

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024



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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, 2024, 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, 2024, 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, Post Oak East Apartments, LP, Samuels Avenue, LP, Western Hills Affordable Housing, LP and Lincoln Terrace, LP, which represent 14%, (13)%, and 12% respectively, of the assets, net position, and revenues of the business-type activities as of December 31, 2024. 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, 2024.

Those statements of the blended component units mentioned above were audited by other auditors whose reports have been furnished to us. 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. 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, Western Hills Affordable Housing, LP, Trinity Quality 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, The Standard at Boswell Marketplace, 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 are 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 29, 2025, 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 29, 2025

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Fort Worth Housing Solutions (FWHS) is proud to provide this narrative overview and analysis of FWHS' financial activities for the year ended December 31, 2024. 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, 2024 by \$149.1 million (net position). This amount represents an increase of approximately \$11.9 million from the balance at December 31, 2023. 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, 2024 was \$55.0 million representing an decrease of \$2.2 million from December 31, 2023.
- Total assets increased by approximately \$19.7 million. This is due mainly to the inclusion of Samuels Ave, LP and Western Hills Affordable, LP as blended component units in 2024.
- Total operating revenue increased by approximately \$18.1 million. This is mostly due to the income received from the inclusion of Samuels Ave, LP and Western Hills Affordable, LP as blended component units in 2024.

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, 2024**

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.

	2024	2023	Change	
			Amount	Percent
Current Assets	\$ 92,559,760	\$ 101,142,166	\$ (8,582,406)	(8)%
Noncurrent Assets	63,462,207	62,020,750	1,441,457	2
Capital Assets, Net	250,786,865	223,953,739	26,833,126	12
Total Assets	406,808,832	387,116,655	19,692,177	5
Current Liabilities	23,070,885	21,459,483	1,611,402	8
Long-Term Liabilities	92,518,726	93,648,622	(1,129,896)	(1)
Total Liabilities	115,589,611	115,108,105	481,506	0
Deferred Inflows	142,114,932	134,802,315	7,312,617	100
Net Position:				
Net Investment in Capital Assets	146,657,623	123,770,953	22,886,670	18
Restricted Net Position	10,398,967	9,913,958	485,009	5
Unrestricted Net Position	(7,952,301)	3,521,324	(11,473,625)	(326)
Total Net Position	149,104,289	137,206,235	11,898,054	9
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 406,808,832</u>	<u>\$ 387,116,655</u>	<u>\$ 19,692,177</u>	<u>5 %</u>

Total assets of FWHS at December 31, 2024 amounted to \$406.8 million. This amount represents an increase of approximately \$19.7 million from the balance at December 31, 2023. As noted above, this is due to the activity of Samuels Ave, LP and Western Hills Affordable, LP 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 \$115.6 million at December 31, 2024. This balance represents an increase of approximately \$0.5 million from what was reported at the end of 2023.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

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 \$11.9 million during the year ended December 31, 2024.

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, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

