

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



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**FORT WORTH HOUSING SOLUTIONS
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Fort Worth Housing Solutions
Fort Worth, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Fort Worth Housing Solutions (FWHS) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise FWHS' basic financial statements as listed in the table of contents.

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 business-type activities and the aggregate discretely presented component units of FWHS, as of December 31, 2023, 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.

We did not audit the financial statements of the blended component units of Cobb Park Townhomes II, LP, Aventine Tarrant Parkway Apartments, LP, Overton Square, LP, LP, Post Oak East Apartments, LP and Lincoln Terrace, LP, which represent 13%, (15)%, and 10% respectively, of the assets, net position, and revenues of the business-type activities as of December 31, 2023. We did not audit the financial statements of the discretely presented component units, which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units as of December 31, 2023.

Those statements of the blended component units mentioned above were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements the blended component units mentioned above which conform the presentation of 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 the blended component units mentioned above, prior to these conversion adjustments, is based solely on the report of the other auditors.

Those statements of the discretely presented component units mentioned above, 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. We have applied limited audit procedures on the presentation only conversion adjustments to the financial statements of the discretely presented component units mentioned above. Our opinion, insofar as it relates to the amounts included for the discretely presented component units mentioned above, prior to the limited presentation only conversion adjustments, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FWHS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of Cobb Park Townhomes II, LP, Lincoln Terrace, LP, Samuels Avenue, LP, Trinity Quality Housing, LP, Western Hills Affordable Housing, LP, FW Hunter Plaza, LP, LDG Stallion Pointe, LP, Woodmont Apartments, Ltd, Palladium Fort Worth, Ltd, Western Center Reserve, LLC, FW Alton Park, LP, Amtex Avondale, LP, FW Campus Apartments, LP, FW Patriot Pointe, LP, FW Stallion Ridge, LP, Fossil Ridge II, LP and Reserve at McAlister Senior Living, LLC (the component units) were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FWHS's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the FWHS's basic financial statements. The financial data schedules on pages 83 through 90 and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the financial data schedules and the schedule of expenditures of federal awards 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 September 23, 2024, on our consideration of FWHS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of FWHS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FWHS's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 23, 2024

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Fort Worth Housing Solutions (FWHS) is proud to provide this narrative overview and analysis of FWHS' financial activities for the year ended December 31, 2023. 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, 2023 by \$137.2 million (net position). This amount represents an increase of approximately \$10.6 million from the balance at December 31, 2022. 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, 2023 was \$57.2 million representing an decrease of \$4.7 million from December 31, 2022.
- Total assets increased by approximately \$40.5 million. This is due to the recording of the Bond Ranch ground lease and the new notes receivables associated with Cowan Place and Hughes House in the current year.
- Total operating income was \$4.9 million. This is mostly due to the income received for the construction of Casa De Los Suenos and Hughes House.

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 position, 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.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

	2023	2022	Change	
			Amount	Percent
Current Assets	\$ 101,142,166	\$ 93,838,945	\$ 7,303,221	8 %
Noncurrent Assets	62,020,750	21,528,076	40,492,674	188
Capital Assets, Net	223,953,739	226,351,032	(2,397,293)	(1)
Total Assets	387,116,655	341,718,053	45,398,602	13
Current Liabilities	21,459,483	13,611,836	7,847,647	58
Long-Term Liabilities	93,648,622	93,039,211	609,411	1
Total Liabilities	115,108,105	106,651,047	8,457,058	8
Deferred Inflows	134,802,315	108,491,718	26,310,597	100
Net Position:				
Net Investment in Capital Assets	123,770,953	126,516,481	(2,745,528)	(2)
Restricted Net Position	9,913,958	7,362,118	2,551,840	35
Unrestricted Net Position	3,521,324	(7,303,311)	10,824,635	(148)
Total Net Position	137,206,235	126,575,288	10,630,947	8
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 387,116,655</u>	<u>\$ 341,718,053</u>	<u>\$ 45,398,602</u>	<u>13 %</u>

Total assets of FWHS at December 31, 2023 amounted to \$387.1 million. This amount represents an increase of approximately \$45.4 million from the balance at December 31, 2022. As noted above, this is due to the activity of Hughes House, Casa De Los Suenos and Bond Ranch during the year.

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 \$115.1 million at December 31, 2023. This balance represents a increase of approximately \$8.5 million from what was reported at the end of 2022. This is primarily due the increase in amounts due from the related partnerships.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Net Position (Continued)

Current liabilities include accounts payable and other accrued liabilities, unearned revenue, ground leases, 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 Position 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 \$10.6 million during the year ended December 31, 2023.

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, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

	2023	2022	Change	
			Amount	Percent
Operating Revenues				
Net Tenant Rental Revenue	\$ 18,519,601	\$ 18,190,085	\$ 329,516	2 %
HUD Operating Grants	70,831,237	67,477,910	3,353,327	5
Other Revenue	16,519,968	25,534,866	(9,014,898)	(35)
Total Operating Revenues	105,870,806	111,202,861	(5,332,055)	(5)
Operating Expenses				
Administrative	18,180,943	18,443,624	(262,681)	(1)
Tenant Services	237,412	207,739	29,673	14
Utilities	2,208,547	2,224,550	(16,003)	(1)
Ordinary Maintenance and Operations	7,409,290	6,591,410	817,880	12
General and Other	4,325,545	5,302,519	(976,974)	(18)
Housing Assistance Payments	63,395,124	68,639,802	(5,244,678)	(8)
Depreciation	5,186,636	5,451,104	(264,468)	(5)
Total Operating Expenses	100,943,497	106,860,748	(5,917,251)	(6)
Operating Income	4,927,309	4,342,113	585,196	1
Nonoperating Revenues				
HUD Capital Grants	6,674,533	6,733,736	(59,203)	(1)
Investment Income	2,016,015	800,229	1,215,786	152
Gain (Loss) on Sale of Capital Assets	(455,821)	3,884,558	(4,340,379)	(112)
Total Nonoperating Revenues	8,234,727	11,418,523	(3,183,796)	39
Nonoperating Expenses				
Interest Expense	2,545,222	2,963,252	(418,030)	(14)
Casualty Loss	(14,138)	31,306	(45,444)	(145)
Total Nonoperating Expenses	2,531,084	2,994,558	(463,474)	(15)
Nonoperating Income (Loss)	5,703,643	8,423,965	(2,720,322)	(32)
Change in Net Position	10,630,952	12,766,078	(2,135,126)	(17)
Net Position - Beginning	126,575,283	113,809,210	12,766,073	11
Net Position - Ended	<u>\$ 137,206,235</u>	<u>\$ 126,575,288</u>	<u>\$ 10,630,947</u>	<u>8 %</u>

Fiscal year 2023 resulted in income on operating income of \$4.9 million, a favorable change of \$0.6 million from 2022. Total operating revenues decreased by \$5.3 million and total operating expenses decreased by \$5.9 million. Operating revenue decreased mostly due to the decrease in other revenue of \$9.0 million. The primary driver for the decrease no significant disposition or transfers of properties. HUD Operating grants increased \$3.4 million primarily as a result of the CNI funds utilized for Cowan Place and Hughes House. Total operating expenses decreased mostly due to the decrease in HAP payments during the year for HCVP because of the decrease in unit leased.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

Total nonoperating revenues increased by \$1.2 million and total nonoperating expenses decreased by \$4.3 million. This change is related to increase interest rates driving of the investment income and no significant gain/loss in the current year on disposal of capital assets.

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 2023 and 2022. Additional details for activities affecting capital assets are presented in Note 7 of the Notes to the Financial Statements included in Section II of this report.

	<u>2023</u>	<u>2022</u>
Land	\$ 83,827,413	\$ 82,482,580
Buildings	206,200,714	200,338,863
Furniture, Equipment, and Machinery - Dwellings	5,847,897	5,656,276
Furniture, Equipment, and Machinery - Administrative	4,453,338	4,575,899
Leasehold Improvements	16,887,526	16,983,553
Construction in Progress	<u>2,444,402</u>	<u>6,974,323</u>
Total Capital Assets	319,661,290	317,011,494
Less: Accumulated Depreciation	<u>(95,707,551)</u>	<u>(90,660,462)</u>
Net Capital Assets	<u><u>\$ 223,953,739</u></u>	<u><u>\$ 226,351,032</u></u>

Debt Administration

FWHS made its required debt service payments during the audit period. The table below shows the outstanding debt at the end of 2023 as compared to the end of the previous year. Additional details for activities affecting outstanding debt are presented in Note 9 of the Notes to Financial Statements included in Section II of this report.

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Bonds, Notes, and Loans Payable	<u><u>\$ 95,078,467</u></u>	<u><u>\$ 94,761,287</u></u>	<u><u>\$ 317,180</u></u>

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

ECONOMIC FACTORS

Most of the FWHS' funding is from HUD in the form of capital fund grants, housing assistance payments, administrative fees, and other smaller grants. These represented about 46% of FWHS' total operating revenues in 2023. Additionally, a majority of its \$224 million net capital assets as of December 31, 2023 were acquired and or developed over the years with funding received from multiple sources including grants or loans 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 maintained stable from the year prior, this funding impacts FWHS' economic position because federal housing dollars is a significant source of revenue for the Agency. 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.
- The Department of HUD has historically underestimated the subsidy, and administrative fee needs of public housing authorities. In 2023 the operating fund and housing voucher administrative fee were prorated at 95 % and 85.5%, respectively. On March 23, 2024, the 2024 omnibus appropriations bill was signed into law, and it included an increase of \$13.5 for HUD funding. It is anticipated that the housing assistant payments for the HCV Program will be fully funded. The administrative fee for HCV is anticipated to be prorated at 89% and the Public Housing Subsidies proration is estimated at 98%.
- The economic condition in the Fort Worth metropolitan is strong and it aligns with the national trend and although we have a low unemployment rate of 4.2%, price increases over the years have decreased the availability of lower-cost housing in both single-family and multifamily, across the city.
- A report prepared by Interface Studio estimates the need for 35,000 affordable housing units. As an Agency, FWHS will continue to work with other partners, look for innovative ways to develop new projects and turn to the private sector for more support to address this need.

In FY 2024, the Authority looks forward to developing additional high-quality affordable housing units throughout the City of Fort Worth and particularly the Stop Six Neighborhood area a CNI funded revitalization; enhancing property management and housing operations; expanding educational, job training and health services to residents and implementing additional efficiencies across the board.

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:

Hector Ordonez, Vice President Finance and Administration
Fort Worth Housing Solutions
1407 Texas Street
Fort Worth, Texas 76102
www.fwhs.org (Fort Worth Housing Solutions website)

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Enterprise Fund	Discretely Presented Component Units
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 46,449,181	\$ 6,159,782
Cash and Cash Equivalents - Restricted	10,761,583	45,093,558
Accounts Receivable - HUD	11,934,558	-
Accounts Receivable - Tenants (Net of Allowance)	630,024	1,473,320
Accounts Receivable - Other (Net of Allowance)	30,010,993	748,911
Prepaid Expenses	1,355,827	3,317,488
Total Current Assets	101,142,166	56,793,059
 NONCURRENT ASSETS		
Capital Assets:		
Land	83,827,413	-
Buildings	206,200,714	438,344,126
Furniture, Equipment, and Machinery - Dwelling	5,847,897	15,364,969
Furniture, Equipment, and Machinery - Administration	4,453,338	8,287,987
Leasehold Improvements	16,887,526	3,096,931
Construction in Progress	2,444,402	-
Total	319,661,290	465,094,013
Less: Accumulated Depreciation	(95,707,551)	(122,117,528)
Total Capital Assets	223,953,739	342,976,485
Notes Receivable - Noncurrent	34,763,252	-
Lease Receivable	25,666,824	-
Other Assets	1,590,674	36,739,750
Total Noncurrent Assets	285,974,489	379,716,235
Total Assets	\$ 387,116,655	\$ 436,509,294

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023

LIABILITIES	<u>Enterprise Fund</u>	<u>Discretely Presented Component Units</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 2,421,830	\$ 6,945,060
Accounts Payable - HUD	2,043	-
Accrued Wages and Payroll Taxes Payable	258,302	6,419
Current Portion of Notes and Mortgage Payable	1,931,177	29,700,571
Accrued Compensated Absences - Current	381,359	-
Accrued Interest Payable	186,150	4,033,585
Accrued Liabilities - Other	142,820	-
Tenant Security Deposits	404,908	979,743
Unearned Revenue	5,240,655	480,052
Other Current Liabilities	10,490,239	6,200,724
Total Current Liabilities	<u>21,459,483</u>	<u>48,346,154</u>
LONG-TERM LIABILITIES		
Notes and Mortgage Payable, Net of Current Portion	93,147,290	253,802,164
Accrued Compensated Absences - Noncurrent Portion	58,615	-
Noncurrent Liabilities - Other	442,717	-
Interest Rate Swap	-	23,113,243
Total Long-Term Liabilities	<u>93,648,622</u>	<u>276,915,407</u>
Total Liabilities	115,108,105	325,261,561
DEFERRED INFLOWS OF RESOURCES		
Ground Leases	134,802,315	-
NET POSITION		
Net Investment in Capital Assets	123,770,953	59,473,750
Restricted Net Position:		
Replacement, Escrow, and Operating Reserves	9,913,958	44,113,815
Unrestricted Net Position	3,521,324	7,660,168
Total Net Position	<u>137,206,235</u>	<u>111,247,733</u>
Total Liabilities and Net Position	<u>\$ 387,116,655</u>	<u>\$ 436,509,294</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023

	Enterprise Fund	Discretely Presented Component Units
	<u> </u>	<u> </u>
OPERATING REVENUES		
Net Tenant Rental Revenue	\$ 18,519,601	\$ 36,673,627
HUD Operating Grants	70,831,237	-
Other Governmental Grants	7,860,478	-
Other Revenue	8,659,490	11,684,965
Total Operating Revenues	<u>105,870,806</u>	<u>48,358,592</u>
OPERATING EXPENSES		
Administrative	18,180,943	8,551,785
Tenant Services	237,412	10,681
Utilities	2,208,547	2,828,543
Ordinary Maintenance and Operations	7,409,290	8,163,721
Protective Services	1,074,811	1,037,080
General	3,250,734	5,558,671
Housing Assistance Payments	63,395,124	-
Depreciation and Amortization	5,186,636	16,749,737
Total Operating Expenses	<u>100,943,497</u>	<u>42,900,218</u>
OPERATING INCOME	4,927,309	5,458,374
NONOPERATING REVENUES (EXPENSES)		
Investment Income	2,016,015	290,869
Interest Expense	(2,545,222)	(10,687,195)
Loss on Sale of Capital Assets	(455,821)	-
Capital Grants	6,674,533	-
Casualty Loss	14,138	(12,094)
Total Nonoperating Revenues (Expenses)	<u>5,703,643</u>	<u>(10,408,420)</u>
CHANGE IN NET POSITION	10,630,952	(4,950,046)
Total Net Position - Beginning of Year	<u>126,575,283</u>	<u>116,197,779</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 137,206,235</u></u>	<u><u>\$ 111,247,733</u></u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Dwelling Rent Receipts	\$ 18,294,660
Operating Subsidy and Grant Receipts	74,700,264
Other Receipts	2,284,444
Payments to Vendors	(6,080,371)
Payments to Employees	(18,269,373)
Housing Assistance Payments	(63,395,124)
Net Cash Provided by Operating Activities	<u>7,534,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>2,016,015</u>
Net Cash Provided by Investing Activities	2,016,015
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grant Receipts	6,674,533
Proceeds from Debt	2,750,000
Casualty Loss	14,138
Payments Received on Notes Receivable	(3,046,558)
Purchases of Capital Assets	(16,698,486)
Loss on Disposition of Capital Assets	1,043,592
Payments on Debt	(2,432,820)
Interest Paid on Debt	(2,545,222)
Net Cash Used by Capital and Related Financing Activities	<u>(14,240,823)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,690,308)
Cash and Cash Equivalents - Beginning of Year	<u>61,901,072</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 57,210,764</u></u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Enterprise Fund
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 4,927,309
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	5,186,636
Provision for Bad Debts	215,184
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable - HUD	(3,991,451)
Accounts Receivable - Tenants	(457,567)
Accounts Receivable - Other	(6,979,744)
Prepaid Expenses and Other Assets	(149,513)
Lease Receivable	264,143
Accounts Payable	881,256
Accrued Wages and Payroll Taxes Payable	(108,050)
Accrued Interest Payable	(39,075)
Accrued Compensated Absences	19,620
Tenant Security Deposits	17,442
Unearned Revenue	454,620
Other Current Liabilities	6,807,976
Noncurrent Liabilities - Other	106,084
Deferred Inflows - Ground Leases	379,630
Net Cash Provided by Operating Activities	\$ 7,534,500

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2023**

	South Hulen, LP	Samuels Avenue, LP	Trinity Quality Housing, LP	Western Hills Affordable Housing, LP	LDG Stallion Pointe, LP	Hometowne at Matador Ranch, LP	Woodmont Apartments, Ltd
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents - Unrestricted	\$ 982,173	\$ 7,714	\$ 644,206	\$ 10,918	\$ 74,465	\$ 429,874	\$ 6,446
Cash and Cash Equivalents - Restricted	2,398,854	154,612	710,670	1,507,283	1,908,688	1,093,453	330,130
Accounts Receivable - Tenants (Net of Allowance)	69,522	12,131	71,273	196,024	319,493	55,104	118,912
Accounts Receivable - Other (Net of Allowance)	6,870	1,330	-	22,112	11	208,612	-
Prepaid Expenses	211,654	65,077	89,901	241,219	131,749	216,678	1,289,200
Total Current Assets	<u>3,669,073</u>	<u>240,864</u>	<u>1,516,050</u>	<u>1,977,556</u>	<u>2,434,406</u>	<u>2,003,721</u>	<u>1,744,688</u>
NONCURRENT ASSETS							
Capital Assets, Net of Accumulated Depreciation	6,408,039	1,645,810	8,033,693	7,091,486	30,425,755	10,093,411	13,327,078
Other Assets	309,656	166,675	463,004	22,245	3,005,809	133,521	952,599
Total Noncurrent Assets	<u>6,717,695</u>	<u>1,812,485</u>	<u>8,496,697</u>	<u>7,113,731</u>	<u>33,431,564</u>	<u>10,226,932</u>	<u>14,279,677</u>
Total Assets	<u>\$ 10,386,768</u>	<u>\$ 2,053,349</u>	<u>\$ 10,012,747</u>	<u>\$ 9,091,287</u>	<u>\$ 35,865,970</u>	<u>\$ 12,230,653</u>	<u>\$ 16,024,365</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2023**

