 345,753	\$ 47,409	\$ 5,983	\$ 83,490
Restricted Cash	861,706	4,635	1,082,984	-	-	492,831	300,967	650,911
Interprogram Assets	-	-	-	1,893,119	867,179	-	-	100
Other - Current Assets	122,828	5,346	28,832	-	74,211	37,112	15,027	38,546
Noncurrent Assets	5,291	-	-	15,183,786	-	-	-	-
Capital Assets, Net	11,734,556	2,548,940	9,271,990	-	25,657	2,183,460	1,849,667	7,928,246
Total Assets	13,428,174	2,562,109	11,486,012	20,134,234	1,312,800	2,760,812	2,171,644	8,701,293
<b>LIABILITIES</b>								
Current Liabilities	529,998	565,502	8,855,356	2,112,197	933,668	258,565	146,469	1,921,529
Noncurrent Liabilities	20,998,680	1,426,816	180,077	-	-	1,585,000	1,656,404	10,455,262
Total Liabilities	21,528,678	1,992,318	9,035,433	2,112,197	933,668	1,843,565	1,802,873	12,376,791
<b>NET POSITION</b>								
Net Investment in Capital Assets	(9,603,397)	1,098,808	9,091,913	-	25,657	577,698	171,566	(2,745,589)
Restricted	788,378	-	1,030,781	-	-	476,661	291,473	592,451
Unrestricted	714,515	(529,017)	(7,672,115)	18,022,037	353,475	(137,112)	(94,268)	(1,522,360)
Total Net Position	(8,100,504)	569,791	2,450,579	18,022,037	379,132	917,247	368,771	(3,675,498)
Total Liabilities and Net Position	\$ 13,428,174	\$ 2,562,109	\$ 11,486,012	\$ 20,134,234	\$ 1,312,800	\$ 2,760,812	\$ 2,171,644	\$ 8,701,293