	2024	2023	Change	
			Amount	Percent
Operating Revenues				
Net Tenant Rental Revenue	\$ 21,501,778	\$ 18,519,601	\$ 2,982,177	16 %
HUD Operating Grants	86,651,656	70,831,237	15,820,419	22
Other Revenue	16,725,012	16,519,968	205,044	1
Total Operating Revenues	124,878,446	105,870,806	19,007,640	18
Operating Expenses				
Administrative	22,707,143	18,180,943	4,526,200	25
Tenant Services	87,857	237,412	(149,555)	(63)
Utilities	2,411,300	2,208,547	202,753	9
Ordinary Maintenance and Operations	8,329,852	7,409,290	920,562	12
General and Other	5,000,331	4,325,545	674,786	16
Housing Assistance Payments	75,753,886	63,395,124	12,358,762	19
Depreciation	6,694,989	5,186,636	1,508,353	29
Total Operating Expenses	120,985,358	100,943,497	20,041,861	20
Operating Income	3,893,088	4,927,309	(1,034,221)	(2)
Nonoperating Revenues				
HUD Capital Grants	6,963,628	6,674,533	289,095	4
Investment Income	1,659,140	2,016,015	(356,875)	(18)
Gain (Loss) on Sale of Capital Assets	454,140	(455,821)	909,961	(200)
Total Nonoperating Revenues	9,076,908	8,234,727	842,181	(213)
Nonoperating Expenses				
Interest Expense	2,707,616	2,545,222	162,394	6
Casualty Loss	-	(14,138)	14,138	(100)
Total Nonoperating Expenses	2,707,616	2,531,084	176,532	7
Nonoperating Income	6,369,292	5,703,643	665,649	12
Change in Net Position	10,262,380	10,630,952	(368,572)	(3)
Net Position - Beginning, as Previously Reported	137,206,235	126,575,283	10,630,952	8
Change in Reporting Entity (Discretely to Blended)	1,635,675	-	1,635,675	(1)
Net Position - Beginning, as Restated	138,841,910	126,575,283	12,266,627	7
Net Position - Ended	<u>\$ 149,104,289</u>	<u>\$ 137,206,235</u>	<u>\$ 11,898,054</u>	<u>9 %</u>

Fiscal year 2024 resulted in operating income of \$3.9 million, a decrease of \$1.0 million from 2023. Total operating revenues increased by \$19.0 million and total operating expenses increased by \$20.0 million. Operating revenue increased mostly due to the increase in HUD Operating grants of \$15.8 million primarily as a result of the CNI funds utilized for Cowan Place and Hughes House. Total operating expenses increased mostly due to the increase in HAP payments during the year for HCVP because of the increase in units leased.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Total nonoperating revenues increased by \$0.8 million and total nonoperating expenses increased by approximately \$0.2 million. This change is related to increase in capital grants of \$0.3 million and an increase in 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 2024 and 2023. 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.

	2024	2023
Land	\$ 91,075,105	\$ 83,827,413
Buildings	240,083,372	206,200,714
Furniture, Equipment, and Machinery - Dwellings	7,513,794	5,847,897
Furniture, Equipment, and Machinery - Administrative	5,058,712	4,453,338
Leasehold Improvements	15,995,286	16,887,526
Construction in Progress	5,922,409	2,444,403
Total Capital Assets	365,648,678	319,661,291
Less: Accumulated Depreciation	(114,861,813)	(95,707,551)
Net Capital Assets	<u>\$ 250,786,865</u>	<u>\$ 223,953,740</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 2024 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.

	2024	2023	Change
Bonds, Notes, and Loans Payable	<u>\$ 94,017,613</u>	<u>\$ 95,078,457</u>	<u>\$ (1,060,844)</u>

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

ECONOMIC FACTORS

Fort Worth Housing Solutions (FWHS) derives most of its funding from the U.S. Department of Housing and Urban Development (HUD), primarily through capital fund grants, housing assistance payments, administrative fees, and other smaller grants. In 2024, these sources accounted for approximately 71% of FWHS's total operating revenues. Furthermore, most of FWHS's \$251 million in net capital assets as of December 31, 2024, were acquired or developed using funds from HUD and other public sources. These funds typically carry use restrictions, which limit FWHS's ability to leverage debt financing against HUD-supported properties.