	FW Alton Park, LP	FW Campus Apartments, 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
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents - Unrestricted	\$ 56,454	\$ 272,579	\$ 1,135	\$ 66,122	\$ 63,639	\$ 91,379	\$ 419,951
Cash and Cash Equivalents - Restricted	1,088,071	1,369,522	314,966	490,066	450,837	587,472	777,954
Accounts Receivable - Tenants (Net of Allowance)	73,378	88,705	17,709	56,556	(801)	34,992	37
Accounts Receivable - Other (Net of Allowance)	14,069	1,426	-	30,457	17,080	-	9,060
Prepaid Expenses	41,307	86,053	48,190	11,176	11,057	39,367	34,716
Total Current Assets	<u>1,273,279</u>	<u>1,818,285</u>	<u>382,000</u>	<u>654,377</u>	<u>541,812</u>	<u>753,210</u>	<u>1,241,718</u>
NONCURRENT ASSETS							
Capital Assets, Net of Accumulated Depreciation	20,647,665	25,089,378	17,883,340	7,451,974	7,477,106	9,071,244	8,587,819
Other Assets	4,364,502	1,987,104	2,169,313	341,780	614,789	1,232,751	2,077,810
Total Noncurrent Assets	<u>25,012,167</u>	<u>27,076,482</u>	<u>20,052,653</u>	<u>7,793,754</u>	<u>8,091,895</u>	<u>10,303,995</u>	<u>10,665,629</u>
Total Assets	<u>\$ 26,285,446</u>	<u>\$ 28,894,767</u>	<u>\$ 20,434,653</u>	<u>\$ 8,448,131</u>	<u>\$ 8,633,707</u>	<u>\$ 11,057,205</u>	<u>\$ 11,907,347</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2023**

	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	FW Stallion Ridge, LP	FW Patriot Pointe, LP	Fossil Ridge II, LP	Cowan Place	Hunter Plaza	Total
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents - Unrestricted	\$ 193,937	\$ 1,523,945	\$ 199,516	\$ 195,347	\$ 830,065	\$ 10,044	\$ 79,873	\$ 6,159,782
Cash and Cash Equivalents - Restricted	657,684	857,277	690,270	1,311,983	1,170,768	26,280,651	942,347	45,093,558
Accounts Receivable - Tenants (Net of Allowance)	14,713	68,088	152,836	65,083	46,869	12,696	-	1,473,320
Accounts Receivable - Other (Net of Allowance)	-	1,999	21,691	7,831	72,952	317,610	15,801	748,911
Prepaid Expenses	95,470	48,040	143,482	104,098	182,870	86,264	139,920	3,317,488
Total Current Assets	<u>961,804</u>	<u>2,499,349</u>	<u>1,207,795</u>	<u>1,684,342</u>	<u>2,303,524</u>	<u>26,707,265</u>	<u>1,177,941</u>	<u>56,793,059</u>
NONCURRENT ASSETS								
Capital Assets, Net of Accumulated Depreciation	17,357,777	15,936,903	35,050,413	31,883,144	12,994,680	36,369,484	20,150,286	342,976,485
Other Assets	1,040,875	3,116,928	2,038,351	3,869,406	1,693,417	2,055,841	5,083,374	36,739,750
Total Noncurrent Assets	<u>18,398,652</u>	<u>19,053,831</u>	<u>37,088,764</u>	<u>35,752,550</u>	<u>14,688,097</u>	<u>38,425,325</u>	<u>25,233,660</u>	<u>379,716,235</u>
Total Assets	<u>\$ 19,360,456</u>	<u>\$ 21,553,180</u>	<u>\$ 38,296,559</u>	<u>\$ 37,436,892</u>	<u>\$ 16,991,621</u>	<u>\$ 65,132,590</u>	<u>\$ 26,411,601</u>	<u>\$ 436,509,294</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2023**

LIABILITIES	South Hulen, LP	Samuels Avenue, LP	Trinity Quality Housing, LP	Western Hills Affordable Housing, LP	LDG Stallion Pointe, LP	Hometowne at Matador Ranch, LP	Woodmont Apartments, Ltd
CURRENT LIABILITIES							
Accounts Payable	\$ 11,602	\$ 26,724	\$ 150	\$ 1,414,393	\$ 46,892	\$ 19,282	\$ 527,632
Accrued Wages and Payroll Taxes Payable	-	-	-	-	-	-	-
Current Portion of Notes and Mortgage Payable	142,024	44,407	162,612	-	425,678	137,893	348,727
Accrued Interest Payable	26,479	389,721	-	278,107	150,027	734,653	22,718
Security Deposits Payable	42,428	7,905	26,496	65,486	77,331	45,900	88,313
Unearned Revenue - Current	47,709	4,780	30,688	57,654	53,915	12,742	7,685
Other Liabilities	342,969	225,900	328,175	30,163	476,339	2,040,733	1,003,826
Total Current Liabilities	613,211	699,437	548,121	1,845,803	1,230,182	2,991,203	1,998,901
LONG-TERM LIABILITIES							
Notes and Mortgage Payable, Net of Current Portion	7,489,445	1,321,592	2,936,909	5,239,057	25,598,573	10,101,308	16,705,434
Noncurrent Liabilities - Other	-	403,079	174,996	-	655,650	750,997	763,558
Total Long-Term Liabilities	7,489,445	1,724,671	3,111,905	5,239,057	26,254,223	10,852,305	17,468,992
Total Liabilities	8,102,656	2,424,108	3,660,026	7,084,860	27,484,405	13,843,508	19,467,893
NET POSITION							
Net Investment in Capital Assets	(1,223,430)	279,811	4,934,172	1,852,429	4,401,504	(145,790)	(3,727,083)
Restricted Net Position	2,356,426	146,707	684,174	1,441,797	1,831,357	1,047,553	241,817
Unrestricted Net Position	1,151,116	(797,277)	734,375	(1,287,799)	2,148,704	(2,514,618)	41,738
Total Net Position	2,284,112	(370,759)	6,352,721	2,006,427	8,381,565	(1,612,855)	(3,443,528)
Total Liabilities and Net Position	\$ 10,386,768	\$ 2,053,349	\$ 10,012,747	\$ 9,091,287	\$ 35,865,970	\$ 12,230,653	\$ 16,024,365

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2023**

LIABILITIES	FW Alton Park, LP	FW Campus Apartments, 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
CURRENT LIABILITIES							
Accounts Payable	\$ 65,405	\$ 61,838	\$ 35,946	\$ 15,190	\$ 50,020	\$ 37,803	\$ 51,871
Accrued Wages and Payroll Taxes Payable	-	-	-	-	-	-	-
Current Portion of Notes and Mortgage Payable	280,200	247,686	144,220	98,554	98,710	65,000	68,184
Accrued Interest Payable	69,134	454,113	56,464	29,497	5,822	15,814	17,041
Security Deposits Payable	56,049	55,587	24,941	17,346	17,326	40,181	46,238
Unearned Revenue - Current	9,802	39,756	5,956	-	1,626	13,979	39,556
Other Liabilities	28,416	18,651	44,371	27,725	45,599	6,423	7,383
Total Current Liabilities	<u>509,006</u>	<u>877,631</u>	<u>311,898</u>	<u>188,312</u>	<u>219,103</u>	<u>179,200</u>	<u>230,273</u>
LONG-TERM LIABILITIES							
Notes and Mortgage Payable, Net of Current Portion	21,509,552	20,586,066	12,274,634	6,627,898	6,422,092	2,947,181	3,427,427
Noncurrent Liabilities - Other	423,139	1,026,294	1,634,996	110,000	412,229	-	-
Total Long-Term Liabilities	<u>21,932,691</u>	<u>21,612,360</u>	<u>13,909,630</u>	<u>6,737,898</u>	<u>6,834,321</u>	<u>2,947,181</u>	<u>3,427,427</u>
Total Liabilities	22,441,697	22,489,991	14,221,528	6,926,210	7,053,424	3,126,381	3,657,700
NET POSITION							
Net Investment in Capital Assets	(1,142,087)	4,255,626	5,464,486	725,522	956,304	6,059,063	5,092,208
Restricted Net Position	1,032,022	1,313,935	290,025	472,720	433,511	547,291	731,716
Unrestricted Net Position	3,953,814	835,215	458,614	323,679	190,468	1,324,470	2,425,723
Total Net Position	<u>3,843,749</u>	<u>6,404,776</u>	<u>6,213,125</u>	<u>1,521,921</u>	<u>1,580,283</u>	<u>7,930,824</u>	<u>8,249,647</u>
Total Liabilities and Net Position	<u>\$ 26,285,446</u>	<u>\$ 28,894,767</u>	<u>\$ 20,434,653</u>	<u>\$ 8,448,131</u>	<u>\$ 8,633,707</u>	<u>\$ 11,057,205</u>	<u>\$ 11,907,347</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2023**

LIABILITIES	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	FW Stallion Ridge, LP	FW Patriot Pointe, LP	Fossil Ridge II, LP	Cowan Place	Hunter Plaza	Total
CURRENT LIABILITIES								
Accounts Payable	\$ 14,679	\$ 17,650	\$ 121,246	\$ 145,086	\$ 277,732	\$ 3,990,312	\$ 13,607	\$ 6,945,060
Accrued Wages and Payroll Taxes Payable	-	-	-	-	6,419	-	-	6,419
Current Portion of Notes and Mortgage Payable	128,806	14,418	190,000	210,000	-	26,639,796	253,656	29,700,571
Accrued Interest Payable	28,476	239,795	295,349	147,856	15,068	77,049	980,402	4,033,585
Security Deposits Payable	46,626	46,986	68,914	92,557	53,091	23,700	36,342	979,743
Unearned Revenue - Current	11,879	17,851	40,382	25,458	12,567	29,069	16,998	480,052
Other Liabilities	16,440	15,388	204,720	14,128	509,225	10,668	803,482	6,200,724
Total Current Liabilities	<u>246,906</u>	<u>352,088</u>	<u>920,611</u>	<u>635,085</u>	<u>874,102</u>	<u>30,770,594</u>	<u>2,104,487</u>	<u>48,346,154</u>
LONG-TERM LIABILITIES								
Notes and Mortgage Payable, Net of Current Portion	8,666,246	9,422,582	24,235,000	24,419,838	4,742,000	23,379,771	15,749,559	253,802,164
Noncurrent Liabilities - Other	303,092	98,111	4,336,036	2,668,826	-	2,162,872	7,189,368	23,113,243
Total Long-Term Liabilities	<u>8,969,338</u>	<u>9,520,693</u>	<u>28,571,036</u>	<u>27,088,664</u>	<u>4,742,000</u>	<u>25,542,643</u>	<u>22,938,927</u>	<u>276,915,407</u>
Total Liabilities	9,216,244	9,872,781	29,491,647	27,723,749	5,616,102	56,313,237	25,043,414	325,261,561
NET POSITION								
Net Investment in Capital Assets	8,562,725	6,499,903	10,625,413	7,253,306	8,252,680	(13,650,083)	4,147,071	59,473,750
Restricted Net Position	611,058	810,291	621,356	1,219,426	1,117,677	26,256,951	906,005	44,113,815
Unrestricted Net Position	970,429	4,370,205	(2,441,857)	1,240,411	2,005,162	(3,787,515)	(3,684,889)	7,660,168
Total Net Position	<u>10,144,212</u>	<u>11,680,399</u>	<u>8,804,912</u>	<u>9,713,143</u>	<u>11,375,519</u>	<u>8,819,353</u>	<u>1,368,187</u>	<u>111,247,733</u>
Total Liabilities and Net Position	<u>\$ 19,360,456</u>	<u>\$ 21,553,180</u>	<u>\$ 38,296,559</u>	<u>\$ 37,436,892</u>	<u>\$ 16,991,621</u>	<u>\$ 65,132,590</u>	<u>\$ 26,411,601</u>	<u>\$ 436,509,294</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2023

	South Hulen, LP	Samuels Avenue, LP	Trinity Quality Housing, LP	Western Hill Affordable Housing, LP	LDG Stallion Pointe, LP	Hometowne at Matador Ranch, LP	Woodmont Apartments, Ltd
OPERATING REVENUES							
Net Tenant Rental Revenue	\$ 1,882,476	\$ 345,677	\$ 1,287,560	\$ 2,196,860	\$ 2,906,179	\$ 2,170,833	\$ 2,228,881
Other Revenue	50,612	8,569	50,347	75,399	187,416	78,540	92,552
Total Operating Revenues	<u>1,933,088</u>	<u>354,246</u>	<u>1,337,907</u>	<u>2,272,259</u>	<u>3,093,595</u>	<u>2,249,373</u>	<u>2,321,433</u>
OPERATING EXPENSES							
Administrative	369,417	68,868	310,366	698,189	494,871	394,332	671,116
Tenant Services	-	-	-	-	-	-	-
Utilities	163,399	47,667	113,032	249,000	207,318	159,399	214,421
Ordinary Maintenance and Operations	663,278	86,007	504,337	531,267	350,176	706,093	657,304
Protective Services	69,305	-	75,115	223,071	249,822	-	199,278
General	193,494	55,993	125,854	595,256	333,544	355,543	726,561
Depreciation and Amortization	<u>633,730</u>	<u>146,173</u>	<u>413,018</u>	<u>616,362</u>	<u>1,334,338</u>	<u>415,850</u>	<u>919,380</u>
Total Operating Expenses	<u>2,092,623</u>	<u>404,708</u>	<u>1,541,722</u>	<u>2,913,145</u>	<u>2,970,069</u>	<u>2,031,217</u>	<u>3,388,060</u>
OPERATING INCOME (LOSS)	(159,535)	(50,462)	(203,815)	(640,886)	123,526	218,156	(1,066,627)
NONOPERATING REVENUES (EXPENSES)							
Interest Income	47,856	-	36,345	5,512	67,571	950	-
Interest Expense	<u>(312,224)</u>	<u>(143,012)</u>	<u>(25,000)</u>	<u>(163,239)</u>	<u>(999,315)</u>	<u>(516,874)</u>	<u>(557,858)</u>
Total Nonoperating Revenues (Expenses)	<u>(264,368)</u>	<u>(143,012)</u>	<u>11,345</u>	<u>(157,727)</u>	<u>(931,744)</u>	<u>(515,924)</u>	<u>(557,858)</u>
CHANGE IN NET POSITION	(423,903)	(193,474)	(192,470)	(798,613)	(808,218)	(297,768)	(1,624,485)
Net Position - Beginning of Year	<u>2,708,015</u>	<u>(177,285)</u>	<u>6,545,191</u>	<u>2,805,040</u>	<u>9,189,783</u>	<u>(1,315,087)</u>	<u>(1,819,043)</u>
NET POSITION - END OF YEAR	<u>\$ 2,284,112</u>	<u>\$ (370,759)</u>	<u>\$ 6,352,721</u>	<u>\$ 2,006,427</u>	<u>\$ 8,381,565</u>	<u>\$ (1,612,855)</u>	<u>\$ (3,443,528)</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	FW Alton Park, LP	FW Campus Apartments, 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
OPERATING REVENUES							
Net Tenant Rental Revenue	\$ 2,420,733	\$ 2,626,222	\$ 1,663,262	\$ 1,049,728	\$ 1,139,299	\$ 1,346,891	\$ 1,258,040
Other Revenue	58,845	112,590	95,884	18,842	8,763	37,144	33,077
Total Operating Revenues	<u>2,479,578</u>	<u>2,738,812</u>	<u>1,759,146</u>	<u>1,068,570</u>	<u>1,148,062</u>	<u>1,384,035</u>	<u>1,291,117</u>
OPERATING EXPENSES							
Administrative	365,428	421,763	414,012	220,036	165,968	354,911	250,470
Tenant Services	-	-	-	-	-	-	-
Utilities	154,308	119,099	167,378	112,740	182,333	101,401	74,482
Ordinary Maintenance and Operations	300,135	517,780	199,356	134,483	183,600	364,623	250,973
Protective Services	357	78,158	-	21	-	-	-
General	224,631	178,294	229,063	91,470	64,354	279,843	202,554
Depreciation and Amortization	<u>1,109,871</u>	<u>1,261,480</u>	<u>1,631,692</u>	<u>462,734</u>	<u>481,309</u>	<u>691,641</u>	<u>572,500</u>
Total Operating Expenses	<u>2,154,730</u>	<u>2,576,574</u>	<u>2,641,501</u>	<u>1,021,484</u>	<u>1,077,564</u>	<u>1,792,419</u>	<u>1,350,979</u>
OPERATING INCOME (LOSS)	324,848	162,238	(882,355)	47,086	70,498	(408,384)	(59,862)
NONOPERATING REVENUES (EXPENSES)							
Interest Income	1,518	1,751	725	73	48	1,863	10,036
Interest Expense	<u>(974,325)</u>	<u>(1,094,099)</u>	<u>(710,232)</u>	<u>(364,117)</u>	<u>(342,907)</u>	<u>(207,733)</u>	<u>(217,514)</u>
Total Nonoperating Revenues (Expenses)	<u>(972,807)</u>	<u>(1,092,348)</u>	<u>(709,507)</u>	<u>(364,044)</u>	<u>(342,859)</u>	<u>(205,870)</u>	<u>(207,478)</u>
CHANGE IN NET POSITION	(647,959)	(930,110)	(1,591,862)	(316,958)	(272,361)	(614,254)	(267,340)
Net Position - Beginning of Year	<u>4,491,708</u>	<u>7,334,886</u>	<u>7,804,987</u>	<u>1,838,879</u>	<u>1,852,644</u>	<u>8,545,078</u>	<u>8,516,987</u>
NET POSITION - END OF YEAR	<u>\$ 3,843,749</u>	<u>\$ 6,404,776</u>	<u>\$ 6,213,125</u>	<u>\$ 1,521,921</u>	<u>\$ 1,580,283</u>	<u>\$ 7,930,824</u>	<u>\$ 8,249,647</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	FW Stallion Ridge, LP	FW Patriot Pointe, LP	Fossil Ridge II, LP	Cowan Place	Hunter Plaza	Total
OPERATING REVENUES								
Net Tenant Rental Revenue	\$ 1,730,833	\$ 1,411,649	\$ 2,618,935	\$ 2,870,444	\$ 1,792,361	\$ 128,655	\$ 1,598,109	\$ 36,673,627
Other Revenue	35,505	52,174	142,188	90,955	174,572	10,224,317	56,674	11,684,965
Total Operating Revenues	<u>1,766,338</u>	<u>1,463,823</u>	<u>2,761,123</u>	<u>2,961,399</u>	<u>1,966,933</u>	<u>10,352,972</u>	<u>1,654,783</u>	<u>36,350,837</u>
OPERATING EXPENSES								
Administrative	372,482	295,192	481,371	440,658	1,132,644	215,876	413,815	8,551,785
Tenant Services	-	-	-	-	-	-	10,681	10,681
Utilities	138,806	70,097	166,863	128,497	131,841	18,492	107,970	2,828,543
Ordinary Maintenance and Operations	405,324	355,018	101,162	602,558	544,057	78,136	628,054	8,163,721
Protective Services	-	-	68,176	73,777	-	-	-	1,037,080
General	196,711	196,229	365,710	262,050	171,365	409,189	313,057	5,570,765
Depreciation and Amortization	646,342	751,608	1,231,845	1,157,815	646,352	529,341	1,096,355	16,749,736
Total Operating Expenses	<u>1,759,665</u>	<u>1,668,144</u>	<u>2,415,127</u>	<u>2,665,355</u>	<u>2,626,259</u>	<u>1,251,034</u>	<u>2,569,932</u>	<u>42,912,311</u>
OPERATING INCOME (LOSS)	6,673	(204,321)	345,996	296,044	(659,326)	9,101,938	(915,149)	5,446,281
NONOPERATING REVENUES (EXPENSES)								
Interest Income	11,199	27,878	23,394	52,613	687	850	-	290,869
Interest Expense	(354,826)	(375,720)	(1,132,969)	(1,200,531)	(189,511)	(283,435)	(521,754)	(10,687,195)
Total Nonoperating Revenues (Expenses)	<u>(343,627)</u>	<u>(347,842)</u>	<u>(1,109,575)</u>	<u>(1,147,918)</u>	<u>(188,824)</u>	<u>(282,585)</u>	<u>(521,754)</u>	<u>(10,396,326)</u>
CHANGE IN NET POSITION	(336,954)	(552,163)	(763,579)	(851,874)	(848,150)	8,819,353	(1,436,903)	(4,950,045)
Net Position - Beginning of Year	<u>10,481,166</u>	<u>12,232,562</u>	<u>9,568,491</u>	<u>10,565,017</u>	<u>12,223,669</u>	<u>-</u>	<u>2,805,090</u>	<u>116,197,778</u>
NET POSITION - END OF YEAR	<u>\$ 10,144,212</u>	<u>\$ 11,680,399</u>	<u>\$ 8,804,912</u>	<u>\$ 9,713,143</u>	<u>\$ 11,375,519</u>	<u>\$ 8,819,353</u>	<u>\$ 1,368,187</u>	<u>\$ 111,247,733</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 individual led by a Board of Housing Commissioners appointed by the mayor of the city of Fort Worth.