**FORT WORTH HOUSING SOLUTIONS  
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**NOTE 16 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Pennsylvania Place Apartments LP	Cavile PFC	Iron Wood Crossing Public Facility Corporation	Other Projects	Total Blended Component Units	Eliminations	Primary Government	Total
<b>ASSETS</b>								
Cash	\$ 314,907	\$ -	\$ -	\$ 673,951	\$ 20,416,124	\$ -	\$ 17,023,672	\$ 37,439,796
Restricted Cash	511,634	-	-	-	5,205,690	-	636,242	5,841,932
Interprogram Assets	-	-	-	12,377	15,567,340	(23,780,421)	9,947,121	1,734,040
Other - Current Assets	48,631	82,251	-	188,111	6,290,926	-	4,530,576	10,821,502
Noncurrent Assets	904,261	-	-	12,867	22,041,666	(3,478,298)	3,513,317	22,076,685
Capital Assets, Net	4,936,627	3,134,635	32,325,000	-	103,735,605	-	30,443,510	134,179,115
Total Assets	<u>6,716,060</u>	<u>3,216,886</u>	<u>32,325,000</u>	<u>887,306</u>	<u>173,257,351</u>	<u>(27,258,719)</u>	<u>66,094,438</u>	<u>212,093,070</u>
<b>LIABILITIES</b>								
Current Liabilities	246,825	88,677	326,515	19,380	20,780,126	(23,780,421)	22,878,394	19,878,099
Noncurrent Liabilities	6,363,569	-	31,699,179	-	126,563,042	(3,478,298)	367,767	123,452,511
Total Liabilities	<u>6,610,394</u>	<u>88,677</u>	<u>32,025,694</u>	<u>19,380</u>	<u>147,343,168</u>	<u>(27,258,719)</u>	<u>23,246,161</u>	<u>143,330,610</u>
<b>NET POSITION</b>								
Net Investment in Capital Assets	(1,542,143)	3,134,635	-	-	(25,436,017)	3,478,298	77,837,246	55,879,527
Restricted	477,568	-	-	-	4,786,689	-	189,261	4,975,950
Unrestricted	1,170,241	(6,426)	299,306	867,926	46,563,511	(3,478,298)	(35,178,230)	7,906,983
Total Net Position	<u>105,666</u>	<u>3,128,209</u>	<u>299,306</u>	<u>867,926</u>	<u>25,914,183</u>	<u>-</u>	<u>42,848,277</u>	<u>68,762,460</u>
Total Liabilities and Net Position	<u>\$ 6,716,060</u>	<u>\$ 3,216,886</u>	<u>\$ 32,325,000</u>	<u>\$ 887,306</u>	<u>\$ 173,257,351</u>	<u>\$ (27,258,719)</u>	<u>\$ 66,094,438</u>	<u>\$ 212,093,070</u>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 16 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Gateway Public Facility Corporation		Fort Worth Affordability, Inc.					
	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
<b>OPERATING REVENUES</b>								
Tenant Revenue	\$ -	\$ 6,457,406	\$ -	\$ -	\$ -	\$ -	\$ 1,045,894	\$ 1,398,630
Other Revenues	-	45,583	5,341,696	-	-	-	21,121	42,897
Total Operating Revenues	-	6,502,989	5,341,696	-	-	-	1,067,015	1,441,527
<b>OPERATING EXPENSES</b>								
Administrative	-	890,612	6,258	1,518	1,518	-	208,542	261,145
Tenant Services	-	-	-	-	-	-	172	42,841
Utilities	-	561,749	-	-	-	-	100,682	131,341
Ordinary Maintenance and Operations	-	1,392,625	-	-	-	-	410,794	611,772
Protective Services	-	46,646	-	-	-	-	27,979	(194)
General Expenses	140	112,690	139	-	-	-	84,354	32,067
Housing Assistance Payments	-	-	-	-	-	-	-	-
Depreciation	-	1,020,444	-	-	-	-	155,026	495,481
Total Operating Expenses	140	4,024,766	6,397	1,518	1,518	-	987,549	1,574,453
Operating Income (Loss)	(140)	2,478,223	5,335,299	(1,518)	(1,518)	-	79,466	(132,926)
Total Nonoperating Revenues (Expenses)	16,795	(1,289,198)	23,774	136,004	59,315	-	(421)	(314,063)
Income (Loss) Before Contributions and Transfers	16,655	1,189,025	5,359,073	134,486	57,797	-	79,045	(446,989)
Operating Transfers	-	-	324,702	(194,770)	(134,275)	-	-	-
<b>CHANGE IN NET POSITION</b>	16,655	1,189,025	5,683,775	(60,284)	(76,478)	-	79,045	(446,989)
Total Net Position - Beginning of Year	3,536,142	(12,871,406)	2,511,398	7,427,841	5,159,250	-	191,355	(1,757,808)
Equity Transfers	-	-	-	-	-	-	-	-
<b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ 3,552,797</b>	<b>\$ (11,682,381)</b>	<b>\$ 8,195,173</b>	<b>\$ 7,367,557</b>	<b>\$ 5,082,772</b>	<b>\$ -</b>	<b>\$ 270,400</b>	<b>\$ (2,204,797)</b>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 16 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Aventine	Hillside Public Facility Corporation/ Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	QuadCo Management Solutions, LLC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Overton Square, L.P.
<b>OPERATING REVENUES</b>								
Tenant Revenue	\$ 2,571,157	\$ 170,823	\$ 1,938,203	\$ -	\$ -	\$ 596,754	\$ 493,285	\$ 1,724,420
Other Revenues	47,971	2,314	31,808	575,339	1,963,666	4,717	22,062	33,991
Total Operating Revenues	<u>2,619,128</u>	<u>173,137</u>	<u>1,970,011</u>	<u>575,339</u>	<u>1,963,666</u>	<u>601,471</u>	<u>515,347</u>	<u>1,758,411</u>
<b>OPERATING EXPENSES</b>								
Administrative	540,133	109,399	388,415	204,290	1,642,898	126,473	130,562	414,395
Tenant Services	-	50	1,906	-	-	31,196	20,541	-
Utilities	241,038	26,989	159,259	53	-	86,473	92,332	218,763
Ordinary Maintenance and Operations	392,749	27,358	346,059	2,161	10,850	149,883	146,878	353,996
Protective Services	2,375	-	7,500	-	-	-	20,200	-
General Expenses	1,313,544	5,650	58,849	415,913	59,117	14,476	12,210	65,760
Housing Assistance Payments	-	-	-	-	-	-	10,984	-
Depreciation	551,714	67,907	253,339	-	12,116	751,193	479,600	412,249
Total Operating Expenses	<u>3,041,553</u>	<u>237,353</u>	<u>1,215,327</u>	<u>622,417</u>	<u>1,724,981</u>	<u>1,159,694</u>	<u>913,307</u>	<u>1,465,163</u>
Operating Income (Loss)	(422,425)	(64,216)	754,684	(47,078)	238,685	(558,223)	(397,960)	293,248
Total Nonoperating Revenues (Expenses)	<u>(729,452)</u>	<u>(94,176)</u>	<u>(363,558)</u>	<u>63,390</u>	<u>-</u>	<u>(105,174)</u>	<u>(100,133)</u>	<u>(496,964)</u>
Income (Loss) Before Contributions and Transfers	(1,151,877)	(158,392)	391,126	16,312	238,685	(663,397)	(498,093)	(203,716)
Operating Transfers	-	-	-	214,838	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<u>(1,151,877)</u>	<u>(158,392)</u>	<u>391,126</u>	<u>231,150</u>	<u>238,685</u>	<u>(663,397)</u>	<u>(498,093)</u>	<u>(203,716)</u>
Total Net Position - Beginning of Year	(6,948,627)	728,183	2,059,453	17,790,987	140,447	1,580,644	866,864	(3,471,782)
Equity Transfers	-	-	-	(100)	-	-	-	-
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ (8,100,504)</u>	<u>\$ 569,791</u>	<u>\$ 2,450,579</u>	<u>\$ 18,022,037</u>	<u>\$ 379,132</u>	<u>\$ 917,247</u>	<u>\$ 368,771</u>	<u>\$ (3,675,498)</u>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 16 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Pennsylvania Place Apartments, LP	Cavile PFC	Iron Wood Crossing Public Facility Corporation	Other Projects	Total Blended Component Units	Primary Government	Total
<b>OPERATING REVENUES</b>							
Tenant Revenue	\$ 1,380,199	\$ -	\$ -	\$ -	\$ 17,776,771	\$ 1,550,063	\$ 19,326,834
Other Revenues	10,403	20	299,306	152,131	8,595,025	57,881,016	66,476,041
Total Operating Revenues	<u>1,390,602</u>	<u>20</u>	<u>299,306</u>	<u>152,131</u>	<u>26,371,796</u>	<u>59,431,079</u>	<u>85,802,875</u>
<b>OPERATING EXPENSES</b>							
Administrative	386,385	4,718	-	10,185	5,327,446	10,521,020	15,848,466
Tenant Services	280	-	-	-	96,986	17,584	114,570
Utilities	164,191	148	-	-	1,783,018	1,491,348	3,274,366
Ordinary Maintenance and Operations	316,967	40,790	-	-	4,202,882	1,421,762	5,624,644
Protective Services	7,488	-	-	-	111,994	753,000	864,994
General Expenses	159,577	-	-	279	2,334,765	1,156,553	3,491,318
Housing Assistance Payments	1,160	-	-	-	12,144	42,880,547	42,892,691
Depreciation	393,877	-	-	-	4,592,946	1,362,229	5,955,175
Total Operating Expenses	<u>1,429,925</u>	<u>45,656</u>	<u>-</u>	<u>10,464</u>	<u>18,462,181</u>	<u>59,604,043</u>	<u>78,066,224</u>
Operating Income (Loss)	(39,323)	(45,636)	299,306	141,667	7,909,615	(172,964)	7,736,651
Total Nonoperating Revenues (Expenses)	(216,396)	-	-	10,341	(3,399,916)	318,733	(3,081,183)
Income (Loss) Before Contributions and Transfers	(255,719)	(45,636)	299,306	152,008	4,509,699	145,769	4,655,468
Operating Transfers	-	-	-	108,409	318,904	(318,904)	-
<b>CHANGE IN NET POSITION</b>	(255,719)	(45,636)	299,306	260,417	4,828,603	(173,135)	4,655,468
Total Net Position - Beginning of Year	361,385	3,173,845	-	233,307	20,711,478	43,395,514	64,106,992
Equity Transfers	-	-	-	374,202	374,102	(374,102)	-
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 105,666</u>	<u>\$ 3,128,209</u>	<u>\$ 299,306</u>	<u>\$ 867,926</u>	<u>\$ 25,914,183</u>	<u>\$ 42,848,277</u>	<u>\$ 68,762,460</u>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 16 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Gateway Public Facility Corporation		Fort Worth Affordability, Inc.					Eastwood Public Facility Corporation
	Gateway Public Facility	Villas of Oak Hill	Fort Worth Affordability, Inc.	Spring Hill Apartments	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	
Net Cash Provided (Used) by								
Operating Activities	\$ 816,472	\$ 1,300,854	\$ 856,275	\$ (1,503)	\$ (1,504)	\$ -	\$ 208,376	\$ 292,240
Capital and Related Financing Activities	-	(1,843,806)	(2,164,134)	(194,771)	(134,275)	-	(173,685)	(373,938)
Investing Activities	16,795	8,247	241,737	136,005	59,316	-	538	840
<b>Net Increase/(Decrease) in Cash</b>	833,267	(534,705)	(1,066,122)	(60,269)	(76,463)	-	35,229	(80,858)
Cash and Cash Equivalents - Beginning of Year	1,299,256	1,464,874	1,621,846	7,427,841	3,242,799	-	194,274	1,077,168
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 2,132,523</u>	<u>\$ 930,169</u>	<u>\$ 555,724</u>	<u>\$ 7,367,572</u>	<u>\$ 3,166,336</u>	<u>\$ -</u>	<u>\$ 229,503</u>	<u>\$ 996,310</u>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 16 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Hillside Public Facility Corporation Knights of Pythias	Hillside	Trinity River Public Facility Corporation	QuadCo Management Solutions, LLC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Overton	Pennsylvania Place
Net Cash Provided (Used) by								
Operating Activities	\$ 106,072	\$ 635,676	\$ 3,693,237	\$ 131,633	\$ 214,717	\$ 98,682	\$ 206,331	\$ (89,932)
Capital and Related Financing Activities	(116,155)	(186,867)	214,738	-	(125,781)	(121,880)	(671,256)	(527,975)
Investing Activities	-	3,386	(859,464)	-	(32,987)	268	(41)	973
<b>Net Increase/(Decrease) in Cash</b>	(10,083)	452,195	3,048,511	131,633	55,949	(22,930)	(464,966)	(616,934)
Cash and Cash Equivalents - Beginning of Year	17,906	1,732,995	8,818	214,120	484,291	329,880	1,199,367	1,443,475
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 7,823</u>	<u>\$ 2,185,190</u>	<u>\$ 3,057,329</u>	<u>\$ 345,753</u>	<u>\$ 540,240</u>	<u>\$ 306,950</u>	<u>\$ 734,401</u>	<u>\$ 826,541</u>

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 16 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Cavile PFC	Aventine	Iron Wood Crossing	Other Projects	Total Blended Component Units	Primary Government	Total
Net Cash Provided (Used) by							
Operating Activities	\$ 18,102	\$ (79,845)	\$ -	\$ 56,860	\$ 8,462,743	\$ 33,441	\$ 8,496,184
Capital and Related Financing Activities	(18,102)	(568,529)	-	469,747	(6,536,669)	(5,045,720)	(11,582,389)
Investing Activities	-	2,109	-	10,341	(411,937)	1,056,823	644,886
<b>Net Increase/(Decrease) in Cash</b>	-	(646,265)	-	536,948	1,514,137	(3,955,456)	(2,441,319)
Cash and Cash Equivalents - Beginning of Year	-	2,211,764	-	137,003	24,107,677	21,615,370	45,723,047
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ -</b>	<b>\$ 1,565,499</b>	<b>\$ -</b>	<b>\$ 673,951</b>	<b>\$ 25,621,814</b>	<b>\$ 17,659,914</b>	<b>\$ 43,281,728</b>



**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 17 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 as of the date that the report was available to be issued. Management is currently evaluating the specific impact of the implementation of these Standards.