Several key economic factors currently impacting FWHS include:

- Federal Funding Stability: Congressional and federal support for housing programs remained stable in 2024. While most HUD programs are expected to receive renewal funding in 2025, allocations will continue to fall short of full eligibility levels. This partial funding affects FWHS's financial position, given its reliance on federal housing dollars. The FY 2025 appropriations bill allocated \$31.9 billion to HAP Renewal Funding, supporting full funding for existing voucher holders, and \$2.8 billion to administrative fees. These figures reflect a robust commitment to sustaining and expanding housing assistance programs.
- Proration of HUD Subsidies: HUD has historically underestimated the subsidy and administrative fee needs of public housing authorities. In 2023, the Operating Fund and Housing Choice Voucher (HCV) administrative fees were prorated at 95% and 85.5%, respectively. Following the passage of the 2024 omnibus appropriations bill, which included a \$13.5 billion increase in HUD funding, the HCV Program is anticipated to be fully funded. For 2025, administrative fees are expected to be prorated at 88.6% (January–March), 91% (April), and 90% (May–October), while Public Housing Subsidies are estimated to be prorated at 98%.
- Local Economic Conditions: The Fort Worth metropolitan area continues to experience strong economic performance, consistent with national trends. Despite a low unemployment rate of 4.2%, rising housing costs have significantly reduced the availability of affordable housing across both single-family and multifamily markets.
- Affordable Housing Demand: The current estimate for affordable housing need in Fort Worth remains at 35,000 units, as originally projected by Interface Studio. In response, FWHS remains committed to collaborating with public and private partners, exploring innovative development strategies, and engaging the private sector to address this critical housing gap.

Looking ahead to FY 2026, FWHS plans to develop additional high-quality affordable housing units throughout the City of Fort Worth with a particular focus on the Stop Six Neighborhood area as part of the Choice Neighborhood Initiative (CNI) funded revitalization; enhance property management and housing operations; expand resident services, including education, job training and health services to residents and implement operational efficiencies to improve service delivery and financial sustainability.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

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, 2024

	Enterprise Fund	Discretely Presented Component Units
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 44,100,446	\$ 7,064,867
Cash and Cash Equivalents - Restricted	10,900,844	18,976,335
Accounts Receivable - HUD	4,867,521	-
Accounts Receivable - Tenants (Net of Allowance)	742,260	1,249,792
Accounts Receivable - Other (Net of Allowance)	29,777,722	511,041
Prepaid Expenses	2,170,967	3,003,481
Total Current Assets	<u>92,559,760</u>	<u>30,805,516</u>
 NONCURRENT ASSETS		
Capital Assets:		
Land	91,075,105	-
Buildings	240,083,372	418,150,458
Furniture, Equipment, and Machinery - Dwelling	7,513,794	14,150,646
Furniture, Equipment, and Machinery - Administration	5,058,712	8,731,952
Leasehold Improvements	15,995,286	3,096,931
Construction in Progress	5,922,409	-
Total	<u>365,648,678</u>	<u>444,129,987</u>
Less: Accumulated Depreciation	<u>(114,861,813)</u>	<u>(123,414,686)</u>
Total Capital Assets	250,786,865	320,715,301
 Notes Receivable - Noncurrent	34,928,169	-
Lease Receivable	25,666,824	-
Other Assets	2,867,214	31,157,980
Total Noncurrent Assets	<u>314,249,072</u>	<u>351,873,281</u>
 Total Assets	<u><u>\$ 406,808,832</u></u>	<u><u>\$ 382,678,797</u></u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2024

	Enterprise Fund	Discretely Presented Component Units
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,896,566	\$ 1,722,086
Accounts Payable - HUD	2,042	-
Accrued Wages and Payroll Taxes Payable	159,481	15,052
Current Portion of Notes and Mortgage Payable	2,020,399	2,004,148
Accrued Compensated Absences - Current	398,959	-
Accrued Interest Payable	1,862,397	3,709,911
Accrued Liabilities - Other	-	-
Tenant Security Deposits	501,877	924,307
Unearned Revenue	5,341,672	325,834
Other Current Liabilities	10,887,492	9,073,412
Total Current Liabilities	<u>23,070,885</u>	<u>17,774,750</u>
LONG-TERM LIABILITIES		
Notes and Mortgage Payable, Net of Current Portion	91,997,214	246,368,318
Accrued Compensated Absences - Noncurrent Portion	49,116	-
Noncurrent Liabilities - Other	472,396	-
Interest Rate Swap	-	13,498,197
Total Long-Term Liabilities	<u>92,518,726</u>	<u>259,866,515</u>
Total Liabilities	115,589,611	277,641,265
DEFERRED INFLOWS OF RESOURCES		
Ground Leases	142,114,932	-
NET POSITION		
Net Investment in Capital Assets	146,657,623	72,342,835
Restricted Net Position:		
Replacement, Escrow, and Operating Reserves	10,398,967	18,052,028
Unrestricted Net Position	(7,952,301)	14,642,669
Total Net Position	<u>149,104,289</u>	<u>105,037,532</u>
Total Liabilities and Net Position	<u>\$ 406,808,832</u>	<u>\$ 382,678,797</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024