The Housing Commissioners provide leadership, set policy, approve budgets, earn support in the community for housing programs and are responsible for hiring a President to manage the day-to-day operations of the Agency.

Additionally, FWHS 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 business-type activities. 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:

Business-Type Activities

Business-type activities consist of the enterprise fund, which 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 business-type activities, FWHS records activities related to certain programs and component units described below as shown on the financial data schedule in the supplemental information section.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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. Butler Place Apartments is currently being converted to a Rental Assistance Demonstration (RAD) property.

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 (HCV), Mainstream Vouchers, Veterans Affairs Supportive Housing (VASH), Emergency Housing Vouchers (EHV), 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. The EHV program was created and implemented in the current year.

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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

HUD Funded Programs (Continued)

Choice Neighborhood Implementation Grants

The objective of this program is to transform neighborhoods of poverty into viable mixed-income neighborhoods with access to economic activities by revitalizing a target housing project and catalyzing critical improvements in the neighborhood, including vacant property, housing, businesses, services, and schools.

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.

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* and GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. 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, 2023, the GPFC board composition was identical to that of FWHS. The GPFC was established to serve as the owner of the Villas of Oak Hill and as the borrower for the acquisition loan. Villas of Oak Hill was sold to a third party in 2019.

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 Glen Apartments, Woodmont Apartments GP, LLC, Carlyle Crossing, Cobb Park Townhomes II, LP, and Post Oak East Apartments, LP.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

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, 2023, the EPFC board composition was identical to that of FWHS. 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. It has 13 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.

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). Aventine has 36 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD. FWHS and affiliates own 100% of the partnership.

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, 2023, the HPFC board composition was identical to that of FWHS. 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.

New 172 Hillside Partners, LLC

FWHS is the sole member of New 172 Hillside Partners, LLC who owns the improvements and land of Hillside Apartments. As of December 31, 2023, the Hillside Apartments board composition was made up of the majority of FWHS board.

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, 2023, the TRPFC board composition was identical to that of FWHS. 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.

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, 2023, the FOPFC board composition was identical to that of FWHS. The FOPFC was established to serve as the owner of the 76-unit Fair Oaks Apartments when it converted to Project-Based Rental Assistance under the Rental Assistance Demonstration program in April 2014.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, the FPPFC board composition was identical to that of FWHS. The FPPFC was established to serve as the owner of the 48-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, 2023, Overton's board composition was identical to that of FWHS. Overton has 54 Project Based Rental Assistance units under the Rental Assistance Demonstration program. FWHS and affiliates own 100% of the partnership.

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. It has 12 Project Based Rental Assistance units under the Rental Assistance Demonstration program. FWHS and affiliates own 100% of the partnership.

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, 2023, 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 nonprofit 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, 2023 the ICPFC Board composition was identical to that of FWHS.

Lincoln Terrace, LP (Villas on the Hill)

Lincoln Terrace, LP was formed as a limited partnership under the laws of Texas on June 16, 2010, to construct, develop and operate a 72-unit apartment project, known as the Villas on the Hill in Fort Worth, Texas. Wind Terrace, Inc. (a blended component unit) is the sole member of Lincoln Terrace GP, LLC (the general partner) and FWAI (a blended component unit) is the limited partner.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

FW Casa de Esperanza, LP

FW Casa de Esperanza, LP was purchased in October 2020 in relation to CARES Act funding received from the City of Fort Worth. The property was purchased to operate as permanent supportive housing of 119 units to provide protective housing for high risk COVID vulnerable households. FW Casa de Esperanza GP, LLC (100% owned by FWHS) owns 99.99% of the LP as the General Partner. FWHS controls this entity.

FW Casa De Los Suenos, LLC

FW Casa de Los Suenos, LLC was purchased in June 2023 using ARPA and CDBG funding received from Tarrant County and the City of Fort Worth. The property was purchased to operate as permanent supportive housing of 55 units to provide supportive housing for homeless families. FW Casa de Los Suenos, LLC is 100% owned by FWHS and FWHS controls this entity.

Post Oak East Apartments, LP

Post Oak East Apartments, LP was formed as a limited partnership under the laws of Texas on April 15, 2004, to construct, develop and operate a 246-unit apartment project for low-income residents. Trinity River Public Facility Corporation (a blended component unit) is the sole member of 246 Post Oak East, LLC (the general partner and Class B Limited Partner) and FWAI (a blended component unit) is the limited partner.

Huntley Public Facility Corporation (HPFC)

FWHS is the sole member of Huntley Place Public Facility Corporation who owns the land of SCP FW Weatherford, LP (the Huntley). As of December 31, 2023, 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. This entity is owned 100% by FWHS.

FW Bonds Ranch Public Facility Corporation (BRPFC)

BRPFC is a public nonprofit corporation created and existing under the laws of the state of Texas and acting as instrumentality of FWHS. The BRPFC was established to hold the land and ground lease of Inspire Homes Bonds Ranch, LLC. As of December 31, 2023 the BRPFC Board composition was identical to that of FWHS.

Other projects that are included as blended component units that have limited activity include: Chisholm V Corporation, WHAH General Partner LLC, Pioneers of Samuels LLC, Wind Terrace, Inc., Housing Development Corporation of Fort Worth, and Barbara Holston - Education Fund.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units

FWHS has a controlling minority interest in these real estate limited partnerships as of December 31, 2023. The majority interests are held by third parties unrelated to FWHS. FWHS, or a FWHS affiliate, operates as either General Partner, Managing Member, Class B Limited Partner, or Special 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, 2023. The limited partnerships do not serve FWHS 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. FWHS is general partner of this entity and owns .008%. Candletree has Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
2. 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. FWHS is general partner of this entity and owns .009%.
3. Wind River Apartments – Owned by Trinity Quality Housing, L.P. and consists of a 168-unit multi-family apartment complex purchased by FWHS. FWHS is the general partner of this entity and owns .01%. Wind River has 34 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
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. FWHS is the general partner of this entity and owns .009%. Cambridge has 33 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
5. 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. FWHS is general partner of this entity and owns .005%.
6. Stallion Pointe – Owned by LDG Stallion Pointe, LP and consists of 264 multi-family residential units. FWHS is general partner of this entity and owns .01%. Stallion Pointe has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
7. Matador Ranch – Owned by Hometowne at Matador Ranch, LP and consists of 198-unit senior apartments. FWHS is the general partner of this entity and owns .01%.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

8. Woodmont – Owned by Woodmont Apartments, LTD and consists of 252-unit apartment. FWHS is the general partner of this entity and owns .01%.
9. Alton Park – Owned by FW Alton Park, LP and consists of a 195-unit multifamily apartment complex. FWHS is the general partner of this entity and owns .005%. Alton Park has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
10. Campus Villas – Owned by FW Campus Apartments, LP and consists of a 224-unit multifamily apartment complex. FWHS is the general partner of this entity and owns .005%. Campus has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
11. Palladium Fort Worth, Ltd. – Owns a 150-unit multifamily residential rental community known as Palladium Fort Worth. FWHS is the general partner of this entity and owns .005%. Palladium has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
12. FW Steele Prince Hall, LLC – Owns a 76-unit apartment property in 10 buildings known as Prince Hall Gardens II. FWHS is the managing member of this entity and owns .01%.
13. FW Steele Sabine Place, LLC – Owns a 72-unit apartment property in 12 buildings known as Sabine Place Apartments. FWHS is the managing member of this entity and owns .01%.
14. Standard at Boswell – Owned by The Standard at Boswell Marketplace, LP a 128-unit complex. FWHS is the general partner of this entity and owns .01%.
15. Western Center Reserve, LLC – Owns a 120-unit apartment project known as The Reserve at Western Center. FWHS is the managing member of this entity and owns .0048%. Western Center has 23 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
16. Reserve at McAlister Senior Living, LLC – Owns a 124-unit apartment project known as the Reserve at McAlister Senior Living. FWHS is the managing member of this entity and owns .0029%. This property has 22 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
17. Amtex Avondale, LP – Owns a 160-unit multifamily apartment complex known as Avondale Apartments. FWHS is the general partner of this entity and owns .01%. Avondale has 25 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
18. FW Stallion Ridge, LP – owns a 204-unit multifamily apartment complex known as Stallion Ridge Apartments. FWHS is both the general partner and special limited partner of this entity and owns .02%. Stallion Ridge has 20 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

19. FW Patriot Pointe, LP – owns a 220-unit multifamily apartment complex known as Patriot Pointe Apartments. FWHS is both the general partner and special limited partner of this entity and owns .02%. Patriot Pointe has 22 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
20. Fossil Ridge II, LP - owns a 172-unit multifamily apartment complex known as Sedona Village. FWHS is both the general partner and class B limited partner and owns .02%. Sedona Village has Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
21. FW Cowan Place, LP - owns a 174-unit multifamily low-income apartment complex known as Cowan Place Apartments. FWHS is both the general partner and special limited partner and owns .02%. Cowan Place Apartments has Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.

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, 1407 Texas Street, Fort Worth, Texas 76102.

Use of Estimates

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

Budgets

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

Cash and Cash Equivalents

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

Investments

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

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are recorded at cost. Inventories held for resale 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, 2023, there were no permanent impairments experienced by FWHS that required material adjustments to the Statement of Net Position.

Infrastructure Assets

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

Accounts Receivable

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

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 three 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.

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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Leases

The Authority is the lessor of dwelling units to low-income and market rate residents. The low-income rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Authority may cancel the leases only for cause. A significant majority of the capital assets are used in these leasing activities. Revenues associated with these leases are recorded in the accompanying financial statements and related schedules within tenant revenue.

The Authority, acting as lessor, leases land to related parties under long-term, noncancelable lease agreements.

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
DECEMBER 31, 2023**

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, 2023, the carrying amount of FWHS' cash and cash equivalents was \$57,210,764 and bank balances were \$55,708,800. Of the bank balance, \$459,946 was not collateralized at December 31, 2023. Most of this undercollateralized bank balance was related to blended component units.

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

Cash and Cash Equivalents - Unrestricted	\$ 46,449,181
Cash and Cash Equivalents - Restricted	<u>10,761,583</u>
Total Cash and Cash Equivalents	<u><u>\$ 57,210,764</u></u>

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash for the enterprise fund as of December 31, 2023 consisted of the following:

Tenant Security Deposits	\$ 420,781
Escrows and Reserves	2,296,890
Restricted for Payment of Current Liabilities	7,574,064
HAP Vouchers	<u>469,848</u>
Total	<u><u>\$ 10,761,583</u></u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS (CONTINUED)

Restricted cash for the discretely presented component units as of December 31, 2023 consisted of the following:

Tenant Security Deposits	\$ 850,355
Escrows and Reserves	10,403,917
Restricted for Payment of Current Liabilities	<u>33,839,286</u>
Total	<u><u>\$ 45,093,558</u></u>

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2023 consisted of the following:

Accounts Receivable - HUD	\$ 11,934,558
Tenants	630,024
Developer Fees Receivable	7,421,916
HCVP Landlord Overpayments (Net of Allowance \$478,040)	943,461
Related Party Transactions	18,794,934
State and Local Grants	13,843
Accrued Interest Receivable (Net of Allowance \$586,276)	2,542,845
Miscellaneous	<u>293,994</u>
Total	<u><u>\$ 42,575,575</u></u>

FWHS is involved in many related party transactions with discretely presented component units as well as entities and properties in which they have a small ownership interest in, or no ownership interest in at all. Most of the receivables are related to developer fees, for which FWHS has a developer fee sharing agreement with another entity. These are recognized as earned. Other related party receivables are related to operating, settlement and construction advances, ground leases, and other monies paid for on behalf of the entity by FWHS for which many are required to be paid back based on available cash flows and surplus cash.

NOTE 5 OTHER ASSETS

Prepaid expenses and other assets for discretely presented component units at December 31, 2023 were made up of the following:

Prepaid Ground Leases	\$ 3,317,488
Debt Issuance Costs	8,264,394
Other Costs and Fees	<u>28,475,356</u>
Total	<u><u>\$ 40,057,238</u></u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE

Notes receivable of the enterprise fund consists of the following:

<u>Description</u>	<u>Amount</u>
<p>FWHS provided a \$1,000,000 promissory note between Trinity River Public Facility Corporation and FW Patriot Pointe, LP. The note accrues interest at a rate of 8% compounded annually.</p>	<p>\$ 669,919</p>
<p>FWHS provided a \$750,000 promissory note between Trinity River Public Facility Corporation and FW Stallion Ridge, LP. The note accrues interest at a rate of 8% compounded annually.</p>	<p>750,000</p>
<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 another blended component unit, 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. This lease is eliminated upon consolidation.</p>	<p>2,674,982</p>
<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 another blended component unit, Cobb Park Townhomes II, L.P. (Villas by the Park) for the rehabilitation of the Project. The note is noninterest 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. This note is eliminated upon consolidation.</p>	<p>762,725</p>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<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% per 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
<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, 2021, accrued interest was \$614,249. 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, L.P. for the construction of the Project. The subordinate loan bears interest at 1% and is due and payable on July 1, 2056.</p>	2,000,000
<p>On June 1, 2017, Fort Worth Affordability, Inc., a blended component unit of FWHS, entered into a promissory note agreement in the amount of \$1,000,000 with The Standard at Boswell Marketplace, LP for the rehabilitation of the Project. Annual principal payments are required from residual cash flow. If there is no net cash flow available for an installment payment, it shall be deferred until available in subsequent fiscal years. The note accrues interest at a rate of 3% per annum. Beginning on the maturity date, June 1, 2057, unpaid principal and interest accrues interest at the lower of 8% default rate or the highest lawful rate.</p>	1,000,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<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, 2022, the accrued interest was \$325,227.</p>	3,146,950
<p>On November 1, 2020 Fort Worth Affordability Inc, a blended component unit of FWHS, entered into a loan agreement in the amount of \$5,239,057.46 with Western Hills Affordable Housing, LP. The mortgage bears interest at 3% per annum, Interest only payments of \$13,098 beginning on January 1, 2021 are due monthly. As of December 31, 2022, the accrued interest was \$172,016.</p>	5,216,812
<p>On June 1, 2020 Fort Worth Affordability Inc, a blended component unit of FWHS, entered into a loan agreement in the amount of \$1,424,974 with Hillside Public Facility Corporation. The loan bears interest of 3% per annum. As of December 31, 2022, the accrued interest was \$39,575.</p>	1,416,612

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>On April 13, 2012 the City of Fort Worth ("City") and Hillside Public Facility Corporation ("Developer") made and entered into City Secretary Contract No. 43117 (the "Contract") as authorized by the City Council in M&C C-24974 adopted on June 14, 2011; the purpose of the Contract was to provide \$700,000.00 in the form of a subordinate forgivable loan for acquisition expenses, as well as soft costs and rehabilitation expenses for the renovation of the historic Knights of Pythias Lodge building, as part of the development of an 18 unit multifamily, mixed income housing development in downtown Fort Worth to be known as the Knights of Pythias Lofts a reevaluation of development costs and financing sources showed a funding gap and the City Council in M&C C-25644 adopted on fone 2, 2 12 authorized the award of an additional \$250,000.00 of CDB-0 funds for the project increasing the total grant award in the Contract to \$950,000.00 of CDBG funds the Contract provided for 10 Affordable Units to be rented to CDBGeligible tenants for a 15 year Affordability Period with repayment of the \$750,000.00 loan to be forgiven at the end of the Affordability Period provided all Contract terms and CDBG requirements were fulfilled.</p>	<p>\$ 250,000</p>
<p>On September 1, 2021, the Partnership obtained a second mortgage loan from Fort Worth Affordability, Inc. (FWAI) under a loan commitment of \$5,423,532, which was funded from a Choice Neighborhood Implementation (CNI) Grant to FWAI. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due annually in an amount equal to 80% of the annual Cash Flow. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement, and matures on July 1, 2063.</p>	<p>5,423,532</p>
<p>On September 1, 2021, the Partnership obtained a third mortgage loan from FWAI under a loan commitment of \$1,250,000. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement.</p>	<p>1,250,000</p>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>On September 1, 2021, the Partnership obtained a fourth mortgage loan from FWAI under a loan commitment of \$225,000. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement.</p>	\$ 225,000
<p>On September 1, 2021, the Partnership obtained a fifth mortgage loan from FWAI under a loan commitment of \$500,000, which was funded from a HOME Investment Partnerships Program (HOME) grant to FWAI. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement.</p>	500,000
<p>On September 1, 2021, the Partnership obtained a sixth mortgage loan from FWAI under a loan commitment of \$360,000, which was funded from an Urban Development Action Grant (UDAG) to FWAI. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement.</p>	360,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On September 1, 2021, the Partnership obtained an eighth mortgage loan from FWAI under a loan commitment of \$750,000, which was funded from a Community Development Block Grant (CDBG) to FWAI. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement.	\$ 668,122
On April 1, 2023, FWAI entered into a promissory note with FW Hughes House, LP for \$12,268,653 which requires all unpaid principal and interest to accrue at 9.95% be due at maturity at June 2065.	7,056,466
Less: Elimination for Consolidated Entities	<u>(5,104,319)</u>
Total Notes and Capital Lease Receivable	34,763,252
Less: Current Maturities	<u>-</u>
Long-Term	<u>\$ 34,763,252</u>
Accrued Interest Receivable	\$ 3,129,121
Allowance for Accrued Interest Receivable	<u>(586,276)</u>
Total Accrued Interest Receivable	<u>\$ 2,542,845</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 CAPITAL ASSETS

The following is a summary of changes in capital assets of the enterprise fund during the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Deletions	Adjustment/ Reclass	Balance December 31, 2023
Nondepreciable:					
Land	\$ 82,482,580	\$ 1,412,246	\$ (67,413)	\$ -	\$ 83,827,413
Construction in Progress	6,974,323	8,971,066	(1,108,529)	(12,392,458)	2,444,402
Depreciable:					
Buildings and Improvements	200,338,864	5,898,139	(36,289)	-	206,200,714
Furniture, Equipment, and Machinery	10,232,175	417,035	(347,975)	-	10,301,235
Leasehold Improvements	16,983,552	-	(96,027)	-	16,887,526
Total	<u>317,011,494</u>	<u>16,698,486</u>	<u>(1,656,233)</u>	<u>(12,392,458)</u>	<u>319,661,290</u>
Accumulated Depreciation:					
Buildings and Improvements	(88,493,478)	(5,186,636)	139,547	-	(93,540,567)
Furniture, Equipment, and Machinery	(2,166,984)	-	-	-	(2,166,984)
Total	<u>(90,660,462)</u>	<u>(5,186,636)</u>	<u>139,547</u>	<u>-</u>	<u>(95,707,551)</u>
Total Capital Assets, Net	<u>\$ 226,351,032</u>	<u>\$ 11,511,850</u>	<u>\$ (1,516,686)</u>	<u>\$ (12,392,458)</u>	<u>\$ 223,953,739</u>

The following is a summary of changes in capital assets of the discretely presented component units during the year ended December 31, 2023:

	Balance December 31, 2022	2023 Activity	Balance December 31, 2023
Nondepreciable:			
Land	\$ -	\$ -	\$ -
Construction in Progress	-	-	-
Depreciable:			
Buildings and Improvements	408,662,591	32,778,466	441,441,057
Furniture, Equipment, and Machinery	21,685,821	1,967,135	23,652,956
Total	<u>430,348,412</u>	<u>34,745,601</u>	<u>465,094,013</u>
Less: Accumulated Depreciation	<u>(106,331,271)</u>	<u>(15,786,257)</u>	<u>(122,117,528)</u>
Total Capital Assets, Net	<u>\$ 324,017,141</u>	<u>\$ 18,959,344</u>	<u>\$ 342,976,485</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 OTHER LIABILITIES

For the year ended December 31, 2023, noncurrent liabilities and unearned revenue includes deferred ground lease revenue, exchange program deferred revenue, family self-sufficiency escrow liabilities, various project based unearned revenue and compensated absences.