*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. 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.

*Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement is effective for the period ending December 31, 2019.

**FORT WORTH HOUSING SOLUTIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 17 PENDING GASB PRONOUNCEMENTS (CONTINUED)**

*Statement No. 91, Conduit Debt Obligations*

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosure. This statement is effective for the period ending December 31, 2021.

**NOTE 18 SUBSEQUENT EVENTS**

*Standard River District Apartments*

Fort Worth Housing Solutions and OP Acquisitions, LLC entered into a Memorandum of Understanding on January 8, 2019 to acquire and construct the 293-unit Standard River District Apartments. At closing, the land will be contributed to a Texas public facility corporation created by Fort Worth Housing Solutions and simultaneously enter into a long-term ground lease as landlord, with the partnership as tenant.

*Highpoint Urban Living Apartments*

Fort Worth Housing Solutions and OP Acquisitions, LLC entered into a Memorandum of Understanding on March 25, 2019 to acquire an existing 227-unit Highpoint Urban Living Apartments. At closing, the land will be contributed to a Texas public facility corporation created by Fort Worth Housing Solutions and simultaneously enter into a long-term ground lease as landlord, with the partnership as tenant.

*Patriot Pointe Apartments*

In April 2019, Fort Worth Housing Solutions acquired a title to the land for Patriot Pointe Apartments consisting of 220 family units, and entered into a long-term ground lease as landlord, with the partnership as tenant. Trinity River Public Facility Corporation (TRPFC), one of its public facility corporations, issued the Trinity River Public Facility Corporation Multifamily Housing Mortgage Revenue Bonds (Patriot Pointe Apartments Project) Series 2019 in the amount of \$25,000,000. As additional financing mechanism, TRPFC also provided a \$1 million subordinate loan and a Standby Commitment for up to \$780,082 Gap Loan to defray the costs of developing the project.

*Stallion Ridge Apartments*

In June 2019, Fort Worth Housing Solutions acquired a title to the land for Stallion Ridge Apartments consisting of 204 family units, and entered into a long-term ground lease as landlord, with the partnership as tenant. Trinity River Public Facility Corporation (TRPFC), one of its public facility corporations, issued the Trinity River Public Facility Corporation Multifamily Housing Mortgage Revenue Bonds (Stallion Ridge Apartments Project) Series 2019A in the amount of \$20,000,000 and also the Trinity River Public Facility Corporation Multifamily Housing Mortgage Revenue Taxable Bonds (Stallion Ridge Apartments Project) Series 2019B in the amount of \$7,425,000. As additional financing mechanism, TRPFC also provided a \$750,000 subordinate loan to defray the costs of developing the project.

**SUPPLEMENTAL INFORMATION**

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**FORT WORTH HOUSING SOLUTIONS  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
BUDGET AND ACTUAL – PUBLIC HOUSING  
YEAR ENDED DECEMBER 31, 2018**

	Budget	Actual	Over (Under) Budget
<b>OPERATING REVENUE</b>			
Net Tenant Rental Revenue	\$ 1,591,707	\$ 1,550,063	\$ (41,644)
HUD Grants	2,567,220	4,793,952	2,226,732
Other Revenue	424,355	418,029	(6,326)
Total Operating Revenue	<u>4,583,282</u>	<u>6,762,044</u>	<u>2,178,762</u>
<b>OPERATING EXPENSES</b>			
Administrative	2,441,505	2,340,561	(100,944)
Asset Management Fee	87,360	77,640	(9,720)
Tenant Services	5,616	17,584	11,968
Utilities	1,273,920	1,365,430	91,510
Ordinary Maintenance and Operations	630,130	1,178,841	548,711
Protective Services	757,476	678,844	(78,632)
General	128,604	1,439,458	1,310,854
Non-Routine Expenses	-	-	-
Housing Assistance Payments	-	194,801	194,801
Total Operating Expenses	<u>5,324,611</u>	<u>7,293,159</u>	<u>1,968,548</u>
Operating Income (Loss)	<u>(741,329)</u>	<u>(531,115)</u>	<u>210,214</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>			
Investment Income	-	153,259	153,259
Interest Expense	-	(20,100)	(20,100)
Loss on RAD Conversion	-	-	-
Casualty Losses - Non-capitalized	-	(988)	(988)
Depreciation and Amortization Expense	-	(576,134)	(576,134)
Total Nonoperating Income (Expenses)	<u>-</u>	<u>(443,963)</u>	<u>(443,963)</u>
Gain (Loss) Before Capital Grants	<u>(741,329)</u>	<u>(975,078)</u>	<u>(233,749)</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (741,329)</u>	<u>\$ (975,078)</u>	<u>\$ (233,749)</u>

**FORT WORTH HOUSING SOLUTIONS  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
BUDGET AND ACTUAL – HOUSING CHOICE VOUCHERS  
YEAR ENDED DECEMBER 31, 2018**

	Budget	Actual	Over (Under) Budget
<b>OPERATING REVENUE</b>			
HUD Operating Grants	\$ 40,131,414	\$ 40,644,806	\$ 513,392
Other Revenue	62,912	248,733	185,821
Total Operating Revenue	<u>40,194,326</u>	<u>40,893,539</u>	<u>699,213</u>
<b>OPERATING EXPENSES</b>			
Administrative	3,990,697	4,034,645	43,948
Ordinary Maintenance and Operations	67,037	58,159	(8,878)
Protective Services	2,371	19,129	16,758
General	11,831	22,430	10,599
Housing Assistance Payments	<u>36,824,338</u>	<u>37,413,490</u>	<u>589,152</u>
Total Operating Expenses	<u>40,896,274</u>	<u>41,547,853</u>	<u>651,579</u>
Operating Income (Loss)	<u>(701,948)</u>	<u>(654,314)</u>	<u>47,634</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>			
Investment Income	314	6,990	6,676
Transfer To/From Funds	673,830	644,206	(29,624)
Proceeds from Disposition of Assets Held for Sale	-	13,797	13,797
Fraud Recovery	27,804	63,957	36,153
Depreciation and Amortization Expense	<u>-</u>	<u>(10,773)</u>	<u>(10,773)</u>
Total Nonoperating Income (Expenses)	<u>701,948</u>	<u>718,177</u>	<u>16,229</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ -</u>	<u>\$ 63,863</u>	<u>\$ 63,863</u>

**FORT WORTH HOUSING SOLUTIONS  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
BUDGET AND ACTUAL – MODERATE REHABILITATION  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>OPERATING REVENUE</b>			
HUD Operating Grants	\$ 402,855	\$ 401,070	\$ (1,785)
Other Revenue	-	-	-
Total Operating Revenue	<u>402,855</u>	<u>401,070</u>	<u>(1,785)</u>
<b>OPERATING EXPENSES</b>			
Administrative	63,063	60,904	(2,159)
General	-	2,333	2,333
Ordinary Maintenance and Operations	69	875	806
Housing Assistance Payments	<u>337,738</u>	<u>335,728</u>	<u>(2,010)</u>
Total Operating Expenses	<u>400,870</u>	<u>399,840</u>	<u>(1,030)</u>
Operating Income (Loss)	1,985	1,230	(755)
<b>NONOPERATING REVENUE (EXPENSES)</b>			
Investment Income	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 1,985</u>	<u>\$ 1,230</u>	<u>\$ (755)</u>

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**SECTION III STATISTICAL SECTION  
(UNAUDITED)**

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**FORT WORTH HOUSING SOLUTIONS  
GUIDE TO THE STATISTICAL SECTION  
(UNAUDITED)  
DECEMBER 31, 2018**

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**

<b>Financial Trends</b> .....	94-96
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.	
<b>Revenue Capacity</b> .....	97-98
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.	
<b>Debt Capacity</b> .....	99-100
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.	
<b>Economic and Demographic Information</b> .....	101-110
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.	
<b>Operating Information</b> .....	111-117
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.