The following is a summary of changes in FWHS' other liabilities for the year ended December 31, 2023:

	Balance December 31,			Balance December 31,		Within
	2022	Additions	Deletions	2023	One Year	
Family Self-Sufficiency Escrow	\$ 336,628	\$ 319,007	\$ (212,918)	\$ 442,717	\$	-
Compensated Absences	420,354	34,090	(14,470)	439,974		381,359
Total	<u>\$ 756,982</u>	<u>\$ 353,097</u>	<u>\$ (227,388)</u>	<u>\$ 882,691</u>	<u>\$</u>	<u>381,359</u>

NOTE 9 MORTGAGES AND NOTES PAYABLE

Mortgages and notes payable of the enterprise fund consists of the following at December 31, 2023:

<u>Description</u>	<u>Amount</u>
During fiscal year 2010, Fort Worth Affordability, Inc. (FWAI) 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.	\$ 4,213,018
During fiscal year 2011, Fort Worth Affordability, Inc. (FWAI) 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.	3,034,662
On September 30, 2020, the City of Fort Worth loaned \$9,250,000 of Coronavirus Relief Funds to FW Casa de Esperanza, LP. The loan is fully forgivable after the 20 year period of performance period is completed. Annual interest rate on matured, unpaid amounts is 12%.	9,238,325

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>During fiscal year 2017, Eastwood Public Facility Corporation refinanced their HUD-insured mortgage. The mortgage now bears interest at 3.47% per annum payable in equal monthly installments of \$36,220, including principal and interest, through September 1, 2055. Substantially all of Eastwood's Capital 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.</p>	\$ 8,356,798
<p>On November 27, 2019, Overton Square, L.P. refinanced its mortgage loan in the amount of \$14,000,000 from Mason Joseph Company, Inc. The loan bears interest at 3.05%. Monthly installments of principal and interest of \$54,270 are due beginning February 1, 2020 and until the loan matures on January 1, 2055. The mortgage payable is collateralized by the Property.</p>	13,068,348
<p>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.</p>	7,780,014
<p>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. This lease is eliminated upon consolidation.</p>	2,674,982

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>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 noninterest bearing, except that if an event of default occurs under the provision 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 on January 1, 2011 and due an payable in the amount of \$4,969 on a monthly basis thereafter. The note is collateralized by the capital lease on the Project an matures on December 1, 2040. This note is eliminated upon consolidation.</p>	\$ 762,725
<p>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.</p>	1,399,349
<p>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.</p>	1,390,074
<p>On November 30, 2017, Aventine Tarrant Parkway Apartments, LP refinanced its existing mortgage into a mortgage with Red Mortgage Capital, LLC. The #12,865,900 loan bears interest at a rate of 3.4% per annum and is payable in monthly installments of \$88,292, including principal and interest beginning on January 1, 2018 and maturing 25 years later on December 1, 2052.</p>	19,520,306

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On June 1, 2020 Fort Worth Affordability Inc, a blended component unit of FWHS, entered into a loan agreement in the amount of \$1,424,974 with Hillside Public Facility Corporation on behalf of Knights of Pythias. The loan bears interest of 3% per annum. This note is eliminated upon consolidation.	\$ 1,416,612
On April 26, 2021, Post Oak East Apartments, LP refinanced its existing mortgage into a new mortgage with Lument Capital, LLC in the original amount of \$25,600,000. The mortgage bears interest at 2.28% and matures on May 1, 2056. Monthly principal and interest payments of \$88,528 are required until maturity.	24,327,574
Casa De Los Suenos	1,500,000
Cowan Place	1,250,000
Knights of Pythias - add this one is eliminated upon consolidation	250,000
Elimination	<u>(5,104,319)</u>
Total	95,078,468
Less: Current Portion	<u>(1,931,177)</u>
Total Primary Government Note Payable - Noncurrent	<u>\$ 93,147,291</u>

Mortgages and notes payable of the discretely presented component units consist of the following at December 31, 2023:

<u>Description</u>	<u>Amount</u>
On November 2020 Western Hills Affordable Housing, LP obtained a mortgage loan in the amount of \$5,239,057 from Fort Worth Affordability, Inc., an affiliate of the General Partner. The loan bears interest at a rate of 3% per year, compounding annually. Interest only payments of \$13,098 are due monthly commencing January 1, 2021, through maturity on November 1, 2037. The mortgage is collateralized by the Project.	\$ 5,239,057

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>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, 2022, no interest remained outstanding.</p>	\$ 1,239,499
<p>In December 2007, Samuels Avenue, LP obtained a loan of \$126,500 for the Project from the City of Fort Worth pursuant to the HOME Investment Partnership Program. The note bears interest at the greater of 4.72% or the applicable federal rate for long term debt, compounded annually; is collateralized by the Project, matures on December 16, 2027; and is payable from available net cash flow beginning in December 2008.</p>	126,500
<p>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 \$34,426 starting May 1, 2018 through April 1, 2053. The loan is secured by the Project.</p>	7,631,469
<p>FW Hunter Plaza L.P. entered into a promissory note with the City of Fort Worth for the construction of the Project. The note has a term of 20 years and is collateralized by the Project. The HOME loan is only payable from surplus cash of the Project.</p>	1,800,000
<p>FW Hunter Plaza, L.P. entered into a financing agreement with Trinity River Public Facility Corporation (the Issuer and TRPFC) to use the proceeds from the issuance of tax-exempt bonds for the construction and development of the project. The bonds were issued on September 1, 2014 and will mature September 1, 2032. The bonds are collateralized by the Project and bear interest at 4%.</p>	9,623,215

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On September 1, 2014, FW Hunter Plaza L.P. obtained a loan from the Housing Authority (FWHS). The loan is in the amount of \$2,830,000, has an interest rate of 2.94% per annum and matures on September 1, 2044. The loan is secured by a deed or trust as set forth in the agreement.	\$ 2,830,000
On September 1, 2014, FW Hunter Plaza, L.P. obtained a loan of \$1,750,000 for the Project from TRPFC (FWHS). The note does not accrue interest for a 30 year term and matures on September 1, 2044. The loan secured by a deed of trust as set forth in the agreement.	1,750,000
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.	3,099,521
On May 17, 2019, the Partnership obtained permanent financing of \$25,786,000 from Berkadia Commercial Mortgage LLC. The loan bears interest at a rate of 3.81% with monthly installments of principal and interest of \$111,284 due beginning July 1, 2019 through maturity on May 17, 2034.	24,024,251
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.	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.	12,586,907

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 1,750,620
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.	413,390
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.	283,981
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 90 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.	1,500,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 9,589,201
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.	650,000
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.	18,642,801
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.	3,146,951
On August 1, 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. Principal and interest is payable in monthly installments of \$100,091 beginning April 1, 2020.	18,917,301
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.	1,916,451
On September 26, 2019, for the Standard at Boswell Marketplace, LP, the construction note payable with Capital One, National Association converted to a permanent loan in the original amount of \$8,437,000. The loan accrues interest at a fixed rate of 3.42% per annum and will have a term of 15 years with monthly payments of principal and interest due.	8,437,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>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% per annum. Annual payments are subject to available surplus cash as defined in the note. The note matures on June 1, 2057.</p>	<p>\$ 1,000,000</p>
<p>Amtex Avondale, L.P/ The Partnership entered into a multifamily loan agreement on March 30, 2022, in the original amount of \$9,000,000. with JLL Real Estate Capital, LLC. The loan secured is by, among other things, a lien on the Property. The loan bears interest at a rate of 3.76% per annum and requires monthly installments of principal and interest in the amount of \$38,564 through maturity at March 2024 at which all unpaid principal and interest is due.</p>	<p>8,795,052</p>
<p>On December 22, 2017, Palladium Fort Worth, Ltd. entered into a forward commitment agreement with the Lender to enter into a permanent mortgage upon maturity of the Construction Loan. On May 6, 2020 the Partnership entered into a promissory note and loan agreement with the Lender. The original loan amount is \$12,872,000 bearing an interest rate of 5.28% per annum. The term of the loan is 15 years with an amortization period of 35 years. The loan matures on June 1, 2035 with monthly principal and interest payments of \$67,280, based on a 35 year amortization and a balloon payment at maturity. Monthly deposits are made to a reserve for replacement account for future replacements and monthly repairs. Monthly deposits are made to an escrow for insurance and ground lease payments.</p>	<p>12,418,854</p>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>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 nonrecourse 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.</p>	<p>\$ 6,726,452</p>
<p>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 nonrecourse 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.</p>	<p>6,520,802</p>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
Reserve at McAlister Senior Living, LLC entered into an agreement for a mortgage payable with Capital One, National Association in the original amount of \$3,850,000. The loan bears interest at a rate of 5.85% per annum. Monthly principal and interest payments in the amount of \$22,572 are due until maturity on July 1, 2032. The liability of the Company under the mortgage note is limited to the underlying value of the real estate collateral, assignment of leases and rents, and other amounts deposited with the lender.	\$ 3,495,611
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% and matures on January 31, 2034. The loan requires monthly payments of principal and interest in the amount of \$21,076.	3,012,181
The acquisition and rehabilitation of FW Stallion Ridge, LP, was financed, in part, with the Trinity River Public Facility Corporation Multifamily Housing Revenue Bonds (Stallion Ridge Apartments Project) Series 2019A and Trinity River Public Facility Taxable Corporation Multifamily Housing Revenue Bonds (Stallion Ridge Apartments Project) Series 2019B in the amount of \$20,000,000 and \$7,425,000, respectively. The loan agreement details an arrangement between the Trinity River Public Facility Corporation and BOKF, NA. BOKF, NA purchased the Bonds issued by TRPFC, the proceeds of which were loaned to Stallion Ridge to finance the acquisition, construction and equipping of the Stallion Ridge Apartments in the form of a nonrecourse permanent mortgage loan. The maturity date for the bonds is June 1, 2059. The bonds provide for an annual fixed interest rate of 4.85% and 5.35%, respectively.	22,925,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>The Fossil Ridge II, LP entered into a loan agreement with Community Bank of Texas, N.A. in an amount not to exceed \$15,000,000. The terms of the loan required monthly payments of interest only at a WSJP floating rate with a floor of 3.5% per annum until the conversion date. Upon conversion on January 11, 2017, the loan was reduced to an amount not to exceed \$4,750,000. The loan bears interest at a rate of 6.5% per annum and requires monthly payments of principal and interest in the amount of \$30,272 through the scheduled maturity date of December 10, 2030.</p>	\$ 4,742,000
<p>On April 1, 2019, FW Patriot Pointe, LP entered into a subordinate promissory note with LDG Development, LLC in the amount of \$1,000,000. Interest on this Note shall accrue at 2.25% per annum, compounded annually. The note matures on April 1, 2061. Required payments under this Note prior to the Maturity Date shall consist of annual payments of Cash Flow.</p>	669,919
<p>On April 1, 2019, FW Patriot Pointe, LP entered into a subordinate promissory note with Trinity River Public Facility Corporation in the amount of \$1,000,000. Interest on this Note shall accrue at 2.25% per annum, compounded annually. The note matures on April 1, 2061. Required payments under this Note prior to the Maturity Date shall consist of annual payments of Cash Flow.</p>	669,919
<p>On June 1, 2019, FW Stallion Ridge, LP entered into a subordinate promissory note with Rickhaus Design, LLC in the amount of \$750,000. Interest on the note accrues at 3% per annum. The note matures on June 1, 2061. Required payments under this Note prior to the Maturity Date shall consist of annual payments of available cash flow and surplus cash.</p>	750,000
<p>On June 1, 2019, FW Stallion Ridge, LP entered into a subordinate promissory note with Trinity River Public Facility Corporation in the amount of \$750,000. Interest on the note accrues at 3% per annum, compounded annually. The Note matures on June 1, 2061. Required payments under this Note prior to Maturity Date shall consist of annual payments of available cash flow.</p>	750,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>The General Partner and Class B Limited Partner are required to provide funds (Operating Deficit Loans) to the Partnership to pay for operating deficits after all funds in the operating reserve account are used during the period from achievement of stabilization through the date that is 10 years from the achievement of stabilization, as defined in the Partnership Agreement. Operating Deficit Loans are unsecured and cannot exceed \$956,103. Operating Deficit Loans bear interest at the prime rate and are payable from available cash flow, as defined in the Partnership Agreement.</p>	\$ 519,263
<p>On September 1, 2021, the Partnership obtained a mortgage loan from Mason Joseph Company, Inc. in the amount of \$15,677,000 (the FHA Loan). The loan is insured under Section 221(d)(4) of the National Housing Act. During construction, interest only payments were due and payable on the first day of each month. Commencing on August 1, 2023, and continuing through the maturity date on July 1, 2063, monthly principal and interest payments totaling \$53,886 shall be made. The note bears interest at a rate of 2.75% per annum and is secured by a first deed of trust and security agreement.</p>	14,673,883
<p>On September 1, 2021, the Partnership obtained construction financing from Trinity River Public Facility Corporation under a loan commitment of \$20,000,000 through the issuance of tax-exempt bonds. The loan accrues interest at a rate of 0.28% per annum and is secured by a deed of trust. Interest payments during construction shall be made on or before April 1 and October 1 of each year, commencing on April 1, 2022. The construction loan has an initial maturity date of October 1, 2024.</p>	20,000,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Description (Continued)	Amount
<p>On September 16, 2021, the Partnership obtained construction financing from Enterprise Community Loan Fund, Inc. (ECLF), an affiliate of the Limited Partner, under a loan commitment of \$6,600,000. The loan accrues interest at a simple fixed rate of 5.50% per annum. Undisbursed principal in the amount of \$500,000 shall be used by ECLF as payment of monthly interest. A mandatory principal payment shall be made from the Second Installment from the Limited Partner, up to the maximum amount equal to the outstanding principal balance and accrued interest on the loan. The Partnership is required to pay all outstanding principal and accrued interest on the loan at the earlier of (i) the date the Partnership receives the Third Installment from the Limited Partner and (ii) the Maturity Date of June 16, 2024. Repayment of the loan is guaranteed by MBS and MBA Properties, Inc., both affiliates of the Special Limited Partner.</p>	<p>\$ 6,419,029</p>
<p>On September 1, 2021, the Partnership obtained a fifth mortgage loan from FWAI under a loan commitment of \$500,000, which was funded from a HOME Investment Partnerships Program (HOME) grant to FWAI. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063.</p>	<p>8,926,655</p>
<p>The acquisition and rehabilitation of FW Patriot Pointe, LP, was financed, in part, with the Trinity River Public Facility Corporation Multifamily Housing Mortgage Revenue Bonds (Patriot Pointe Apartments Project) Series 2019 in the amount of \$25,000,000. The loan agreement details an arrangement between the Trinity River Public Facility Corporation and BOKF, NA. BOKF, NA purchased the Bonds issued by TRPFC, the proceeds of which were loaned to Patriot Pointe to finance the acquisition, construction and equipping of the Patriot Pointe Apartments in the form of a nonrecourse permanent mortgage loan. The maturity date for the bonds is April 1, 2059 and the bond accrues interest at 4.9% per annum.</p>	<p style="border-bottom: 1px solid black;">23,290,000</p>
<p style="padding-left: 40px;">Total</p>	<p style="border-bottom: 1px solid black;">283,502,735</p>
<p>Less: Current Portion</p>	<p style="border-bottom: 1px solid black;">(29,700,571)</p>
<p style="padding-left: 40px;">Total Discretely Presented Component Units - Debt - Noncurrent</p>	<p style="border-bottom: 3px double black;">\$ 253,802,164</p>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Principal and interest payments due on mortgages and notes payable for the enterprise fund each of the following years are as follows:

Fort Worth Affordability 1	Principal	Interest	Total
2024	\$ 217,962	\$ -	\$ 217,962
2025	217,962	-	217,962
2026	217,962	-	217,962
2027	217,962	-	217,962
2028	217,962	-	217,962
2028-2032	1,089,808	-	1,089,808
2033-2037	1,089,808	-	1,089,808
2038-2043	943,592	-	943,592
Total	<u>\$ 4,213,018</u>	<u>\$ -</u>	<u>\$ 4,213,018</u>
Fort Worth Affordability 2	Principal	Interest	Total
2024	\$ 158,330	\$ -	\$ 158,330
2025	158,330	-	158,330
2026	158,330	-	158,330
2027	158,330	-	158,330
2028	158,330	-	158,330
2029-2033	791,651	-	791,651
2034-2038	791,651	-	791,651
2039-2042	659,710	-	659,710
Total	<u>\$ 3,034,662</u>	<u>\$ -</u>	<u>\$ 3,034,662</u>
FW Casa de Esperanza, LP	Principal	Interest	Total
2024	\$ -	\$ -	\$ -
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029-2033	-	-	-
2034-2038	-	-	-
2039-2040	9,238,325	-	9,238,325
Total	<u>\$ 9,238,325</u>	<u>\$ -</u>	<u>\$ 9,238,325</u>
Eastwood Public Facility Corporation	Principal	Interest	Total
2024	\$ 146,983	\$ 292,253	\$ 439,236
2025	152,165	287,233	439,398
2026	157,985	282,036	440,021
2027	163,556	276,655	440,211
2028	169,322	271,085	440,407
2029-2033	940,480	1,264,752	2,205,232
2034-2038	1,098,112	1,092,907	2,191,019
2039-2043	1,350,213	888,555	2,238,768
2044-2048	1,581,516	645,548	2,227,064
2049-2053	1,880,681	356,572	2,237,253
2054-2055	715,785	53,533	769,318
Total	<u>\$ 8,356,798</u>	<u>\$ 5,711,129</u>	<u>\$ 14,067,927</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Overton Square, L.P.	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 256,874	\$ 402,078	\$ 658,952
2025	264,819	394,371	659,190
2026	273,010	386,426	659,436
2027	281,454	378,235	659,689
2028	290,160	369,791	659,951
2029-2033	1,591,100	1,712,863	3,303,963
2034-2038	1,852,863	1,458,954	3,311,817
2039-2043	2,157,691	1,163,271	3,320,962
2044-2048	2,512,668	818,944	3,331,612
2049-2053	2,926,045	417,970	3,344,015
2054-2055	661,664	40,485	702,149
Total	<u>\$ 13,068,348</u>	<u>\$ 7,543,389</u>	<u>\$ 20,611,737</u>
Hillside Partners	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 314,730	\$ 314,730
2025	7,780,014	305,140	8,085,154
2026	-	-	-
Total	<u>\$ 7,780,014</u>	<u>\$ 619,870</u>	<u>\$ 8,399,884</u>
Lincoln Terrace, LP	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 38,603	\$ 81,445	\$ 120,048
2025	40,984	79,064	120,048
2026	43,511	76,537	120,048
2027	46,195	73,853	120,048
2028	1,230,056	279,124	1,509,180
Total	<u>\$ 1,399,349</u>	<u>\$ 590,023</u>	<u>\$ 1,989,372</u>
Lincoln Terrace, LP	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 197,371	\$ -	\$ 197,371
2025	197,371	-	197,371
2026	197,371	-	197,371
2027	197,371	-	197,371
2028	197,371	-	197,371
2029-2032	403,219	-	403,219
Total	<u>\$ 1,390,074</u>	<u>\$ -</u>	<u>\$ 1,390,074</u>
Aventine Tarrant Parkway Apts, LP	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 402,045	\$ 657,465	\$ 1,059,510
2025	415,929	643,580	1,059,509
2026	430,293	629,216	1,059,509
2027	445,154	614,357	1,059,511
2028	460,521	614,357	1,074,878
2029-2033	2,552,437	2,830,289	5,382,726
2034-2038	3,024,688	2,373,802	5,398,490
2039-2043	3,584,316	1,832,856	5,417,172
2044-2048	4,247,486	1,191,824	5,439,310
2049-2052	3,957,437	432,188	4,389,625
Total	<u>\$ 19,520,306</u>	<u>\$ 11,819,933</u>	<u>\$ 31,340,239</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Post Oak East Apartments, LP	Principal	Interest	Total
2024	\$ 513,007	\$ 549,330	\$ 1,062,337
2025	524,826	537,510	1,062,336
2026	536,918	525,418	1,062,336
2027	549,289	513,048	1,062,337
2028	561,944	500,392	1,062,336
2029-2033	3,009,996	2,301,686	5,311,682
2034-2038	3,373,095	1,938,587	5,311,682
2039-2043	3,779,994	1,531,688	5,311,682
2044-2048	4,235,979	1,075,704	5,311,683
2049-2053	4,746,968	564,714	5,311,682
2054-2057	2,495,558	71,753	2,567,311
Total	<u>\$ 24,327,574</u>	<u>\$ 10,109,830</u>	<u>\$ 34,437,404</u>

**Zero Percent Forgivable
Loans, No Amortization Schedule**

	Maturity Date	Amount
Cowan Place	12/31/2063	\$ 1,250,000
Casa de los Suenos	7/10/2028	1,500,000

Total - Enterprise Fund

	Principal	Interest	Total
2024	\$ 1,931,177	\$ 2,297,301	\$ 4,228,478
2025	9,752,400	2,246,899	11,999,299
2026	2,015,380	1,899,634	3,915,014
2027	2,059,311	1,856,148	3,915,459
2028	4,785,666	2,034,749	6,820,415
2029-2033	10,378,691	8,109,591	18,488,282
2034-2038	11,230,217	6,864,250	18,094,467
2039-2043	21,713,841	5,416,370	27,130,211
2044-2048	12,577,649	3,732,020	16,309,669
2049-2053	13,511,131	1,771,443	15,282,574
2054-2058	3,873,005	165,771	4,038,776
2063	1,250,000	-	1,250,000
Total	<u>\$ 95,078,468</u>	<u>\$ 36,394,174</u>	<u>\$ 131,472,642</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 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	Total
TDHCA FWAI 1	\$ 4,431,888	\$ -	\$ (218,870)	\$ -	\$ 4,213,018	\$ 217,962	\$ 3,995,056	\$ 4,213,018
TDHCA FWAI 2	3,179,798	-	(145,136)	-	3,034,662	158,330	2,876,332	3,034,662
Eastwood Public Facility Corp	8,498,774	-	(141,976)	-	8,356,798	146,983	8,209,815	8,356,798
New 172 Hillside Partners, LLC	8,009,548	-	(229,534)	-	7,780,014	-	7,780,014	7,780,014
Overton Square, LP 4	13,316,729	-	(248,381)	-	13,068,348	256,874	12,811,474	13,068,348
Aventine Tarrant Pkwy Apts, LP	19,908,930	-	(388,624)	-	19,520,306	402,045	19,118,261	19,520,306
Cobb Park Townhomes, LP Lease*	2,833,315	-	(158,333)	-	2,674,982	158,333	2,516,649	2,674,982
Cobb Park Townhomes, LP Note*	822,353	-	(59,628)	-	762,725	59,630	703,095	762,725
Lincoln Terrace, LP Mortgage	1,435,251	-	(35,902)	-	1,399,349	38,603	1,360,746	1,399,349
Lincoln Terrace, LP Exchange Grant	1,916,397	-	(526,323)	-	1,390,074	197,371	1,192,703	1,390,074
Hillside PFC (Knights of Pythias)*	1,417,596	-	(984)	-	1,416,612	-	1,416,612	1,416,612
FW Casa De Esperanza, LP	9,234,945	-	3,380	-	9,238,325	-	9,238,325	9,238,325
Post Oak East	24,829,027	-	(501,453)	-	24,327,574	513,007	23,814,567	24,327,574
Casa de los Suenos	-	1,500,000	-	-	1,500,000	-	1,500,000	1,500,000
Casa de Esperanza	-	1,250,000	-	-	1,250,000	-	1,250,000	1,250,000
Public Facility Corporation	-	250,000	-	-	250,000	-	250,000	250,000
Elimination	(5,073,264)	-	(31,055)	-	(5,104,319)	(217,961)	(4,886,358)	(5,104,319)
Total	<u>\$ 94,761,287</u>	<u>\$ 3,000,000</u>	<u>\$ (2,682,819)</u>	<u>\$ -</u>	<u>\$ 95,078,468</u>	<u>\$ 1,931,177</u>	<u>\$ 93,147,291</u>	<u>\$ 95,078,468</u>

* Eliminated. No amortization schedule is shown on prior table for these notes.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

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

	Beginning Debt	Loan Proceeds	Principal Payments	Ending Debt	Current Portion	Long-Term Portion
Western Hills Affordable Housing, L.P.	\$ 5,239,057	\$ -	\$ -	\$ 5,239,057	\$ -	\$ 5,239,057
Samuels Avenue, L.P. - Pacific Life	1,280,916	-	(41,417)	1,239,499	44,407	1,195,092
Samuels Avenue, L.P. - City of Fort Worth	126,500	-	-	126,500	-	126,500
South Hulen, L.P. - Greystone	7,768,105	-	(136,636)	7,631,469	142,024	7,489,445
Wind River Apartments	3,261,374	-	(161,853)	3,099,521	162,612	2,936,909
FW Hunter Plaza, L.P. - City of Fort Worth	1,800,000	-	-	1,800,000	-	1,800,000
FW Hunter Plaza, L.P. - Bank of Oklahoma	9,882,607	-	(259,392)	9,623,215	253,656	9,369,559
FW Hunter Plaza, L.P. - FWHA	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
LDG Stallion Pointe, L.P.	24,468,890	-	(444,639)	24,024,251	425,678	23,598,573
LDG Stallion Pointe, L.P. - Trinity River PFC	2,000,000	-	-	2,000,000	-	2,000,000
Woodmont - TDHCA Bonds	12,854,722	-	(267,815)	12,586,907	281,238	12,305,669
Woodmont - TDHCA TCAP	1,817,439	-	(66,819)	1,750,620	67,489	1,683,131
Woodmont - TDHCA HOME 1	413,390	-	-	413,390	-	413,390
Woodmont - TDHCA HOME 2	283,981	-	-	283,981	-	283,981
Woodmont - City of Fort Worth HOME	1,500,000	-	-	1,500,000	-	1,500,000
Woodmont - NRP Woodmont SLP, LLC Loan Payable	-	519,263	-	519,263	-	519,263
Hometowne at MR LP - Dwight Capital	9,721,398	-	(132,197)	9,589,201	137,893	9,451,308
Hometowne at MR LP - City of Fort Worth	650,000	-	-	650,000	-	650,000
FW Alton Park, LP - Citibank 1	18,910,828	-	(268,027)	18,642,801	280,200	18,362,601
FW Alton Park, LP - Trinity River PFC	3,146,951	-	-	3,146,951	-	3,146,951
FW Campus Apartments, LP	19,152,768	-	(235,467)	18,917,301	247,686	18,669,615
FW Campus Apartments, LP - Trinity River PFC	1,916,451	-	-	1,916,451	-	1,916,451
Standard at Boswell Marketplace, LP, Capital One	8,437,000	-	-	8,437,000	14,418	8,422,582
Standard at Boswell Marketplace, LP - FWAI	1,000,000	-	-	1,000,000	-	1,000,000
Amtex Avondale, LP - Comm Bank of Texas, NA	8,919,955	-	(124,903)	8,795,052	128,806	8,666,246
Palladium Fort Worth, Ltd - Bridge Loan	12,557,367	-	(138,513)	12,418,854	144,220	12,274,634
FW Steele Prince Hall, LLC - Trinity River PFC	6,820,033	-	(93,581)	6,726,452	98,554	6,627,898
FW Steele Sabine Place, LLC - Trinity River PFC	6,614,586	-	(93,784)	6,520,802	98,710	6,422,092
Reserve at McAlister Senior Living, LLC	3,559,930	-	(64,319)	3,495,611	68,184	3,427,427
Western Center Reserve, LLC	3,073,223	-	(61,042)	3,012,181	65,000	2,947,181
FW Stallion Ridge, LP - Subordinate Loans	1,500,000	-	-	1,500,000	-	1,500,000
FW Stallion Ridge, LP - Bonds	23,110,000	-	(185,000)	22,925,000	190,000	22,735,000
FW Patriot Pointe, LP - Notes	1,339,838	-	-	1,339,838	-	1,339,838
FW Patriot Pointe, LP - Bonds	23,490,000	-	(200,000)	23,290,000	210,000	23,080,000
Fossil Ridge II, LP - Colliers Mortgage, LLC	4,742,000	-	-	4,742,000	-	4,742,000
FW Cowan Place, LP - FHA Loan	-	14,673,883	-	14,673,883	220,767	14,453,116
FW Cowan Place, LP - Bond Loan	-	20,000,000	-	20,000,000	20,000,000	-
FW Cowan Place, LP - Bridge Loan	-	6,419,029	-	6,419,029	6,419,029	-
FW Cowan Place, LP - FWHS Loans	-	8,926,655	-	8,926,655	-	8,926,655
Total	<u>\$ 235,939,309</u>	<u>\$ 50,538,830</u>	<u>\$ (2,975,404)</u>	<u>\$ 283,502,735</u>	<u>\$ 29,700,571</u>	<u>\$ 253,802,164</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

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

	Western/ Cambridge Apartments	Samuels Apartments	South Hulen/ Candletree Apts	Trinity/WR Apartments	Hunter Plaza	Stallion Pointe	Woodmont Apts, Ltd
<u>Year Ending December 31,</u>							
2024	\$ -	\$ 44,407	\$ 142,024	\$ 162,612	\$ 253,656	\$ 425,678	\$ 348,727
2025	-	47,612	147,663	163,427	263,990	442,191	296,650
2026	-	51,049	153,526	164,246	274,745	459,345	312,906
2027	-	1,096,431	159,621	165,069	285,939	477,164	330,054
2028	-	-	165,959	165,897	297,588	495,675	348,141
Thereafter	5,239,057	126,500	6,862,676	2,278,270	14,627,297	23,724,198	15,417,683
Total Mortgage Payable	<u>\$ 5,239,057</u>	<u>\$ 1,365,999</u>	<u>\$ 7,631,469</u>	<u>\$ 3,099,521</u>	<u>\$ 16,003,215</u>	<u>\$ 26,024,251</u>	<u>\$ 17,054,161</u>

	Hometowne at Matador Ranch LP	FW Alton Park, LP	FW Campus Apartments, LP	Standard at Boswell Marketplace, LP	Amtex Avondale, LP	Fossil Ridge II, LP	Palladium Fort Worth, Ltd
<u>Year Ending December 31,</u>							
2024	\$ 137,893	\$ 280,200	\$ 247,686	\$ 14,418	\$ 128,806	\$ -	\$ 144,220
2025	142,904	292,926	260,540	88,255	134,747	-	154,026
2026	148,578	306,231	274,060	91,321	139,974	43,643	162,477
2027	154,477	320,139	288,283	94,493	145,405	89,736	171,391
2028	160,610	334,680	303,243	97,776	150,162	93,104	178,999
Thereafter	9,494,739	20,255,576	19,459,940	9,050,737	8,095,958	4,515,517	11,607,741
Total Mortgage Payable	<u>\$ 10,239,201</u>	<u>\$ 21,789,752</u>	<u>\$ 20,833,752</u>	<u>\$ 9,437,000</u>	<u>\$ 8,795,052</u>	<u>\$ 4,742,000</u>	<u>\$ 12,418,854</u>

	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC	Reserve at McAlister Senior Living, LLC	Western Center Reserve, LLC	FW Stallion Ridge, LP	FW Patriot Pointe, LP	FW Cowan Place, LP	Grand Total
<u>Year Ending December 31,</u>								
2024	\$ 98,554	\$ 98,710	\$ 68,184	\$ 65,000	\$ 190,000	\$ 210,000	\$ 26,639,796	\$ 29,700,571
2025	103,793	103,894	72,282	69,216	205,000	220,000	226,915	3,436,031
2026	109,310	109,351	76,625	73,705	210,000	235,000	233,234	3,629,326
2027	115,120	115,095	81,230	78,484	225,000	245,000	239,730	4,877,861
2028	121,239	121,140	86,112	83,574	230,000	255,000	246,406	3,935,305
Thereafter	6,178,436	5,972,612	3,111,178	2,642,202	23,365,000	23,464,838	22,433,486	237,923,641
Total Mortgage Payable	<u>\$ 6,726,452</u>	<u>\$ 6,520,802</u>	<u>\$ 3,495,611</u>	<u>\$ 3,012,181</u>	<u>\$ 24,425,000</u>	<u>\$ 24,629,838</u>	<u>\$ 50,019,567</u>	<u>\$ 283,502,735</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 ANNUAL CONTRIBUTIONS CONTRACTS

Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget. Operating subsidy contributions for the year ended December 31, 2023 were \$1,779,146 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, 2023 were as follows:

Rental Vouchers	\$ 58,983,961
Moderate Rehabilitation	430,972
Mainstream	4,245,885
Total	<u>\$ 63,660,818</u>

NOTE 11 EMPLOYEE RETIREMENT PLAN

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

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

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

During the year ended December 31, 2023, FWHS' required 5% contributions and 5% matching amounted to \$692,247. The total eligible payroll totaled \$6,684,716.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 11 EMPLOYEE RETIREMENT PLAN (CONTINUED)

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, 2023. Additional information regarding the plan may be obtained by contacting VOYA Retirement Insurance and Annuity Company, PO Box 990063, Hartford, Connecticut 06199-0063 or by phone 800-262-3862.

NOTE 12 ECONOMIC DEPENDENCY

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

NOTE 13 RELATED PARTY TRANSACTIONS

The material related party transactions to be reported for the fiscal year ended December 31, 2023 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 enterprise fund as of December 31, 2023 was \$30,860,886, all of which has been eliminated for reporting purposes.

Other Related Parties

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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 RELATED PARTY TRANSACTIONS (CONTINUED)

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.	1/3/2018	Special Limited Partner	0.010 %
650 South Main Tenant, LP (High Point)	5/10/2019	Special Limited Partner	0.010
Standard River District, LP	1/9/2019	Special Limited Partner	0.010
AmCal Alliance, LP (the Holston)	5/7/2018	Special Limited Partner	0.005
FW Springs SLP, LLC	7/20/2015	Special Limited Partner	0.010
SCP FW Weatherford, LP (the Huntley)	10/13/2020	Class A Special Limited Partner	0.005
Harmon Fund, LP	9/20/2016	Special Limited Partner	0.010
Skyline Prairie Homes	8/10/2021	Special Limited Partner	0.010
250 Penn Ave Tenant, LP (Siddons)	11/10/2022	Special Limited Partner	0.010
AmCal Lee, L.P (The Opal)	12/22/2022	Special Limited Partner	0.005
The Standard Homes at Chisholm (Chisholm Ranch)	8/1/2022	Special Limited Partner	0.010
Crestwood Apartments Tenant, LP	10/28/2022	Special Limited Partner	0.010
FW Bonds Ranch Public Facility Corporation	8/18/2023	Special Limited Partner	0.010

Lessor Activities – Ground Lease

FWHS entered into 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 2023. 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. Almost all of the ground leases are prepaid and no asset is recorded, totaling \$136,076,425 (of which \$1,070,343 is eliminated between FW Casa de Esperanza, LP and FWHS). As of December 31, 2023, \$134,802,315 remains deferred and reported as deferred inflows in the statement of net position. Total rent of \$1,089,082 was earned for the year ended December 31, 2023.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 RELATED PARTY TRANSACTIONS (CONTINUED)

During FY 2023, FWHS signed an agreement with Inspire Homes Bond Ranch which requires an annual payment of \$140,000 for the first five years and then a 2% annual escalation for the remaining 99 year term. Total future minimum lease payments to be received under this lease agreement is the following:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ -	\$ -
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	142,800	142,800
2029 - 2033	-	758,000	758,000
2034 - 2038	-	836,893	836,893
2039 - 2043	-	923,997	923,997
2044 - 2048	-	1,020,168	1,020,168
2049 - 2053	-	1,126,348	1,126,348
2054 - 2058	-	1,243,579	1,243,579
2059 - 2063	483,636	889,376	1,373,011
2064 - 2068	695,391	820,525	1,515,916
2069 - 2073	879,801	793,892	1,673,693
2074 - 2078	1,087,189	760,704	1,847,893
2079 - 2083	1,320,074	720,148	2,040,223
2084 - 2088	1,581,243	671,327	2,252,571
2089 - 2093	1,873,776	613,244	2,487,020
2094 - 2098	2,201,079	544,792	2,745,871
2099 - 2103	2,566,916	464,748	3,031,664
2104 - 2108	2,975,448	371,753	3,347,202
2109 - 2113	3,431,277	264,304	3,695,581
2114 - 2118	3,939,486	140,735	4,080,220
2119 - 2121	2,631,508	17,737	2,649,244
Total	<u>\$ 25,666,824</u>	<u>\$ 13,125,070</u>	<u>\$ 38,791,894</u>

NOTE 14 RISK MANAGEMENT

FWHS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. FWHS participates in the Texas Municipal League Intergovernmental Risk Pool (TML) for its property, liability, and worker's compensation coverage. TML's mission is to provide Texas municipalities and other units of local government with a stable source of risk financing and loss prevention services at the lowest cost consistent with sound business practices. By spreading the risk of losses across the state of Texas and across a variety of local governments, and by employing proactive loss prevention measures, TML is able to provide a stable and long-term risk financing system for its members. TML functions much like a commercial insurance carrier as premium payments are remitted to the carrier and deductible limits apply. FWHS utilizes commercial carriers for all remaining perils and claims. Liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. There were no claims in excess of coverage during the previous three years. These losses include an estimate of claims that have been incurred but not reported. At December 31, 2023, there were no liabilities to be reported.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 15 COMMITMENTS AND 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. 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. Management believes the resolution of these matters will not have a material impact on FWHS' operations or will result in dismissal.

NOTE 16 CONDUIT DEBT OBLIGATIONS

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.

On March 1, 2018, FW Steele Sabine Place, LLC. 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 March 1, 2048.

On July 1, 2018, FW Steele Prince Hall, LLC. 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 July 1, 2048.

On April 1, 2019, FW Patriot Pointe, 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 April 1, 2059.

**FORT WORTH HOUSING SOLUTIONS
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NOTE 16 CONDUIT DEBT OBLIGATIONS (CONTINUED)

On June 1, 2019, FW Stallion Ridge, 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 June 1, 2059.

In September 2021, Trinity River Public Facility Corporation issued bonds on behalf of Cowan Place Apartments in the amount of \$20,000,000 to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on October 1, 2024.

In June 2023, Cinco Public Facility Corporation issued bonds on behalf of Northhill Manor in the amount of \$15,838,000 to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on October 1, 2024.

**FORT WORTH HOUSING SOLUTIONS
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NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

Condensed combining information for FWHS' blended component units is of and for the year ended December 31, 2023 and is provided as follows:

	Gateway	Fort Worth Affordability, Inc.						Aventine
	Public	Fort Worth				Cobb Park	Post Oak	Tarrant
	Facility	Affordability,	Spring Glen		Carlyle	Townhomes II,	East	Parkway
	Corporation	Inc.	Apartments	Woodmont GP	Crossing	LP	Apartments, LP	Apartments, LP
ASSETS								
Cash	\$ 3,351,478	\$ 2,025,096	\$ 409,070	\$ -	\$ 109,394	\$ 135,349	\$ 1,054,437	\$ 2,074,658
Restricted Cash	-	-	-	-	132,946	719,587	1,194,046	1,406,602
Interprogram Assets	9,680,735	81,485	894,000	-	-	-	-	-
Other - Current Assets	11	7,283,870	-	60,000	159,213	140,641	1,632,571	239,968
Noncurrent Assets	-	13,144,519	-	-	(7,517)	-	-	427,189
Capital Assets, Net	-	1,979,047	-	-	3,686,677	6,243,902	8,669,665	9,464,611
Total Assets	<u>13,032,224</u>	<u>24,514,017</u>	<u>1,303,070</u>	<u>60,000</u>	<u>4,080,713</u>	<u>7,239,479</u>	<u>12,550,719</u>	<u>13,613,028</u>
LIABILITIES								
Current Liabilities	-	294,872	-	-	492,867	785,307	1,089,298	282,676
Interprogram Liabilities	-	2,410,522	-	61,000	202,157	89,354	206,074	156,122
Notes and Mortgage Payable	-	5,463,018	-	-	3,034,663	3,437,707	24,327,574	19,520,306
Total Liabilities	-	<u>8,168,412</u>	-	<u>61,000</u>	<u>3,729,687</u>	<u>4,312,368</u>	<u>25,622,946</u>	<u>19,959,104</u>
DEFERRED OUTFLOWS								
Ground Leases	-	-	-	-	-	-	-	-
NET POSITION								
Net Investment in								
Capital Assets	-	(3,483,971)	-	-	652,014	2,806,195	(15,657,909)	(10,055,695)
Restricted	-	-	-	-	132,946	719,587	1,194,046	1,406,602
Unrestricted	<u>13,032,224</u>	<u>19,829,576</u>	<u>1,303,070</u>	<u>(1,000)</u>	<u>(433,934)</u>	<u>(598,671)</u>	<u>1,391,636</u>	<u>2,303,017</u>
Total Net Position	<u>13,032,224</u>	<u>16,345,605</u>	<u>1,303,070</u>	<u>(1,000)</u>	<u>351,026</u>	<u>2,927,111</u>	<u>(13,072,227)</u>	<u>(6,346,076)</u>
Total Liabilities and								
Net Position	<u>\$ 13,032,224</u>	<u>\$ 24,514,017</u>	<u>\$ 1,303,070</u>	<u>\$ 60,000</u>	<u>\$ 4,080,713</u>	<u>\$ 7,239,479</u>	<u>\$ 12,550,719</u>	<u>\$ 13,613,028</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
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NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Hillside Public Facility Corporation/ Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	FW Bond Ranch PFC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Eastwood Public Facility Corporation	Overton Square, L.P.
ASSETS								
Cash	\$ 197,092	\$ 3,132,253	\$ 813,028	\$ -	\$ 7,207	\$ 7,289	\$ 556,266	\$ 84,874
Restricted Cash	4,800	342,423	-	-	121,200	39,395	1,863,201	2,542,282
Interprogram Assets	-	-	154,034	698,726	-	-	-	2,886
Other - Current Assets	27,858	137,220	6,722,144	-	396,267	211,319	196,265	461,569
Noncurrent Assets	-	(35,209)	12,085,879	25,666,824	-	-	-	-
Capital Assets, Net	2,459,377	9,278,745	-	-	1,473,461	1,467,918	3,428,957	6,671,660
Total Assets	2,689,127	12,855,432	19,775,085	26,365,550	1,998,135	1,725,921	6,044,689	9,763,271
LIABILITIES								
Current Liabilities	248,703	126,623	233,643	-	805,048	869,512	289,481	266,779
Interprogram Liabilities	791,671	127,839	-	-	1,064,314	1,546,464	3,182	13,397
Notes and Mortgage Payable	1,416,612	7,780,014	-	-	-	-	8,356,797	13,068,349
Total Liabilities	2,456,986	8,034,476	233,643	-	1,869,362	2,415,976	8,649,460	13,348,525
DEFERRED OUTFLOWS								
Ground Leases	-	-	-	25,930,967	-	-	-	-
NET POSITION								
Net Investment in								
Capital Assets	1,042,765	1,498,731	-	-	1,473,461	1,467,918	(4,927,840)	(6,396,689)
Restricted	4,800	342,423	-	-	121,200	39,395	1,863,201	2,542,282
Unrestricted	(815,424)	2,979,802	19,541,442	434,583	(1,465,888)	(2,197,368)	459,868	269,153
Total Net Position	232,141	4,820,956	19,541,442	434,583	128,773	(690,055)	(2,604,771)	(3,585,254)
Total Liabilities and Net Position	\$ 2,689,127	\$ 12,855,432	\$ 19,775,085	\$ 26,365,550	\$ 1,998,135	\$ 1,725,921	\$ 6,044,689	\$ 9,763,271

**FORT WORTH HOUSING SOLUTIONS
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NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Pennsylvania Place Apartments, LP	Cavile Public Facility Corporation	Iron Wood Crossing Public Facility Corporation	Lincoln Terrace, LP	FW Casa De Esperanza, LP	Casa de los Suenos	Huntley Public Facility Corporation	Other Projects	Total Blended Component Units
ASSETS									
Cash	\$ 2,765,515	\$ -	\$ -	\$ 21,004	\$ 204,661	\$ -	\$ -	\$ 989,531	\$ 17,938,202
Restricted Cash	-	-	-	656,751	34,777	1,200,000	-	30,312	10,288,322
Interprogram Assets	-	-	1,003,287	-	-	190,134	187,398	616,167	13,508,852
Other - Current Assets	-	579,275	10,000	76,742	828,167	1,796,206	-	90,019	21,049,325
Noncurrent Assets	-	-	-	133,735	1,061,238	-	250,000	-	52,726,658
Capital Assets, Net	-	6,012,581	86,469,636	5,593,545	8,131,349	6,025,390	2,329,285	-	169,385,806
Total Assets	2,765,515	6,591,856	87,482,923	6,481,777	10,260,192	9,211,730	2,766,683	1,726,029	284,897,165
LIABILITIES									
Current Liabilities	17,057	19,644	357,768	4,234,103	590,004	866,026	-	100	11,869,511
Interprogram Liabilities	235	2,805,808	-	13,054	951,670	-	-	17,217	10,460,080
Notes and Mortgage Payable	-	-	-	2,789,423	9,238,323	1,500,000	250,000	-	100,182,786
Total Liabilities	17,292	2,825,452	357,768	7,036,580	10,779,997	2,366,026	250,000	17,317	122,512,377
DEFERRED OUTFLOWS									
Ground Leases	-	1,007,765	90,483,900	-	-	-	-	-	117,422,632
NET POSITION									
Net Investment in									
Capital Assets	-	6,012,581	86,469,636	2,804,122	(1,106,974)	4,525,390	2,079,285	-	69,203,020
Restricted	-	-	-	656,751	34,777	1,200,000	-	30,312	10,288,322
Unrestricted	2,748,223	(3,253,942)	(89,828,381)	(4,015,676)	552,392	1,120,314	437,398	1,678,400	(34,529,186)
Total Net Position	2,748,223	2,758,639	(3,358,745)	(554,803)	(519,805)	6,845,704	2,516,683	1,708,712	44,962,156
Total Liabilities and Net Position	\$ 2,765,515	\$ 6,591,856	\$ 87,482,923	\$ 6,481,777	\$ 10,260,192	\$ 9,211,730	\$ 2,766,683	\$ 1,726,029	\$ 284,897,165

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

	Gateway	Fort Worth Affordability, Inc.						Aventine
	Public Facility Corporation	Fort Worth Affordability, Inc.	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Cobb Park Townhomes II, LP	Post Oak East Apartments, LP	Tarrant Parkway Apartments, LP
OPERATING REVENUES								
Tenant Revenue	\$ -	\$ -	-	\$ -	\$ 1,196,504	\$ 1,705,906	\$ 3,088,010	\$ 3,026,410
Other Revenues	1,051	902,268	-	-	47,253	9,026	-	107,647
Total Operating Revenues	1,051	902,268	-	-	1,243,757	1,714,932	3,088,010	3,134,057
OPERATING EXPENSES								
Administrative	743	137,879	-	-	249,094	353,391	397,720	337,996
Tenant Services	-	-	-	-	325	1,293	43,493	31,148
Utilities	-	-	-	-	109,359	320,717	288,920	223,427
Ordinary Maintenance and Operations	-	-	-	-	729,678	784,486	1,107,168	717,119
Protective Services	-	-	-	-	66,948	120,626	78,059	-
General Expenses	86	86	-	-	105,036	218,295	459,708	262,136
Depreciation	-	-	-	-	154,907	102,295	394,581	430,128
Total Operating Expenses	829	137,965	-	-	1,415,347	1,901,103	2,769,649	2,001,954
OPERATING INCOME (LOSS)	222	764,303	-	-	(171,590)	(186,171)	318,361	1,132,103
Total Nonoperating Revenues (Expenses)	51,443	72,642	93,944	-	272,134	(48,197)	(537,090)	(683,328)
INCOME (LOSS) BEFORE TRANSFERS	51,665	836,945	93,944	-	100,544	(234,368)	(218,729)	448,775
Operating Transfers	-	-	(714,000)	-	-	-	-	-
CHANGE IN NET POSITION	51,665	836,945	(620,056)	-	100,544	(234,368)	(218,729)	448,775
Total Net Position - Beginning of Year	12,980,559	15,508,660	1,923,126	(1,000)	250,482	3,161,479	(12,853,498)	(6,794,851)
TOTAL NET POSITION - END OF YEAR	<u>\$ 13,032,224</u>	<u>\$ 16,345,605</u>	<u>1,303,070</u>	<u>\$ (1,000)</u>	<u>\$ 351,026</u>	<u>\$ 2,927,111</u>	<u>\$ (13,072,227)</u>	<u>\$ (6,346,076)</u>

**FORT WORTH HOUSING SOLUTIONS
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DECEMBER 31, 2023**

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

	Hillside Public Facility Corporation/ Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	FW Bond Ranch PFC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Eastwood Public Facility Corporation	Overton Square, L.P.
OPERATING REVENUES								
Tenant Revenue	\$ 218,500	\$ 2,247,644	-	\$ -	\$ 623,863	\$ 514,774	\$ 1,563,348	\$ 2,357,268
Other Revenues	-	-	286,026	434,583	132,183	(1,218)	414,910	-
Total Operating Revenues	218,500	2,247,644	286,026	434,583	756,046	513,556	1,978,258	2,357,268
OPERATING EXPENSES								
Administrative	279,064	413,684	377,957	-	199,930	171,289	254,832	456,117
Tenant Services	244	2,109	-	-	2,258	705	-	8,354
Utilities	14,358	145,387	99	-	147,559	167,666	168,206	156,907
Ordinary Maintenance and Operations	37,838	697,573	-	-	488,524	372,075	349,663	691,894
Protective Services	-	-	-	-	44,150	94	10,330	609
General Expenses	20,720	109,689	603	-	33,604	44,495	47,008	109,201
Depreciation	588	256,082	-	-	149,732	82,925	495,481	393,207
Total Operating Expenses	352,812	1,624,524	378,659	-	1,065,757	839,249	1,325,520	1,816,289
OPERATING INCOME (LOSS)	(134,312)	623,120	(92,633)	434,583	(309,711)	(325,693)	652,738	540,979
Total Nonoperating Revenues (Expenses)	(32,604)	(162,363)	68,228	-	-	-	(254,350)	(391,387)
INCOME (LOSS) BEFORE TRANSFERS	(166,916)	460,757	(24,405)	434,583	(309,711)	(325,693)	398,388	149,592
Operating Transfers	-	-	-	-	-	-	(371,890)	-
CHANGE IN NET POSITION	(166,916)	460,757	(24,405)	434,583	(309,711)	(325,693)	26,498	149,592
Total Net Position - Beginning of Year	399,057	4,360,199	19,565,847	-	438,484	(364,362)	(2,631,269)	(3,734,846)
TOTAL NET POSITION - END OF YEAR	\$ 232,141	\$ 4,820,956	19,541,442	\$ 434,583	\$ 128,773	\$ (690,055)	\$ (2,604,771)	\$ (3,585,254)

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
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NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Pennsylvania Place Apartments, LP	Cavile Public Facility Corporation	Iron Wood Crossing Public Facility Corporation	Lincoln Terrace, LP	FW Casa De Esperanza, LP	Casa de los Suenos	Huntley Public Facility Corporation	Other Projects	Total Blended Component Units
OPERATING REVENUES									
Tenant Revenue	\$ -	\$ -	\$ -	723,007	\$ 1,216,781	\$ -	\$ -	\$ -	\$ 18,482,015
Other Revenues	157,413	50,706	253,807	-	81,414	6,873,773	870,226	788,792	11,409,860
Total Operating Revenues	157,413	50,706	253,807	723,007	1,298,195	6,873,773	870,226	788,792	29,891,875
OPERATING EXPENSES									
Administrative	17,815	47,169	-	207,409	124,143	4,100	-	67,760	4,098,092
Tenant Services	-	-	-	1,436	-	-	-	-	91,365
Utilities	-	178	-	84,992	118,058	23,969	-	-	1,969,802
Ordinary Maintenance and Operations	-	133,807	-	352,999	389,357	-	-	-	6,852,181
Protective Services	-	-	-	61,249	230,990	-	-	-	613,055
General Expenses	236	318	20	78,930	977,118	-	-	168	2,467,457
Depreciation	-	-	1,642,881	280,351	365,798	-	-	-	4,748,956
Total Operating Expenses	18,051	181,472	1,642,901	1,067,366	2,205,464	28,069	-	67,928	20,840,908
OPERATING INCOME (LOSS)	139,362	(130,766)	(1,389,094)	(344,359)	(907,269)	6,845,704	870,226	720,864	9,050,967
Total Nonoperating Revenues (Expenses)	(343,062)	18,450	-	83,229	(506)	-	-	35,260	(1,757,557)
INCOME (LOSS) BEFORE TRANSFERS	(203,700)	(112,316)	(1,389,094)	(261,130)	(907,775)	6,845,704	870,226	756,124	7,293,410
Operating Transfers	-	-	-	-	-	-	-	395	(1,085,495)
CHANGE IN NET POSITION	(203,700)	(112,316)	(1,389,094)	(261,130)	(907,775)	6,845,704	870,226	756,519	6,207,915
Total Net Position - Beginning of Year	2,951,923	2,870,955	(1,969,651)	(293,673)	387,970	-	1,646,457	952,193	38,754,241
TOTAL NET POSITION - END OF YEAR	<u>\$ 2,748,223</u>	<u>\$ 2,758,639</u>	<u>\$ (3,358,745)</u>	<u>(554,803)</u>	<u>\$ (519,805)</u>	<u>\$ 6,845,704</u>	<u>\$ 2,516,683</u>	<u>\$ 1,708,712</u>	<u>\$ 44,962,156</u>

**FORT WORTH HOUSING SOLUTIONS
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NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Gateway	Fort Worth Affordability, Inc.						Aventine
	Public Facility Corporation	Fort Worth Affordability, Inc.	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Cobb Park Townhomes II, LP	Post Oak East Apartments, LP	Tarrant Parkway Apartments, LP
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ 51,443	\$ 115,345	\$ (1,514,056)	\$ -	\$ 225,840	\$ 386,468	\$ (448,868)	\$ 765,827
Capital and Related Financing Activities	-	1,031,131	-	-	(145,135)	(217,961)	(106,872)	(388,625)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	51,443	1,146,476	(1,514,056)	-	80,705	168,507	(555,740)	377,202
Cash and Cash Equivalents - Beginning of Year	3,300,035	878,620	1,923,126	-	161,635	686,429	2,804,223	3,104,058
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,351,478</u>	<u>\$ 2,025,096</u>	<u>\$ 409,070</u>	<u>\$ -</u>	<u>\$ 242,340</u>	<u>\$ 854,936</u>	<u>\$ 2,248,483</u>	<u>\$ 3,481,260</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

	Hillside Public Facility Corporation/ Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	FW Bond Ranch PFC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Eastwood Public Facility Corporation	Overton Square, L.P.
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ 50,192	\$ 816,264	\$ (11,440,959)	\$ -	\$ (2,777)	\$ (80,573)	\$ 670,020	\$ 220,839
Capital and Related Financing Activities	(983)	(784,965)	11,237,907	-	-	(449)	(141,977)	63,833
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	49,209	31,299	(203,052)	-	(2,777)	(81,022)	528,043	284,672
Cash and Cash Equivalents - Beginning of Year	152,683	3,443,377	1,016,080	-	131,184	127,706	1,891,424	2,342,484
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 201,892</u>	<u>\$ 3,474,676</u>	<u>\$ 813,028</u>	<u>\$ -</u>	<u>\$ 128,407</u>	<u>\$ 46,684</u>	<u>\$ 2,419,467</u>	<u>\$ 2,627,156</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
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NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Pennsylvania Place Apartments, LP	Cavile Public Facility Corporation	Iron Wood Crossing Public Facility Corporation	Lincoln Terrace, LP	FW Casa De Esperanza, LP	Casa de los Suenos	Huntley Public Facility Corporation	Other Projects	Total Blended Component Units
NET CASH PROVIDED (USED) BY									
Operating Activities	\$ (182,492)	\$ 469,091	\$ 31,372,664	\$ 161,547	\$ (998,503)	\$ 5,725,390	\$ 432,726	\$ 408,154	\$ 27,203,582
Capital and Related Financing Activities	-	(469,091)	(31,372,664)	(309,594)	252,725	(4,525,390)	(432,726)	-	(26,310,836)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(182,492)	-	-	(148,047)	(745,778)	1,200,000	-	408,154	892,746
Cash and Cash Equivalents - Beginning of Year	2,948,007	-	-	825,802	985,216	-	-	611,689	27,333,778
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,765,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 677,755</u>	<u>\$ 239,438</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ 1,019,843</u>	<u>\$ 28,226,524</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 18 SUBSEQUENT EVENTS

In preparing the financial statements, FWHS has evaluated events and transactions for potential recognition or disclosure through September 23, 2024, the date the financial statements were available to be issued.