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**FORT WORTH HOUSING SOLUTIONS  
FINANCIAL TRENDS**

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Enterprise Fund</b>										
Net Investment in Capital Assets	\$ 55,879,527	\$ 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
Restricted	4,975,950	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
Unrestricted	7,906,983	49,811,344	59,371,879	65,882,514	48,508,012	45,943,646	29,316,735	33,473,453	24,150,112	21,161,695
<b>Total net position</b>	<b>\$ 68,762,460</b>	<b>\$ 64,106,992</b>	<b>\$ 71,334,161</b>	<b>\$ 71,800,566</b>	<b>\$ 56,308,441</b>	<b>\$ 58,108,387</b>	<b>\$ 60,056,870</b>	<b>\$ 63,960,464</b>	<b>\$ 62,746,494</b>	<b>\$ 56,758,138</b>

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Operating revenues</b>										
Business-type activities:										
Charges for services:										
Tenant rents	\$ 19,326,834	\$ 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
Operating grants and contributions	52,312,301	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
Other revenue	14,163,740	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
Total business-type activities										
operating revenues	85,802,875	75,855,418	74,710,180	67,995,210	62,748,161	61,852,352	59,274,516	63,521,389	64,332,085	57,663,104
<b>Operating expenses</b>										
Business-type activities:										
Owned housing	35,058,963	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
Assisted housing	42,892,691	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
Tenant services	114,570	150,170	159,819	97,559	96,135	79,113	126,319	127,235	226,546	122,142
Total business-type activities										
activities operating expenses	78,066,224	75,568,814	69,173,629	64,292,680	60,584,815	62,058,663	62,182,416	61,356,939	58,738,419	56,676,128
Operating income (loss)	7,736,651	286,604	5,536,551	3,702,530	2,163,346	(206,311)	(2,907,900)	2,164,450	5,593,666	986,976
<b>Nonoperating revenues (expenses)</b>										
Business-type activities:										
Capital grants	-	-	-	2,230,797	494,119	580,672	1,701,343	531,100	1,914,075	1,267,808
Investment income	631,189	305,572	140,065	25,892	10,645	36,498	25,378	21,583	279,994	407,341
Interest expense	(3,746,010)	(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)
Other	33,638	(3,920,128)	(2,827,406)	12,559,707	(1,972,938)	49,918	182,302	137,154	782,444	209,608
Total business-type activities										
nonoperating revenues (expenses)	(3,081,183)	(7,513,773)	(6,002,956)	11,789,595	(3,963,292)	(1,742,172)	280,590	(950,480)	1,131,991	83,032
<b>Change in net position</b>	<b>\$ 4,655,468</b>	<b>\$ (7,227,169)</b>	<b>\$ (466,405)</b>	<b>\$ 15,492,125</b>	<b>\$ (1,799,946)</b>	<b>\$ (1,948,483)</b>	<b>\$ (2,627,310)</b>	<b>\$ 1,213,970</b>	<b>\$ 6,725,657</b>	<b>\$ 1,070,008</b>

**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
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
2018	\$ 15,848,466	\$ 114,570	\$ 3,274,366	\$ 5,624,644	\$ 3,491,318	\$ 42,892,691	\$ 866,297	\$ 3,746,010	\$ 5,955,175	\$ 81,813,537

Source: Fort Worth Housing Solutions internal records.

**FORT WORTH HOUSING SOLUTIONS  
REVENUE CAPACITY**

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

<u>Fiscal Year</u>	<u>Low Rent Housing Program</u>	<u>Section 8 Housing Assistance Program Cluster</u>	<u>Capital Fund Programs</u>	<u>ROSS/EDSS &amp; Miscellaneous Federal Grants</u>	<u>Continuum of Care</u>	<u>Disaster Programs</u>	<u>Totals</u>
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	\$ 39,947,048	\$ 421,431	\$ 1,149,194	\$ 3,337,435	\$ -	\$ 49,094,077
2018	\$ 4,565,707	\$ 41,045,876	\$ 228,245	\$ 1,127,024	\$ 3,199,459	\$ -	\$ 50,166,311

Source: Fort Worth Housing Solutions internal records.



**FORT WORTH HOUSING SOLUTIONS  
REVENUE CAPACITY**

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

<u>Fiscal Year</u>	<u>Program Grants/ Subsidies</u>	<u>Tenant Revenue</u>	<u>Interest</u>	<u>Other</u>	<u>Totals</u>
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
2018	\$ 52,312,301	\$ 19,326,834	\$ 631,189	\$ 14,198,681	\$ 86,469,005

Source: Fort Worth Housing Solutions internal records.

**FORT WORTH HOUSING SOLUTIONS  
DEBT CAPACITY**

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Enterprise Fund</b>										
Bonds, notes and loans payable	<u>\$ 93,368,324</u>	<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>	<u>\$ 39,224,671</u>	<u>\$ 38,087,321</u>	<u>\$ 34,917,763</u>	<u>\$ 32,848,472</u>
<b>Notes payable</b>										
Villas of Oak Hill	\$ 26,646,340	\$ 27,164,204	\$ 27,657,716	\$ 28,124,357	\$ 28,572,720	\$ 29,000,000	\$ 23,625,000	\$ 24,170,000	\$ 24,479,864	\$ 24,981,033
TDHCA	9,116,853	9,511,308	9,887,601	10,263,894	10,429,343	10,805,635	10,845,307	8,969,877	5,205,000	-
Knights of Pythias	1,450,131	1,472,111	1,492,635	1,511,644	1,525,000	1,447,581	66,302	-	-	-
Wind River	8,838,928	9,008,108	9,206,241	9,399,759	-	-	-	-	-	2,400,000
Fair Oaks Public Facility Corporation	1,605,763	1,626,316	1,645,597	1,663,394	1,017,196	-	-	-	-	-
Fair Park Public Facility Corporation	1,678,100	1,699,579	1,719,730	1,738,332	955,747	-	-	-	-	-
Eastwood Public Facility Corporation	9,019,949	9,139,341	8,539,400	8,659,855	8,773,026	8,879,325	-	-	-	-
Ameresco	-	-	-	831,265	1,030,862	1,221,923	1,404,812	1,586,026	1,799,340	1,967,301
Spring Hill	-	-	-	-	1,835,463	1,889,682	1,939,721	1,985,902	2,028,522	2,067,856
Spring Glen	-	-	-	-	1,271,317	1,308,871	1,343,529	1,375,516	1,405,037	1,432,282
Hunter Plaza	-	-	-	-	-	400,000	-	-	-	-
Overton Square	7,195,537	7,403,664	7,601,845	-	-	-	-	-	-	-
Pennsylvania Place	6,478,770	6,590,515	6,690,000	-	-	-	-	-	-	-
Aventine Tarrant Parkway Apartments, LP	21,337,953	21,665,900	-	-	-	-	-	-	-	-
<b>Debt outstanding at end of year</b>	<u>\$ 93,368,324</u>	<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>	<u>\$ 39,224,671</u>	<u>\$ 38,087,321</u>	<u>\$ 34,917,763</u>	<u>\$ 32,848,472</u>

Note: FWHS does not have the ability to assess property taxes or other sources of revenues available to most governments. Consequently, debt is limited to specifically defined communities and properties.

**FORT WORTH HOUSING SOLUTIONS  
DEBT CAPACITY**

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

Fiscal Year	Notes Payable	Total Debt	Capital Assets, Net	Ratio of Total Debt To Capital Assets
2009	\$ 32,848,472	\$ 32,848,472	\$ 64,448,926	50.97%
2010	\$ 34,917,763	\$ 34,917,763	\$ 60,010,289	58.19%
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%
2018	\$ 93,368,324	\$ 93,368,324	\$ 134,179,115	69.58%

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: 2017  
GEOGRAPHIC AREA: FORT WORTH CITY  
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
<b>SCHOOL ENROLLMENT</b>			<b>PLACE OF BIRTH</b>		
<b>Population 3 years and over enrolled in school</b>	239,219	(X)	<b>Total population</b>	835,129	(X)
Nursery school, preschool	15,526	6.5%	Native	694,337	83.1%
Kindergarten	13,176	5.5%	Born in United States	681,373	81.6%
Elementary school (grades 1-8)	104,538	43.7%	State of residence	477,552	57.2%
High school (grades 9-12)	4,822	20.3%	Different state	203,821	24.4%
College or graduate school	57,457	24.0%	Born in Puerto Rico, U.S. Island areas, or born abroad to American parent(s)	12,964	1.6%
			Foreign born	140,792	16.9%
<b>EDUCATIONAL ATTAINMENT</b>			<b>YEAR OF ENTRY</b>		
<b>Population 25 years and over</b>	515,679	(X)	<b>Population born outside the United States</b>	153,756	(X)
Less than 9th grade	46,912	9.1%	Native	12,964	(X)
9th to 12th grade, no diploma	48,355	9.4%	Entered 2010 or later	2,075	16.0%
High school graduate (includes equivalency)	127,955	24.8%	Entered before 2010	10,889	84.0%
Some college or associate's degree	111,632	21.6%	Foreign born	140,792	(X)
Associate degree	34,646	6.7%	Entered 2010 or later	21,569	15.3%
Bachelor's degree	98,068	19.0%	Entered before 2010	119,223	84.7%
Graduate or professional degree	48,111	9.3%			
<b>MARITAL STATUS</b>			<b>WORLD REGION OF BIRTH OF FOREIGN BORN</b>		
<b>Population 15 years and over</b>	635,813	(X)	<b>Total (excluding born at sea)</b>	140,792	(X)
Never married	222,152	34.9%	Europe	5,960	4.2%
Now married, except separated	291,891	45.9%	Asia	25,813	18.3%
Divorced or Separated	92,837	14.1%	Africa	8,139	5.8%
Widowed	28,933	4.4%	Oceania	310	0.2%
			Latin America	98,842	70.2%
			North America	1,728	1.2%
<b>MARITAL STATUS</b>			<b>LANGUAGE SPOKEN AT HOME</b>		
<b>Male population 15 years and over</b>	306,826	(X)	<b>Population 5 years and over</b>	767,621	(X)
Never married	114,062	37.2%	English only	516,213	67.2%
Now married, except separated	147,700	48.1%	Language other than English	251,408	32.8%
Separated	6,774	2.2%	Speak English less than "very well"	107,792	14.0%
Widowed	7,747	2.5%	Spanish	206,718	26.9%
Divorced	30,543	10.0%	Speak English less than "very well"	89,577	11.7%
			Other Indo-European languages	17,730	2.3%
<b>MARITAL STATUS</b>			Speak English less than "very well"	5,719	0.7%
<b>Female population 15 years and over</b>	328,987	(X)	Asian and Pacific Island languages	19,156	2.5%
Never married	108,090	32.9%	Speak English less than "very well"	9,278	1.2%
Now married, except separated	144,191	43.8%	Other languages	7,804	1.0%
Separated	9,154	2.8%	Speak English less than "very well"	3,218	0.4%
Widowed	21,186	6.4%			
Divorced	46,366	1.1%			
<b>US CITIZENSHIP STATUS</b>					
<b>Foreign-born population</b>					
Naturalized US citizen	46,209	(X)			
Not a US citizen	94,583	(X)			

(X) Not Applicable

Source: U.S. Census Bureau, 2017 American Community Survey

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

**FORT WORTH TEXAS SOCIAL INFORMATION  
PROFILE OF SELECTED SOCIAL CHARACTERISTICS: 2017  
GEOGRAPHIC AREA: FORT WORTH CITY  
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent	Number	Percent
<b>GRANDPARENTS LIVING WITH OWN GRANDCHILDREN UNDER 18</b>	22,691	(X)	<b>ANCESTRY (single and multiple)</b>				
Grandparents responsible for grandchildren	8,675	38.2%	<b>Total population</b>	835,129	(X)	815,930	(X)
Years responsible for grandchildren			American	43,094	5.2%	48,092	600%
Less than 1 year	1,930	8.5%	Arab	3,664	0.4%	3,174	30%
1 or 2 years	1,991	8.8%	Czech	3,650	0.4%	3,854	40%
3 or 4 years	1,568	6.9%	Danish	1,995	0.2%	693	0%
5 or more years	3,186	14.0%	Dutch	5,905	0.7%	3,772	40%
			English	50,394	6.0%	1,911	20%
<b>VETERAN STATUS</b>			French (except Basque)	14,700	1.8%	5,761	70%
<b>Civilian population 18 years and over</b>	597,824	(X)	French Canadian	2,352	0.3%	48,187	600%
Civilian veterans	42,726	7.1%	German	70,405	8.4%	11,804	100%
			Greek	1,348	0.2%	14,460	200%
<b>DISABILITY STATUS OF THE CIVILIAN NONINSTITUTIONALIZED POPULATION - TOTAL POPULATION</b>	824,703	(X)	Hungarian	1,430	0.2%	2,368	20%
With a disability	86,946	10.5%	Irish	56,680	6.8%	68,842	800%
<b>Population under 18 years</b>	235,875	(X)	Italian	16,000	1.9%	1,831	20%
With a disability	8,601	3.6%	Lithuanian	467	0.1%	1,430	10%
<b>Population 18 to 64 years</b>	513,177	(X)	Norwegian	4,902	0.6%	56,050	700%
With a disability	49,973	9.7%	Polish	8,006	1.0%	15,627	200%
<b>Population 65 years and over</b>	75,651	(X)	Portuguese	1,282	0.2%	390	0%
With a disability	28,372	37.5%	Russian	3,022	0.4%	5,236	70%
			Scotch-Irish	7,296	0.9%	7,662	90%
			Scottish	12,345	1.5%	1,017	10%
<b>RESIDENCE 1 YEAR AGO</b>			Slovak	417	0.0%	3,367	40%
<b>Population 1 year and over</b>	821,191	(X)	Sub-Saharan African	12,334	1.5%	1,474	10%
Same house	672,194	81.9%	Swedish	4,245	0.5%	6,521	80%
Different house in the U.S.	142,881	17.4%	Swiss	877	0.1%	12,076	100%
Same county	100,595	12.2%	Ukrainian	581	0.1%	571	0%
Different county	42,286	5.1%	Welsh	3,231	0.4%	13,013	200%
Same state	23,652	2.9%	West Indian (excluding Hispanic groups)	2,216	0.3%	4,120	30%
Different state	18,634	2.3%					
Abroad	6,116	0.7%					

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

**FORT WORTH TEXAS SOCIAL INFORMATION  
PROFILE OF SELECTED DEMOGRAPHIC CHARACTERISTICS: 2017  
GEOGRAPHIC AREA: FORT WORTH CITY  
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
<b>Total population</b>	876,060	(X)	<b>RACE AND HISPANIC OR LATINO ORIGIN</b>		
<b>SEX AND AGE</b>			One Race	806,606	92.0%
Male	427,742	49%	White	537,562	67.0%
Female	448,318	51%	Black or African American	156,610	18.0%
Under 5 years	69,246	7.9%	American Indian and Alaska Native	3,673	0.4%
5 to 9 years	62,978	7.2%	Asian	32,541	4.0%
10 to 14 years	64,168	7.3%	Native Hawaiian and Other Pacific Islander	502	0.1%
15 to 19 years	64,615	7.4%	Some Other Race	75,718	9.0%
20 to 24 years	61,904	7.1%	Two or More Races	28,523	4.0%
25 to 34 years	146,312	16.8%	White and Black or African American	7,424	0.1%
35 to 44 years	121,412	13.9%	White and American Indian and Alaska Native	5,391	0.1%
45 to 54 years	108,887	12.4%	White and Asian	5,898	0.1%
55 to 59 years	46,707	5.3%	Black or African American and American Indian and Alaska Native	1,042	0.1%
60 to 64 years	42,674	4.9%			
65 to 74 years	54,854	6.3%			
75 to 84 years	22,749	2.6%			
85 years and over	9,554	1.1%			
Median age (years)	33	(X)			
18 years and over	639,685	73.0%			
21 years and over	603,062	68.8%			
62 years and over	110,739	12.6%			
65 years and over	87,157	9.9%			
18 years and over	639,685	(X)			
Male	308,731	48.0%			
Female	331,314	52.0%			
65 years and over	87,157	(X)			
Male	36,793	42.0%			
Female	50,364	58.0%			