Hughes House is a three-phase mixed-use development named after famed basketball coach Robert Hughes, the development is located at the intersection of East Rosedale Street and Amanda Avenue of the Stop Six Neighborhood, which is part of a Choice Neighborhood Initiative (CNI). An effort launched in 2020, when the US Department of Housing and Urban Development awarded FWHS and the City of Fort Worth a \$35,000,000 Grant.

Hughes House I, a 162-unit affordable mix-income/multi-family development, broke ground on June 14, 2023. Construction costs are estimated at \$54.6M; the project will be covered from multiple funding streams including an FHA Construction Loan (\$16.1M), CNI Grant (\$12.2M), Tax Credits (\$3.6M), Home Loan (\$1M), other loans and sources (\$ 21M).

On June 20, 2024, the second phase of Hughes House II received a \$4.1 million award., Phase II is a 237-unit, multi-family/mixed income development with estimated construction costs estimated at \$106M which will have multiple funding streams including an FHA Construction Loan (\$38.5M), CNI Grant (\$8.8 M), Tax Credits (\$32M), Home Loan (\$1 M),CDBG Grant (\$2M) and other loans and sources (\$23.7M).

The first phase of Hughes House is expected to be completed around spring 2025, and the second is expected to be completed in late 2026 or early 2027.

On August 26, 2024 Fort Worth Housing Solutions, along with valued partners, broke ground on Babers Manor, the latest mixed income/multifamily development in the Stop Six Choice Neighborhood Initiative. Named for the distinguished community leader, Mr. Clarence Donald Babers, the 80-unit development will include a combination of townhome and garden apartments on Ramey Avenue between S. Hughes Ave and S. Edgewood Terrace.

Babers Manor project construction cost is estimated at \$31M that will be covered from the following funding streams: FHA Construction Loan (\$10.3M), CNI Grant (\$4M), Tax Credit (\$14.8M), Home Loan (\$1M), and other loans and sources (\$900K).

On September 19, 2024; FWHS's Board of Commissioners will be presented with a resolution to approve the option to exercise FWHS' first right of refusal to acquire the interest from RBC, the Limited Partner, of these three properties, for a consideration of \$1 each. By purchasing the partnership interests in the Partnership, Cowtown Housing Development, an instrumentality of FWHS, will assume its roles and responsibilities under the amended and restated agreement of limited partnership. The closing date of this transaction is expected to be October 30, 2024.

On June 27, 2024, the Board of Commissioners approved a resolution to engage Avero Advisors, to assist with the needs assessment, identification and implementation of a new Enterprise resource Planning (ERP) system. The cost of this project is not to exceed \$600K, the consulting firm began working on the needs assessment on August 16, 2024.

SUPPLEMENTARY INFORMATION

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2023**

Line Item #	Accounts Description	Project Totals	Continuum of Care	Resident Opportunity and Supportive Services	Mainstream Vouchers	Section 8 Mod Rehab	State/Local	Business Activities	Component Unit - Blended	Housing Choice Vouchers
ASSETS										
CURRENT ASSETS										
Cash:										
111	Unrestricted	\$ 9,574,133	\$ 290,880	\$ -	\$ 1,088,538	\$ 193,712	\$ -	\$ 9,307,691	\$ 17,938,202	\$ 22,045
113	Other Restricted	-	-	-	-	-	-	-	2,296,890	761,358
114	Tenant Security Deposits	3,413	-	-	-	-	-	-	417,368	-
115	Cash - Restricted for Current Liabilities	-	-	-	-	-	-	-	7,574,064	-
100	Total Cash	9,577,546	290,880	-	1,088,538	193,712	-	9,307,691	28,226,524	783,403
Accounts and Notes Receivable:										
122	Hud Other Projects	-	102,980	100,439	-	13,518	-	-	-	2,369,986
124	Other Government	-	-	-	-	-	13,843	-	-	-
125	Miscellaneous	310,664	-	-	-	834	-	5,923,924	17,223,884	1,421,501
126	Tenants	-	-	-	-	-	-	-	630,024	-
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	(447,845)	(138,431)	(478,040)
127	Notes, Loans, and Mortgages Receivable - Current	-	-	-	-	-	-	-	217,961	-
129	Accrued Interest Receivable	-	-	-	-	-	-	697,451	1,955,030	-
120	Total Accounts and Notes Receivable	310,664	102,980	100,439	-	14,352	13,843	6,173,530	19,888,468	3,313,447
142	Prepaid Expenses and Other Assets	43,859	554	-	-	-	-	26,541	1,160,857	2,691
144	Interprogram - Due From	2,073,055	-	-	-	26,108	208,271	15,044,600	13,508,852	-
150	Total Current Assets	12,005,124	394,414	100,439	1,088,538	234,172	222,114	30,552,362	62,784,701	4,099,541
NONCURRENT ASSETS										
Capital Assets:										
161	Land	4,001,105	-	-	-	-	-	36,354,663	43,452,261	-
162	Buildings	24,545,080	-	-	-	-	-	5,316,570	161,029,019	-
163	Furniture, Equipment and Mach - Dwellings	33,214	-	-	-	-	-	255	5,768,654	16,360
164	Furniture, Equipment and Mach - Admin.	641,308	3,000	-	-	-	-	-	2,013,692	533,999
165	Leasehold Improvements	-	-	-	-	-	-	-	16,887,516	-
166	Accumulated Depreciation	(21,022,329)	(3,000)	-	-	-	-	(182)	(61,573,291)	(451,039)
167	Construction In Progress	-	-	-	-	-	-	636,447	1,807,955	-
160	Total Capital Assets, Net of Accumulated Depreciation	8,198,378	-	-	-	-	-	42,307,753	169,385,806	99,320
171	Notes, Loans and Mortgages Receivable - Noncurrent	-	-	-	-	-	-	2,830,000	24,409,880	-
174	Other Assets	-	-	-	-	-	-	-	28,316,778	-
180	Total Noncurrent Assets	8,198,378	-	-	-	-	-	45,137,753	222,112,464	99,320
290	Total Assets	\$ 20,203,502	\$ 394,414	\$ 100,439	\$ 1,088,538	\$ 234,172	\$ 222,114	\$ 75,690,115	\$ 284,897,165	\$ 4,198,861

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023**

Line Item #	Accounts Description	Emergency Housing Vouchers	Choice Neighborhoods Implementation Grants	Emergency Rental Assistance Program	Emergency Shelter Grants Program	COCC	Eliminations	Total Enterprise Fund	Component Unit - Discretely Presented	Total Reporting Entity
ASSETS										
CURRENT ASSETS										
Cash:										
111	Unrestricted	\$ 1,295,089	\$ -	\$ -	\$ -	\$ 6,447,381	\$ -	\$ 46,157,671	\$ 6,159,782	\$ 52,317,453
113	Other Restricted	-	-	-	-	-	-	3,058,248	10,403,917	13,462,165
114	Tenant Security Deposits	-	-	-	-	-	-	420,781	850,355	1,271,136
115	Cash - Restricted for Current Liabilities	-	-	-	-	-	-	7,574,064	33,839,286	41,413,350
100	Total Cash	<u>1,295,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,447,381</u>	<u>-</u>	<u>57,210,764</u>	<u>51,253,340</u>	<u>108,464,104</u>
Accounts and Notes Receivable:										
122	Hud Other Projects	-	9,347,635	-	-	-	-	11,934,558	-	11,934,558
124	Other Government	-	-	-	-	-	-	13,843	-	13,843
125	Miscellaneous	53,306	865	422,672	-	2,574,695	-	27,932,345	748,911	28,681,256
126	Tenants	-	-	-	-	-	-	630,024	1,542,221	2,172,245
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	(68,901)	(68,901)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	(1,064,316)	-	(1,064,316)
127	Notes, Loans, and Mortgages Receivable - Current	-	-	-	-	-	(217,961)	-	-	-
129	Accrued Interest Receivable	-	476,640	-	-	-	-	3,129,121	-	3,129,121
120	Total Accounts and Notes Receivable	<u>53,306</u>	<u>9,825,140</u>	<u>422,672</u>	<u>-</u>	<u>2,574,695</u>	<u>(217,961)</u>	<u>42,575,575</u>	<u>2,222,231</u>	<u>44,797,806</u>
142	Prepaid Expenses and Other Assets	-	-	-	-	121,325	-	1,355,827	3,317,488	4,673,315
144	Interprogram - Due From	-	-	-	-	-	(30,860,886)	-	-	-
150	Total Current Assets	<u>1,348,395</u>	<u>9,825,140</u>	<u>422,672</u>	<u>-</u>	<u>9,143,401</u>	<u>(31,078,847)</u>	<u>101,142,166</u>	<u>56,793,059</u>	<u>157,935,225</u>
NONCURRENT ASSETS										
Capital Assets:										
161	Land	-	-	-	-	19,384	-	83,827,413	-	83,827,413
162	Buildings	-	-	-	-	15,310,045	-	206,200,714	438,344,126	644,544,840
163	Furniture, Equipment and Mach - Dwellings	-	-	-	-	29,414	-	5,847,897	15,364,969	21,212,866
164	Furniture, Equipment and Mach - Admin.	-	-	-	-	1,261,339	-	4,453,338	8,287,987	12,741,325
165	Leasehold Improvements	-	-	-	-	10	-	16,887,526	3,096,931	19,984,457
166	Accumulated Depreciation	-	-	-	-	(12,657,710)	-	(95,707,551)	(122,117,528)	(217,825,079)
167	Construction In Progress	-	-	-	-	-	-	2,444,402	-	2,444,402
160	Total Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,962,482</u>	<u>-</u>	<u>223,953,739</u>	<u>342,976,485</u>	<u>566,930,224</u>
171	Notes, Loans and Mortgages Receivable - Noncurrent	-	12,409,730	-	-	-	(4,886,358)	34,763,252	-	34,763,252
174	Other Assets	-	-	-	-	-	(1,059,280)	27,257,498	36,739,750	63,997,248
180	Total Noncurrent Assets	<u>-</u>	<u>12,409,730</u>	<u>-</u>	<u>-</u>	<u>3,962,482</u>	<u>(5,945,638)</u>	<u>285,974,489</u>	<u>379,716,235</u>	<u>665,690,724</u>
290	Total Assets	<u>\$ 1,348,395</u>	<u>\$ 22,234,870</u>	<u>\$ 422,672</u>	<u>\$ -</u>	<u>\$ 13,105,883</u>	<u>\$ (37,024,485)</u>	<u>\$ 387,116,655</u>	<u>\$ 436,509,294</u>	<u>\$ 823,625,949</u>

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023**

Line Item #	Accounts Description	Project Totals	Continuum of Care	Resident Opportunity and Supportive Services	Mainstream Vouchers	Section 8 Mod Rehab	State/Local	Business Activities	Component Unit - Blended	Housing Choice Vouchers
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION										
CURRENT LIABILITIES										
312	Accounts Payable <= 90 days	\$ 11,057	\$ 954	\$ -	\$ 286,886	\$ -	\$ 98	\$ 5,671	\$ 1,037,057	\$ 319,161
321	Accrued Wage/Payroll Taxes Payable	7,897	23,804	16,597	422	984	4,035	-	8,156	104,156
322	Accrued Compensated Absences - Current Portion	16,887	-	-	406	984	5,809	-	1,862	86,147
325	Accrued Interest Payable	-	-	-	-	-	-	-	186,150	-
331	Accounts Payable - Hud	-	-	-	-	2,043	-	-	-	-
341	Tenant Security Deposits	3,413	-	-	-	-	-	-	401,495	-
342	Deferred Revenues	10,442	1,653	-	-	-	248,920	-	4,806,049	-
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	2,149,138	-
345	Other Current Liabilities	179,865	1,924	-	39,880	-	238	508,537	5,285,922	352,445
346	Other Liabilities	-	-	-	-	-	-	-	142,820	-
347	Interprogram (Due To)	797,821	368,670	83,842	358,744	-	10,092	923,726	10,460,080	2,078,741
310	Total Current Liabilities	1,027,382	397,005	100,439	686,338	4,011	269,192	1,437,934	24,478,729	2,940,650
NONCURRENT LIABILITIES										
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	98,033,648	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	442,717
354	Accrued Compensated Absences - Noncurrent	1,766	-	-	53	-	467	-	-	8,271
350	Total Noncurrent Liabilities	1,766	-	-	53	-	467	-	98,033,648	450,988
300	Total Liabilities	1,029,148	397,005	100,439	686,391	4,011	269,659	1,437,934	122,512,377	3,391,638
400	DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	18,438,963	117,422,632	-
NET POSITION										
508.4	Net Investment In Capital Assets	8,198,378	-	-	-	-	-	42,307,753	69,203,020	99,320
511.4	Restricted Net Position	-	-	-	-	-	-	-	9,886,827	318,641
512.4	Unrestricted Net Position	10,975,976	(2,591)	-	402,147	230,161	(47,545)	13,505,465	(34,127,691)	389,262
513	Total Net Position	19,174,354	(2,591)	-	402,147	230,161	(47,545)	55,813,218	44,962,156	807,223
600	Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 20,203,502	\$ 394,414	\$ 100,439	\$ 1,088,538	\$ 234,172	\$ 222,114	\$ 75,690,115	\$ 284,897,165	\$ 4,198,861

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023**

Line Item #	Accounts Description	Emergency Housing Vouchers	Choice Neighborhoods Implementation Grants	Emergency Rental Assistance Program	Emergency Shelter Grants Program	COCC	Eliminations	Total Enterprise Fund	Component Unit - Discretely Presented	Total Reporting Entity
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION										
CURRENT LIABILITIES										
312	Accounts Payable <= 90 days	\$ -	\$ 760,946	\$ -	\$ -	\$ -	\$ -	\$ 2,421,830	\$ 6,945,060	\$ 9,366,890
321	Accrued Wage/Payroll Taxes Payable	1,767	9,104	-	-	81,380	-	258,302	6,419	264,721
322	Accrued Compensated Absences - Current Portion	-	-	-	-	269,264	-	381,359	-	381,359
325	Accrued Interest Payable	-	-	-	-	-	-	186,150	4,033,585	4,219,735
331	Accounts Payable - Hud	-	-	-	-	-	-	2,043	-	2,043
341	Tenant Security Deposits	-	-	-	-	-	-	404,908	979,743	1,384,651
342	Deferred Revenues	173,591	-	-	-	-	-	5,240,655	480,052	5,720,707
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	-	-
345	Other Current Liabilities	9,023	2,636,663	-	-	1,475,742	(217,961)	1,931,177	29,700,571	31,631,748
346	Other Liabilities	-	-	-	-	-	-	142,820	-	142,820
347	Interprogram (Due To)	982,907	6,418,792	26,217	-	8,351,254	(30,860,886)	-	-	-
310	Total Current Liabilities	1,167,288	9,825,505	26,217	-	10,177,640	(31,078,847)	21,459,483	48,346,154	69,805,637
NONCURRENT LIABILITIES										
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	(4,886,358)	93,147,290	253,802,164	346,949,454
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	442,717	23,113,243	23,555,960
354	Accrued Compensated Absences - Noncurrent	-	-	-	-	48,058	-	58,615	-	58,615
350	Total Noncurrent Liabilities	-	-	-	-	48,058	(4,886,358)	93,648,622	276,915,407	370,564,029
300	Total Liabilities	1,167,288	9,825,505	26,217	-	10,225,698	(35,965,205)	115,108,105	325,261,561	440,369,666
400	DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	(1,059,280)	134,802,315	-	134,802,315
NET POSITION										
508.4	Net Investment In Capital Assets	-	-	-	-	3,962,482	-	123,770,953	59,473,750	183,244,703
511.4	Restricted Net Position	-	-	-	-	-	-	10,205,468	44,113,815	54,319,283
512.4	Unrestricted Net Position	181,107	12,409,365	396,455	-	(1,082,297)	-	3,229,814	7,660,168	10,889,982
513	Total Net Position	181,107	12,409,365	396,455	-	2,880,185	-	137,206,235	111,247,733	248,453,968
600	Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 1,348,395	\$ 22,234,870	\$ 422,672	\$ -	\$ 13,105,883	\$ (37,024,485)	\$ 387,116,655	\$ 436,509,294	\$ 823,625,949