- Represents zero or rounds to zero  
(X) Not Applicable

Source: U.S. Census Bureau, 2017 American Community Survey

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

**FORT WORTH TEXAS SOCIAL INFORMATION  
PROFILE OF SELECTED DEMOGRAPHIC CHARACTERISTICS: 2017  
GEOGRAPHIC AREA: FORT WORTH CITY  
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
<b>RACE</b>					
<b>Total population</b>	815,930	(X)	<b>Race alone or in combination with one or more other races:<sup>3</sup></b>		
One race	789,126	96.7%	<b>Total population</b>	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	0.0%	Some other race	70,671	8.7%
Chippewa tribal grouping	110	0.0%			
Navajo tribal grouping	257	0.0%			
Sioux tribal grouping	94	0.0%			
Asian	6,167	0.8%	<b>HOUSING OCCUPANCY</b>		
Asian Indian	6,167	0.8%	<b>Total housing units</b>	312,120	(X)
Chinese	2,160	0.3%	Occupied housing units	284,687	91.2%
Filipino	3,006	0.4%	Vacant housing units	27,433	8.8%
Japanese	397	0.0%	Homeowner vacancy rate (percent)	(X)	1.2%
Korean	1,804	0.2%	Rental vacancy rate (percent)	(X)	9.1%
Vietnamese	7,593	0.9%			
Other Asian <sup>1</sup>	10,201	1.3%	<b>HOUSING TENURE</b>		
Native Hawaiian and Other Pacific Islander	966	0.1%	<b>Occupied housing units</b>	284,687	(X)
Native Hawaiian	151	0.0%	Owner-occupied housing units		57.2%
Guamanian or Chamorro	281	0.0%	Renter-occupied housing units		42.8%
Samoan	166	0.0%			
Other Pacific Islander <sup>2</sup>	368	0.0%	Average household size of owner-occupied unit	3.05	(X)
Some other race	65,091	8.0%	Average household size of renter-occupied unit	2.65	(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.

<sup>1</sup> Other Asian alone, or two or more Asian categories.

<sup>2</sup> Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

<sup>3</sup> 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

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: 2017  
GEOGRAPHIC AREA: FORT WORTH CITY  
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
<b>Total housing units</b>	312,120	(X)	<b>OCCUPANTS PER ROOM</b>		
<b>UNITS IN STRUCTURE</b>			<b>Occupied housing units</b>	284,687	(X)
1-unit, detached	210,283	67.4%	1.00 or less	269,719	94.7%
1-unit, attached	10,184	3.3%	1.01 to 1.50	11,430	4.0%
2 units	5,368	1.7%	1.51 or more	3,538	1.2%
3 or 4 units	9,720	3.1%			
5 to 9 units	17,245	5.5%	<b>VALUE</b>		
10 to 19 units	24,609	7.9%	<b>Owner Occupied Units</b>	162,752	(X)
20 or more units	29,933	9.6%	Less than \$50,000	13,236	8.1%
Mobile home	4,615	1.5%	\$50,000 to \$99,999	37,475	23.0%
Boat, RV, van, etc.	163	0.1%	\$100,000 to \$149,999	36,976	22.7%
			\$150,000 to \$199,999	30,575	18.8%
<b>YEAR STRUCTURE BUILT</b>			\$200,000 to \$299,999	25,074	15.4%
2014 or later	5,405	1.7%	\$300,000 to \$499,999	13,470	8.3%
2010 to 2013	15,041	4.8%	\$500,000 to \$999,999	4,715	2.9%
2000 to 2009	82,429	26.4%	\$1,000,000 or more	1,231	0.8%
1990 to 1999	36,267	11.6%			
1980 to 1989	40,716	13.0%	Median (dollars)	141,400	(X)
1970 to 1979	32,532	10.4%			
1960 to 1969	26,393	8.5%	<b>MORTGAGE STATUS</b>		
1950 to 1959	35,985	11.5%	<b>SELECTED MONTHLY OWNER COSTS (SMOC)</b>		
1940 to 1949	17,001	5.4%	Housing Units With a mortgage	107,834	(X)
1939 or earlier	20,351	6.5%	Less than \$500	892	0.8%
			\$500 to \$999	16,587	15.4%
<b>ROOMS</b>			\$1,000 to \$1,499	39,608	36.7%
1 room	6,353	2.0%	\$1,500 to \$1,999	29,764	27.6%
2 rooms	10,389	3.3%	\$2,000 to \$2,499	10,744	10.0%
3 rooms	34,416	11.0%	\$2,500 to \$2,999	5,022	4.7%
4 rooms	52,520	16.8%	\$3,000 or more	5,187	4.8%
5 rooms	70,910	22.7%	Median (dollars)	1,462	(X)
6 rooms	56,245	18.0%	Housing units without a mortgage	54,918	(X)
7 rooms	31,874	10.2%			
8 rooms	21,939	7.0%			
			<b>SELECTED MONTHLY OWNER COSTS AS A</b>		
9 or more rooms	27,474	8.8%	<b>PERCENTAGE OF HOUSEHOLD INCOME</b>		
Median (rooms)	5.2	(X)	<b>(SMOCAPI)</b>		
			Housing unit with a mortgage*	107,255	(X)
<b>YEAR HOUSEHOLDER MOVED INTO UNIT</b>			Less than 20.0 percent	48,162	44.9%
<b>Occupied Housing Units</b>	284,687	(X)	20.0 to 24.9 percent	18,815	17.5%
2015 or later	40,473	14.2%	25.0 to 29.9 percent	12,895	12.0%
2010 to 2014	109,990	38.6%	30.0 to 34.9 percent	7,436	6.9%
2000 to 2009	82,972	29.1%	35 percent or more	19,947	18.6%
1990 to 1999	26,511	9.3%	Not computed	579	(X)
1980 to 1989	10,843	3.8%			
1979 or earlier	13,898	4.9%			

- 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: 2017  
GEOGRAPHIC AREA: FORT WORTH CITY  
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
<b>VEHICLES AVAILABLE</b>			<b>GROSS RENT</b>		
<b>Occupied Housing Units</b>	284,687	(X)	<b>Occupied units paying rent</b>	118,273	(X)
No vehicles available	17,135	6.0%	Less than \$500	6,815	5.8%
1 vehicle available	96,781	34.0%	\$500 to \$999	56,813	48.0%
2 vehicles available	114,137	40.1%	\$1,000 to \$1,499	37,583	31.8%
3 or more vehicles available	56,634	19.9%	\$1,500 to \$1,999	12,644	10.7%
<b>HOUSING HEATING FUEL</b>			\$2,000 to \$2,499	2,673	2.3%
<b>Occupied housing units</b>	284,687	(X)	\$2,500 to \$2,999	1,096	0.9%
Utility gas	13,105	36.2%	\$3,000 or more	649	0.5%
Bottled, Tank, or LP gas	1,779	0.6%	No rent paid	3,662	(X)
Electricity	178,109	62.6%	Median (dollars)	967	(X)
Fuel oil, kerosene, etc.	174	0.1%	<b>GROSS RENT AS A PERCENTAGE OF</b>		
Coal or coke	13	0.0%	<b>HOUSEHOLD INCOME</b>		
Wood	329	0.1%	<b>Occupied Units paying rent (excluding units</b>		
Solar energy	130	0.0%	<b>where GRAPI cannot be computed)</b>		
Other fuel	106	0.0%	Less than 15.0 percent	115,030	(X)
No fuel used	942	0.3%	15.0 to 19.9 percent	14,133	12.3%
<b>SELECTED CHARACTERISTICS</b>			20.0 to 24.9 percent	15,706	13.7%
<b>Occupied housing units</b>	284,687	(X)	25.0 to 29.9 percent	16,291	14.2%
Lacking complete plumbing facilities	762	0.3%	30.0 to 34.9 percent	12,913	11.2%
Lacking complete kitchen facilities	1,954	0.7%	35.0 percent or more	10,142	8.8%
No telephone service	6,557	2.3%	Not computed	45,845	39.9%
				6,905	(X)

- 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, 2017 American Community Survey