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Project Totals	Continuum of Care	Resident Opportunity and Supportive Services	Mainstream Vouchers	Section 8 Mod Rehab	State/Local	Business Activities	Component Unit - Blended	Housing Choice Vouchers
REVENUE										
70300	Net Tenant Rental Revenue	\$ 37,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,759,040	\$ -
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	1,722,975	-
70500	Total Tenant Revenue	37,586	-	-	-	-	-	-	18,482,015	-
70600	HUD PHA Operating Grants	1,565,358	3,196,231	438,200	4,245,885	430,972	-	-	-	58,983,961
70610	Capital Grants	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-
70800	Other Governmental Grants	-	-	-	-	-	1,091,779	-	5,978,356	-
71100	Investment Income - Unrestricted	421,372	-	-	-	-	-	470,418	957,348	4,358
71400	Fraud Recovery	-	-	-	100	4,875	-	-	272,000	58,915
71500	Other Revenue	204,452	-	-	-	-	500	3,149,095	5,431,504	29,092
71600	Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	(455,821)	-
70000	Total Revenue	2,228,768	3,196,231	438,200	4,245,985	435,847	1,092,279	3,619,513	30,665,402	59,076,326
EXPENSES										
Administrative:										
91100	Administrative Salaries	232,335	476,094	340,300	7,947	20,864	156,585	3,792	1,298,042	2,171,141
91200	Auditing Fees	13,844	7,000	-	6,028	966	-	30,899	110,712	129,289
91300	Management Fee	-	-	-	66,548	12,762	4,999	-	-	951,844
91310	Bookkeeping Fee	-	-	-	32,663	5,400	-	-	-	430,568
91400	Advertising And Marketing	-	-	-	-	-	1,148	-	30,697	839
91500	Employee Benefit Contributions - Administrative	63,709	136,804	97,900	2,695	6,849	48,872	-	229,041	733,977
91600	Office Expense	387,816	52,630	-	2,665	27	7,452	51,861	589,445	509,368
91700	Legal Expense	-	-	-	-	-	-	425	139,334	1,626
91800	Travel	674	-	-	-	-	5,480	-	4,883	7,421
91900	Other	47,613	-	-	-	-	4,585	11,583	1,626,418	1,276
	Total Administrative	745,991	672,528	438,200	118,546	46,868	229,121	98,560	4,028,572	4,937,349
92000	Asset Management Fee	1,920	-	-	-	-	-	-	69,520	-
Tenant Services:										
92200	Relocation Cost	-	58	-	-	-	-	-	-	-
92400	Other	2,515	-	-	-	-	22,595	-	91,365	-
	Total Tenant Services	2,515	58	-	-	-	22,595	-	91,365	-
Utilities:										
93100	Water	55,970	-	-	-	-	-	-	1,460,126	-
93200	Electricity	6,230	-	-	-	-	-	-	331,878	-
93300	Gas	1,714	-	-	-	-	-	-	114,663	-
93600	Sewer	-	-	-	-	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	-	-	-	-	63,135	-
	Total Utilities	63,914	-	-	-	-	-	-	1,969,802	-
Ordinary Maintenance and Operations:										
94100	Labor	27,197	-	-	-	-	-	-	1,352,605	-
94200	Materials and Other	10,765	-	-	-	-	-	-	946,096	10,084
94300	Contracts	37,414	3,340	-	-	-	1,295	27,278	4,428,113	48,702
94500	Employee Benefits Contribution	7,535	-	-	-	-	-	-	125,367	-
	Total Ordinary Maintenance and Operations	82,911	3,340	-	-	-	1,295	27,278	6,852,181	58,786

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Emergency Housing Vouchers	Choice Neighborhoods Implementation Grants	Emergency Rental Assistance Program	Emergency Shelter Grants Program	COCC	Eliminations	Total Enterprise Fund	Component Unit - Discretely Presented	Total Reporting Entity
REVENUE										
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,796,626	\$ 36,075,951	\$ 52,872,577
70400	Tenant Revenue - Other	-	-	-	-	-	-	1,722,975	597,676	2,320,651
70500	Total Tenant Revenue	-	-	-	-	-	-	18,519,601	36,673,627	55,193,228
70600	HUD PHA Operating Grants	1,067,603	903,027	-	-	-	-	70,831,237	-	70,831,237
70610	Capital Grants	-	6,674,533	-	-	-	-	6,674,533	-	6,674,533
70710	Management Fee	-	-	-	-	1,061,447	(1,061,447)	-	-	-
70720	Asset Management Fee	-	-	-	-	44,400	(44,400)	-	-	-
70730	Bookkeeping Fee	-	-	-	-	479,903	(479,903)	-	-	-
70700	Total Fee Revenue	-	-	-	-	1,585,750	(1,585,750)	-	-	-
70800	Other Governmental Grants	-	-	738,134	52,209	-	-	7,860,478	-	7,860,478
71100	Investment Income - Unrestricted	-	-	-	-	162,519	-	2,016,015	290,869	2,306,884
71400	Fraud Recovery	-	-	-	-	-	-	335,890	-	335,890
71500	Other Revenue	-	-	-	-	358,957	(850,000)	8,323,600	11,684,965	20,008,565
71600	Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	(455,821)	-	(455,821)
70000	Total Revenue	1,067,603	7,577,560	738,134	52,209	2,107,226	(2,435,750)	114,105,533	48,649,461	162,754,994
EXPENSES										
Administrative:										
91100	Administrative Salaries	-	207,463	55,244	25,090	4,014,748	-	9,009,645	2,791,185	11,800,830
91200	Auditing Fees	-	-	4,739	-	5,411	-	308,888	261,688	570,576
91300	Management Fee	25,294	-	-	-	-	(1,061,447)	-	99,979	99,979
91310	Bookkeeping Fee	11,272	-	-	-	-	(479,903)	-	-	-
91400	Advertising And Marketing	-	-	-	-	17,682	-	50,366	165,601	215,967
91500	Employee Benefit Contributions - Administrative	-	54,454	16,738	5,414	1,065,203	-	2,461,656	492,288	2,953,944
91600	Office Expense	-	638,635	22,882	-	2,052,038	-	4,314,819	672,308	4,987,127
91700	Legal Expense	-	-	-	-	65,892	-	207,277	936,972	1,144,249
91800	Travel	-	1,567	-	-	107,329	-	127,354	33,013	160,367
91900	Other	-	-	-	-	9,463	-	1,700,938	3,098,751	4,799,689
	Total Administrative	36,566	902,119	99,603	30,504	7,337,766	(1,541,350)	18,180,943	8,551,785	26,732,728
92000	Asset Management Fee	-	-	-	-	-	(44,400)	27,040	10,681	37,721
Tenant Services:										
92200	Relocation Cost	-	-	-	-	-	-	58	-	58
92400	Other	93,452	-	-	-	387	-	210,314	-	210,314
	Total Tenant Services	93,452	-	-	-	387	-	210,372	-	210,372
Utilities:										
93100	Water	-	-	-	-	14,267	-	1,530,363	1,879,000	3,409,363
93200	Electricity	-	-	-	-	146,225	-	484,333	840,481	1,324,814
93300	Gas	-	-	-	-	14,339	-	130,716	89,501	220,217
93600	Sewer	-	-	-	-	-	-	-	876	876
93800	Other Utilities Expense	-	-	-	-	-	-	63,135	18,685	81,820
	Total Utilities	-	-	-	-	174,831	-	2,208,547	2,828,543	5,037,090
Ordinary Maintenance and Operations:										
94100	Labor	-	-	-	-	-	-	1,379,802	2,145,818	3,525,620
94200	Materials and Other	-	-	-	-	45,465	-	1,012,410	1,241,670	2,254,080
94300	Contracts	-	-	-	-	338,034	-	4,884,176	4,550,112	9,434,288
94500	Employee Benefits Contribution	-	-	-	-	-	-	132,902	226,121	359,023
	Total Ordinary Maintenance and Operations	-	-	-	-	383,499	-	7,409,290	8,163,721	15,573,011

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Project Totals	Continuum of Care	Resident Opportunity and Supportive Services	Mainstream Vouchers	Section 8 Mod Rehab	State/Local	Business Activities	Component Unit - Blended	Housing Choice Vouchers
EXPENSES (CONTINUED)										
Protective Services:										
95200	Other Contract Costs	\$ 177,063	\$ 2,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,954	\$ 186,591
95300	Protective Services - Other	-	-	-	-	-	-	-	2,101	-
95000	Total Protective Services	177,063	2,811	-	-	-	-	-	613,055	186,591
Insurance Premiums:										
96110	Property Insurance	46,345	-	-	-	-	-	19,014	875,438	-
96120	Liability Insurance	2,765	-	-	-	-	-	4	3,960	-
96130	Workmen's Compensation	1,196	1,659	-	35	121	893	-	56,387	11,441
96140	All Other Insurance	195	-	-	-	-	-	-	110,641	897
96100	Total Insurance Premiums	50,501	1,659	-	35	121	893	19,018	1,046,426	12,338
General Expenses:										
96200	Other General Expenses	156,557	-	-	-	-	-	228,915	1,153,783	-
96210	Compensated Absences	11,714	-	-	95	157	3,345	-	1,862	7,110
96300	Payments In Lieu of Taxes	-	-	-	-	-	-	-	50,202	-
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	215,184	-
96000	Total General Expenses	168,271	-	-	95	157	3,345	228,915	1,421,031	7,110
96710	Interest of Mortgage Payable	-	-	-	-	-	-	-	2,430,360	-
96720	Interest on Notes Payable	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	114,862	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	2,545,222	-
96900	Total Operating Expenses	1,293,086	680,396	438,200	118,676	47,146	257,249	373,771	18,637,174	5,202,174
97000	EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES	935,682	2,515,835	-	4,127,309	388,701	835,030	3,245,742	12,028,228	53,874,152
97200	Casualty Losses - Noncapitalized	-	-	-	-	-	-	-	(14,138)	-
97300	Housing Assistance Payments	-	2,602,641	-	3,886,347	330,178	959,708	-	-	54,113,133
97350	HAP Portability - In	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	39,622	-	-	-	-	-	-	4,748,956	9,230
90000	Total Expenses	1,332,708	3,283,037	438,200	4,005,023	377,324	1,216,957	373,771	23,371,992	59,324,537
Other Financing Sources (Uses):										
10010	Operating Transfer In	-	170,598	-	-	-	60	373,896	395	-
10020	Operating Transfer Out	-	(1,558)	-	-	-	(11,712)	(560,395)	(1,085,890)	-
10093	Transfers Between Program and Project - In	557	-	-	-	-	-	2,075,140	-	-
10094	Transfers Between Project and Program - Out	(2,075,697)	-	-	-	-	-	-	-	-
10100	Total Other Financing Sources (Uses)	(2,075,140)	169,040	-	-	-	(11,652)	1,888,641	(1,085,495)	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (1,179,080)	\$ 82,234	\$ -	\$ 240,962	\$ 58,523	\$ (136,330)	\$ 5,134,383	\$ 6,207,915	\$ (248,211)

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Emergency Housing Vouchers	Choice Neighborhoods Implementation Grants	Emergency Rental Assistance Program	Emergency Shelter Grants Program	COCC	Eliminations	Total Enterprise Fund	Component Unit - Discretely Presented	Total Reporting Entity
EXPENSES (CONTINUED)										
Protective Services:										
95200	Other Contract Costs	\$ -	\$ -	\$ -	\$ -	\$ 95,291	\$ -	\$ 1,072,710	\$ 968,904	\$ 2,041,614
95300	Protective Services - Other	-	-	-	-	-	-	2,101	68,176	70,277
95000	Total Protective Services	-	-	-	-	95,291	-	1,074,811	1,037,080	2,111,891
Insurance Premiums:										
96110	Property Insurance	-	-	-	-	43,074	-	983,871	2,827,003	3,810,874
96120	Liability Insurance	-	-	-	-	30	-	6,759	-	6,759
96130	Workmen's Compensation	-	908	85	21	21,442	-	94,188	53,105	147,293
96140	All Other Insurance	-	-	-	-	76,079	-	187,812	2,787	190,599
96100	Total Insurance Premiums	-	908	85	21	140,625	-	1,272,630	2,882,895	4,155,525
General Expenses:										
96200	Other General Expenses	-	998,539	-	-	-	(850,000)	1,687,794	1,544,524	3,232,318
96210	Compensated Absences	-	-	-	-	641	-	24,924	-	24,924
96300	Payments In Lieu of Taxes	-	-	-	-	-	-	50,202	137,623	187,825
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	215,184	993,629	1,208,813
96000	Total General Expenses	-	998,539	-	-	641	(850,000)	1,978,104	2,675,776	4,653,880
96710	Interest of Mortgage Payable	-	-	-	-	-	-	2,430,360	10,181,373	12,611,733
96720	Interest on Notes Payable	-	-	-	-	-	-	-	505,822	505,822
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	114,862	936,296	1,051,158
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	2,545,222	11,623,491	14,168,713
96900	Total Operating Expenses	130,018	1,901,566	99,688	30,525	8,133,040	(2,435,750)	34,906,959	37,773,972	72,680,931
97000	EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES	937,585	5,675,994	638,446	21,684	(6,025,814)	-	79,198,574	10,875,489	90,074,063
97200	Casualty Losses - Noncapitalized	-	-	-	-	-	-	(14,138)	12,094	(2,044)
97300	Housing Assistance Payments	1,237,944	-	241,991	23,182	-	-	63,395,124	-	63,395,124
97350	HAP Portability - In	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	-	-	-	-	388,828	-	5,186,636	15,813,441	21,000,077
90000	Total Expenses	1,367,962	1,901,566	341,679	53,707	8,521,868	(2,435,750)	103,474,581	53,599,507	157,074,088
Other Financing Sources (Uses):										
10010	Operating Transfer In	-	-	-	1,498	1,283,706	(1,830,153)	-	-	-
10020	Operating Transfer Out	-	-	-	-	(170,598)	1,830,153	-	-	-
10093	Transfers Between Program and Project - In	-	-	-	-	-	(2,075,697)	-	-	-
10094	Transfers Between Project and Program - Out	-	-	-	-	-	2,075,697	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	-	1,498	1,113,108	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (300,359)	\$ 5,675,994	\$ 396,455	\$ -	\$ (5,301,534)	\$ -	\$ 10,630,952	\$ (4,950,046)	\$ 5,680,906

SINGLE AUDIT REPORT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
Fort Worth Housing Solutions
Fort Worth, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Fort Worth Housing Solutions (FWHS) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise FWHS' basic financial statements, and have issued our report thereon dated September 23, 2024. Our report includes a reference to other auditors who audited the financial statements of Cobb Park Townhomes II, LP, Aventine Tarrant Parkway Apartments, LP, Overton Square, LP,, Post Oak East Apartments, LP and Lincoln Terrace, LP (the blended component units) and South Hulen, LP, Samuels Avenue, LP, Trinity Quality Housing LP, Western Hills Affordable Housing, 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, Palladium Fort Worth, Ltd., 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, FW Patriot Pointe, LP, FW Stallion Ridge, LP, FW Cowan Place, LP and Fossil Ridge II, LP (the discretely presented component units) as described in our report on FWHS' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of Cobb Park Townhomes II, LP, Lincoln Terrace, LP, , Samuels Avenue, LP, Trinity Quality Housing, LP, Western Hills Affordable Housing, LP, FW Hunter Plaza, LP, LDG Stallion Pointe, LP, Woodmont Apartments, Ltd, Palladium Fort Worth, Ltd, Western Center Reserve, LLC, FW Alton Park, LP, Amtex Avondale, LP, FW Campus Apartments, LP, FW Patriot Pointe, LP, FW Stallion Ridge, LP, Fossil Ridge II, LP, and Reserve at McAlister Senior Living, LLC (the component units) were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those component units.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

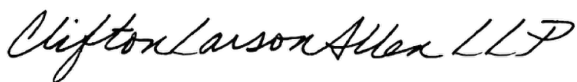
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether FWHS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



CliftonLarsonAllen LLP

Baltimore, Maryland
September 23, 2024



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

Board of Commissioners
Fort Worth Housing Solutions
Fort Worth, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fort Worth Housing Solutions' (FWHS) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of FWHS' major federal programs for the year ended December 31, 2023. FWHS' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, FWHS complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Other Matter – Federal Expenditures Not included in the Compliance Audit

The Authority's basic financial statements include the operations of the discretely presented component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2023. Our audit, described below, did not include the operations of the aggregate discretely presented component units because other auditors were engaged to perform audits of compliance.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 23, 2024

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD)				
Direct Awards:				
Public and Indian Housing	14.850	-	-	\$ 1,561,288
Capital Fund Program	14.872	-	-	4,130
Resident Opportunity and Supportive Services	14.870	-	-	438,200
Continuum of Care	14.267	-	-	3,283,037
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	-	-	377,324
Hope VI Cluster:				
Choice Neighborhoods Implementation Grant	14.889	-	-	7,577,560
Housing Voucher Cluster:				
Mainstream Vouchers	14.879	-	-	4,005,023
Emergency Housing Vouchers	14.871	-	-	1,367,962
Housing Choice Vouchers	14.871	-	-	59,324,537
Section 8 Housing Choice Vouchers Subtotal				<u>60,692,499</u>
Total Housing Voucher Cluster				64,697,522
Passed through from the City of Fort Worth:				
Emergency Solutions Grant	14.231	756000528	-	53,707
Passed Through from the County of Tarrant				
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	<u>1,500,000</u>
Total U.S. Department of Housing and Urban Development (HUD)				79,492,768
U.S. Department of Treasury (DOT)				
Passed through from the City of Fort Worth:				
(COVID-19) Emergency Rental Assistance	21.023	756000528	-	341,679
Passed through from the County of Tarrant:				
(COVID) Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	<u>5,543,773</u>
Total U.S. Department of Treasury (DOT)				<u>5,885,452</u>
Total Expenditures of Federal Awards				<u><u>\$ 85,378,220</u></u>

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2023**

State Grantor/Pass Through Grantor/ State Program	Grant Number	Pass-Through Entity Identifying Number	State Expenditures
Pass-Through from the City of Fort Worth: Homeless Housing and Services Program (HHSP)	63206010006	75-6000528	\$ 335,493
Total Expenditures of State Awards			<u>\$ 335,493</u>

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

FORT WORTH HOUSING SOLUTIONS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Fort Worth Housing Solutions (FWHS) under programs of the federal and state government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Uniform Grant Management Standards (UGMS). Because the schedule presents only a selected portion of the operations of FWHS, it is not intended to and does not present the financial position, changes in net position, or cash flow of FWHS.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and UGMS, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 SUBRECIPIENTS

FWHS provided no federal awards to subrecipients during the fiscal year ended December 31, 2023.

NOTE 4 INDIRECT COST RATE

The Authority has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 5 DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal or state awards of nonmonetary assistance that are required to be disclosed for the fiscal year ended December 31, 2023.

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

Assistance Listing Numbers

14.871/14.879
14.627
21.027

Name of Federal Program or Cluster

Housing Voucher Cluster
Continuum of Care
Coronavirus Local Fiscal Recovery

Dollar threshold used to distinguish between Type A and Type B programs:

\$2,561,345

Auditee qualified as low-risk auditee?

_____ yes x no

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2023 – 001

Federal Agency: US Department of Housing and Urban Development

Federal Program Title: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Award Period: January 1, 2023 through December 31, 2023

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: 2 CFR Subpart D 200.302 (1) and 200.303 (a) stipulates that the auditee must identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal programs and award identification shall include, as applicable, the ALN title and number, Federal award identification number and year, name of Federal agency, and name of the pass-through entity; establish and maintain effective internal control over Federal award that provides reasonable assurance that the auditee is managing Federal awards in compliance with Federal statutes, regulation, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Controller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee on Sponsoring Organizations of the Treadway Commission (COSO).

Condition: The Authority’s schedule of expenditures of federal awards (SEFA) did not include the expenditures related to the Coronavirus State and Local Fiscal Recovery Funds on the SEFA as required by Uniform Guidance for federal program 21.027.

Questioned costs: None

Context: During the review of revenue, this federal grant discovered and determined it was not reported on the SEFA.

Cause: The Agency was not aware of the requirements to include these expenditures on the SEFA.

Effect: The Authority was not in compliance with 2 CFR Subpart D 200.302 (1), 200.303 (a). The Agency’s program expenditures may be disallowed if the expenditures are not reported correctly on the SEFA.

Repeat Finding: No

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Recommendation: We recommend that the Agency review current procedures for creating the SEFA to ensure that it is accurately reporting loan balances and expenditures during the year under audit for all federal programs to ensure compliance with Uniform Guidance.

Views of responsible officials: There is no disagreement with the audit finding.



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