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

**FORT WORTH TEXAS SOCIAL INFORMATION  
PROFILE OF SELECTED ECONOMIC CHARACTERISTICS: 2017  
GEOGRAPHIC AREA: FORT WORTH CITY  
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
<b>EMPLOYMENT STATUS</b>			<b>INCOME AND BENEFITS (IN 2017 INFLATED-ADJUSTED DOLLARS)</b>		
<b>Population 16 years and over</b>	623,455	(X)	<b>Total Households</b>	284,687	(X)
In labor force	419,145	67.2%	Less than \$10,000	20,222	7.1%
Civilian labor force	417,880	67.0%	\$10,000 to \$14,999	13,157	4.6%
Employed	393,779	63.2%	\$15,000 to \$24,999	26,265	9.2%
Unemployed	24,101	3.9%	\$25,000 to \$34,999	27,531	9.7%
Armed forces	1,265	0.2%	\$35,000 to \$49,999	36,090	12.7%
Not in labor force	204,310	32.8%	\$50,000 to \$74,999	54,138	19.0%
			\$75,000 to \$99,999	37,609	13.2%
			\$100,000 to \$149,000	41,270	14.5%
Civilian Labor Force	417,880	(X)	\$150,000 to \$199,999	14,928	5.2%
Unemployment Rate	(X)	(X)	\$200,000 or more	13,477	4.7%
Females 16 years and over	323,283	(X)	Median household income (dollars)	57,309	(X)
In labor force	194,608	60.2%	Mean household income (dollars)	76,309	(X)
Civilian labor force	194,460	60.2%			
Employed	183,091	56.6%	With earnings	238,391	83.7%
			Mean earnings (dollars) <sup>1</sup>	77,528	(X)
<b>Own children under 6 years</b>	79,887	(X)	With Social Security	60,579	21.3%
All parents in family in labor force	48,392	60.6%	Mean Social Security income (dollars) <sup>1</sup>	17,444	(X)
			With retirement income	34,199	12.0%
<b>Own children 6 to 17 years</b>	146,647	(X)	Mean retirement income (dollars) <sup>1</sup>	24,057	(X)
All parents in family in labor force	100,287	68.4%	With Supplemental Security income	14,989	5.3%
			Mean Social Security income (dollars) <sup>1</sup>	9,363	(X)
<b>COMMUTING TO WORK</b>			With cash public assistance income	4,341	1.5%
<b>Workers 16 years and over</b>	388,234	(X)	Mean cash public assistance income (dollars) <sup>1</sup>	2,765	(X)
Car, truck, or van - drove alone	316,494	81.5%	With Food Stamp/SNAP benefits	41,891	14.7%
Car, truck, or van - carpooled	44,081	11.4%			
Public transportation (excluding taxicab)	3,370	0.9%	<b>Families</b>	192,391	(X)
Walked	5,140	1.3%	Less than \$10,000	9,348	4.9%
Other means	5,209	1.3%	\$10,000 to \$14,999	5,248	2.7%
Worked at home	13,940	3.6%	\$15,000 to \$24,999	15,605	8.1%
Mean travel time to work (minutes) <sup>1</sup>	27.0	(X)	\$25,000 to \$34,999	17,209	8.9%
			\$35,000 to \$49,999	22,905	11.9%
<b>Employed civilian population 16 years and over</b>	393,779	(X)	\$50,000 to \$74,999	36,652	19.1%
			\$75,000 to \$99,999	27,921	14.5%
<b>OCCUPATION</b>			\$100,000 to \$149,999	33,451	17.4%
Management, business, science and arts occupations	137,257	34.9%	\$150,000 to \$199,999	12,712	6.6%
Service occupations	67,534	17.2%	\$200,000 or more	11,340	5.9%
Sales and office occupations	93,443	23.7%	Median family income (dollars)	66,829	(X)
Natural resources, construction, and maintenance occupations	40,439	10.3%	Mean family income (dollars)	86,292	(X)
Production, transportation, and material moving occupations	55,108	14.0%	Per capita income (dollars) <sup>1</sup>	27,191	(X)

(X) Not Applicable

<sup>1</sup> 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, 2017 American Community Survey

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

**FORT WORTH TEXAS SOCIAL INFORMATION  
PROFILE OF SELECTED ECONOMIC CHARACTERISTICS: 2017  
GEOGRAPHIC AREA: FORT WORTH CITY  
(UNAUDITED)**

Subject	Number	Percent	Subject	Number	Percent
<b>INDUSTRY</b>			<b>PERCENTAGE OF FAMILIES AND PEOPLE WHOSE INCOME IN THE PAST 12 MONTHS IS BELOW POVERTY LEVEL</b>		
<b>Civilian employed population 16 years and over</b>	393,779	(X)	<b>All Families</b>	(X)	13.0%
Agriculture, forestry, fishing and hunting, and mining	6,232	1.6%	With related children under 18 years	(X)	18.7%
Construction	31,817	8.1%	With related children under 5 years	(X)	18.1%
Manufacturing	43,375	11.0%	Married-couple family	(X)	6.5%
Wholesale trade	12,469	3.2%	With related children under 18	(X)	9.3%
Retail trade	41,968	10.7%	With related children under 5 years	(X)	6.4%
Transportation and warehousing, and utilities	29,043	7.4%	<b>Families with female householder, no husband present</b>		31.1%
Information	7,008	1.8%	With related children under 18	(X)	38.7%
Finance, insurance, real estate, and rental and leasing	28,049	7.1%	With related children under 5 years	(X)	42.1%
Profession, scientific, management, administrative, and waste management services	40,846	10.4%	<b>All people</b>	(X)	16.9%
Educational, health care and social services	80,432	20.4%	Under 18 years	(X)	23.4%
Arts, entertainment, recreation, accommodation and food services	36,999	9.4%	Related children under 18 years	(X)	23.2%
Other services (except public administration)	20,733	5.3%	Related children under 5 years	(X)	25.7%
Public administration	14,808	3.8%	Related children 5 to 17 years	(X)	22.2%
			18 years and over	(X)	14.3%
			18 to 64 years	(X)	14.7%
			65 years and over	(X)	11.1%
			People in families	(X)	14.8%
			Unrelated individuals 15 years and over	(X)	26.9%
<b>CLASS OF WORKER</b>					
Private wage and salary workers	328,019	8.3%			
Government workers	43,262	11.0%			
Self-employed workers in own no incorporated business	22,029	5.6%			
Unpaid family workers	469	0.1%			

(X) Not Applicable or Not Available

Source: U.S. Census Bureau, 2017 American Community Survey

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

**DEMOGRAPHIC AND HOUSING MARKET DATA FOR FORT WORTH, TX  
AND SELECTED MARKETS: 2017  
(UNAUDITED)  
LAST TEN FISCAL YEARS**

<b>Census Data</b>	<b>Fort Worth</b>	<b>Tarrant County</b>	<b>Texas</b>	<b>United States</b>
Population	876,060	1,983,675	27,419,612	321,004,407
Area in square miles	340	902	268,820	3,535,932
People per sq. mi.	2,577	2,199	102	91
Median Age	33	34	34	38
Median Family Income	\$ 66,829	\$ 62,532	\$ 57,051	\$ 70,850
Civilians	67.0%	68.2%	64.2%	63.0%
Armed Forces	0.2%	0.1%	0.4%	0.4%
Not in Labor Force	32.8%	31.7%	35.4%	36.6%

<b>Education Levels</b>	<b>Fort Worth</b>	<b>Tarrant County</b>	<b>Texas</b>	<b>United States</b>
Less than high School Graduate	9.4%	15.9%	15.7%	13.4%
High School Diploma	24.8%	33.5%	31.8%	30.5%
College Graduate	15.0%	25.7%	18.8%	19.1%
Post Graduate	9%	9.3%	9.9%	11.8%

<b>Real Estate Market Data</b>	<b>Fort Worth</b>	<b>Tarrant County</b>	<b>Texas</b>	<b>United States</b>
Total Housing Units	312,120	748,333	10,611,386	135,393,564
Average Home Price	\$ 141,400	\$ 158,200	\$ 151,500	\$ 193,500
Median Rental Price	\$ 967	\$ 987	\$ 952	\$ 982
Owner Occupied	52.0%	60.7%	55.0%	56.0%
Rental Units	48.0%	39.3%	45.0%	44.0%
Vacant Units	9.1%	8.5%	11.1%	6.1%

Source: U.S. Census Bureau, 2017 American Community Survey

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

**FORT WORTH TEXAS, PROFILE OF LARGEST EMPLOYERS: 2012-2016 (AVERAGED)  
AND 2017 (UNAUDITED)**

<b>2012-2016 (Averaged)</b>		
<b>Employer</b>	<b>Average No. of Employees</b>	<b>Percentage of Civilian Labor Force</b>
American Airlines	23,814	3.00%
Texas Health Resources	14,575	2.00%
Lockheed Martin Aeronautics Co.	14,177	2.00%
Fort Worth ISD	11,625	1.50%
NAS-Fort Worth-JRB	10,588	1.40%
Arlington ISD	8,336	1.10%
University of Texas at Arlington	6,775	.90%
City of Fort Worth	6,174	0.80%
JPS Health Network	5,827	0.80%
Cook's Children's Medical Center	5,566	0.70%
<b><u>2017</u></b>		
<b>Employer</b>	<b>Average No. of Employees</b>	<b>Percentage of Civilian Labor Force</b>
AMR/American Airlines	25,000	3.00%
Lockheed Martin Aeronautics Co.	13,690	1.60%
Fort Worth ISD	12,000	1.40%
Texas Health Resources	12,000	1.40%
NAS-Fort Worth-JRB	10,000	1.20%
Arlington ISD	8,500	1.01%
University of Texas at Arlington	7,311	0.90%
JPS Health Network	6,500	0.80%
City of Fort Worth	6,161	0.80%
Cook's Children's Medical Center	6,042	0.70%

Source: Fort Worth Chamber of Commerce - April 24, 2019

**FORT WORTH HOUSING SOLUTIONS  
OPERATING INFORMATION**

**SCHEDULE OF UNITS AVAILABLE BY PROGRAM  
(UNAUDITED)  
AS OF DECEMBER 31, 2018**

<b>Fiscal Year</b>	<b>Low Rent Housing Program</b>	<b>RAD</b>	<b>Section 8 Housing Choice Vouchers/ Others</b>	<b>Continuum of Care</b>	<b>New Construction</b>	<b>SRO</b>	<b>DHAP</b>	<b>Directions Home</b>	<b>HHC</b>	<b>HHSP</b>	<b>Section 8 Totals</b>
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
2018	873	344	5,543	365	-	70	-	101	72	58	6,209

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, 2018**

**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	331
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 Oak Hill Circle	Family	2005	58
TX 4-21	Cambridge Court	8135 Calmont Avenue	Family	2006	33
TX 4-23	Wind River	8725 Calmont Avenue	Family	2011	<u>34</u>
<b>TOTAL PH UNITS AVAILABLE AS OF DECEMBER 31, 2018</b>					<u><b>873</b></u>

**RAD UNITS**

	Hunter Plaza	605 W. First St.	Family	1974	25
	Fair Oaks	4401 Quail Trail	Elderly/Disabled	1975	76
	Fair Park	4400 Fair Park	Family	1988	48
	Alton Park	5712 Azle Ave	Family	2017	15
	Avondale	13101 Avondale Farms Dr	Family	2016	25
	Campus	4633 Campus Dr	Family	2017	15
	Candletree	7425 Hulen St	Family	2007	44
	Pennsylvania Place	250 E Pennsylvania Ave	Family	2016	12
	Stallion Pointe	9100 Barbaro Dr	Family	2017	15
	Standard at Boswell	8861 Old Decatur Rd	Family	2017	12
	Reserve at Western Ctr	1800 Western Center Blvd	Family	2017	23
	Harmon Sr Villas	2401 Golden Heights Rd	Senior	2017	12
	Reserve at McAlister	432 Archbury Rd	Senior	2017	<u>22</u>
<b>TOTAL RAD UNITS AVAILABLE AS OF DECEMBER 31, 2018</b>					<u><b>344</b></u>

**FORT WORTH HOUSING SOLUTIONS  
OPERATING INFORMATION**

**SCHEDULE OF UNITS AVAILABLE BY PROGRAM  
(UNAUDITED)  
AS OF DECEMBER 31, 2018**

**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	365
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	101
Healthy Community Collaborative (HCC)	Various	Tenant-based	72
Homeless Housing and Services Programs (HHSP)	Various	Tenant-based	<u>58</u>
<b>TOTAL UNITS AVAILABLE AS OF DECEMBER 31, 2018</b>			<u><u>6,209</u></u>

Source: Fort Worth Housing Solutions internal records.



**FORT WORTH HOUSING SOLUTIONS  
OPERATING INFORMATION**

**DEMOGRAPHIC REPORT  
(CURRENT PARTICIPANTS)  
(UNAUDITED)  
AS OF DECEMBER 31, 2018**

**AFFORDABLE/MARKET RATE UNITS**

Development	Address	Number of Units
Alton Park	5712 Azle Ave	180
Aventine Tarrant Parkway Apartments	5551 N. Tarrant Pkwy.	240
Avondale Apartments	13101 Avondale Farms Drive	135
Cambridge Court Apartments	8135 Calmont Avenue	297
Campus Apartments	4633 Campus D	209
Candletree Apartments	7425 Hulen Street	172
Carlyle Crossing	6300 Vega Dr	138
Hillside Apartments	300 Crump St.	172
Hometowne at Matador Ranch	8500 Crowley Rd.	198
Hunter Plaza	605 W 1st St.	139
Knight of Pythias Lofts	303-307 Crump St.	18
Overton Park Townhomes	5501 Overton Ridge	162
Pennsylvania Place	250 E. Pennsylvania Ave.	140
Post Oak East Apartments	3888 Post Oak Blvd.	246
Sedona Village	2800 Sedona Ranch Rd	172
Stallion Pointe	9100 Barbaro Drive	249
Standard at Boswell	8861 Old Decatur Rd	116
The Pavilion at Samuels Avenue	1120 Samuels	36
Villas by the Park	2450 East Berry South	172
Villas of Eastwood Terrace	4700 E. Berry St.	160
Villas on the Hill *	4744 Horne	72
Wind River Apartments	8725 Calmont Avenue	134
Woodmont Apartments	1029 Oak Grove Rd.	252
<b>TOTAL UNITS AVAILABLE AS OF DECEMBER 31, 2018</b>		<b><u>3,809</u></b>

\*\* Financial Information not included in this report

Source: Fort Worth Housing Solutions internal records.

**FORT WORTH HOUSING SOLUTIONS  
OPERATING INFORMATION**

**DEMOGRAPHIC REPORT  
(WAIT LIST)  
(UNAUDITED)  
AS OF DECEMBER 31, 2018**

CHARACTERISTICS		PUBLIC HOUSING	HOUSING CHOICE VOUCHER
NUMBER OF UNITS		782	4765
OCCUPANCY RATE		80.8%	91.20%
TOTAL NUMBER OF HOUSEHOLDS		632	4765
GENDER	Male	87	667
	Female	545	4149
AVERAGE AGE		N/A	N/A
ETHNICITY	Not Hispanic or Latino	553	N/A
	Not Assigned	N/A	N/A
	Hispanic or Latino	79	404
RACE	White	109	1015
	Hispanic	see above	404
	Black	513	3747
	American Indian	2	11
	Asian	8	43
	Other	N/A	N/A
ELDERLY		79	N/A
ELDERLY/DISABLED (62 & OVER)		69	946
ELDERLY/DISABLED (UNDER 62)		123	1205
AVERAGE INCOME *		\$ 12,683	\$ 11,429
AVERAGE RENT		\$ 197	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

Note: Number of units consists of occupied units only

**FORT WORTH HOUSING SOLUTIONS  
OPERATING INFORMATION**

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

Fiscal Year	Public Housing Assessment System Scores	HUD Designation	Section 8 Management Assessment Program Score	HUD Designation
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*	100.00	High Performer
2018	***	***	100.00	High Performer

NA\* - Not Available at this time

\*\* Due to Hunter Plaza vacant units.

\*\*\* Final score not yet available

Source: HUD data and Fort Worth Housing Solutions internal records

**FORT WORTH HOUSING SOLUTIONS  
OPERATING INFORMATION**

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

<b>Fiscal Year</b>	<b>Budgeted Positions</b>	<b>Filled Positions</b>	<b>Temporary Positions</b>
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	-
2018	95	85	-

Source: Fort Worth Housing Solutions internal records.