	Enterprise Fund	Discretely Presented Component Units
OPERATING REVENUES		
Net Tenant Rental Revenue	\$ 21,501,778	\$ 39,028,700
HUD Operating Grants	86,651,656	-
Other Governmental Grants	3,874,438	-
Other Revenue	12,850,574	9,243,292
Total Operating Revenues	<u>124,878,446</u>	<u>48,271,992</u>
OPERATING EXPENSES		
Administrative	22,707,143	7,946,919
Tenant Services	87,857	37,237
Utilities	2,411,300	3,027,431
Ordinary Maintenance and Operations	8,329,852	8,787,175
Protective Services	1,287,419	1,087,841
General	3,712,912	6,093,760
Housing Assistance Payments	75,753,886	-
Depreciation and Amortization	6,694,989	15,277,525
Total Operating Expenses	<u>120,985,358</u>	<u>42,257,888</u>
OPERATING INCOME	3,893,088	6,014,104
NONOPERATING REVENUES (EXPENSES)		
Investment Income	1,659,140	398,172
Interest Expense	(2,707,616)	(10,986,807)
Loss on Sale of Capital Assets	454,140	-
Capital Grants	6,963,628	-
Total Nonoperating Revenues (Expenses)	<u>6,369,292</u>	<u>(10,588,635)</u>
CHANGE IN NET POSITION	10,262,380	(4,574,531)
Total Net Position - Beginning of Year, as Previously Reported	137,206,234	111,247,738
Changes to Reporting Entity (Discretely to Blended)	1,635,675	(1,635,675)
Total Net Position - Beginning of Year, as Restated	<u>138,841,909</u>	<u>109,612,063</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024**

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Dwelling Rent Receipts	\$ 21,351,747
Operating Subsidy and Grant Receipts	97,593,131
Other Receipts	22,717,094
Payments to Vendors	(16,393,691)
Payments to Employees	(22,797,863)
Housing Assistance Payments	(75,753,886)
Net Cash Provided by Operating Activities	<u>26,716,532</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>1,659,140</u>
Net Cash Provided by Investing Activities	<u>1,659,140</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grant Receipts	6,963,627
Proceeds from Debt	7,841,299
Issuance of Notes Receivable	(164,917)
Casualty Loss	(89,692)
Payments Received on Notes Receivable	-
Proceeds from Sale of Assets	1,103,596
Purchases of Capital Assets	(42,914,867)
Payments on Debt	(2,297,097)
Interest Paid on Debt	(2,707,622)
Net Cash Used by Capital and Related Financing Activities	<u>(32,265,673)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,890,001)
Cash and Cash Equivalents - Beginning of Year	<u>58,891,291</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 55,001,290</u></u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Enterprise Fund
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 3,893,088
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	6,694,989
Provision for Bad Debts	905,670
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable - HUD	7,067,037
Accounts Receivable - Tenants	(1,226,061)
Accounts Receivable - Other	209,829
Prepaid Expenses and Other Assets	(2,586,896)
Lease Receivable	25,930,967
Accounts Payable	915,853
Accrued Wages and Payroll Taxes Payable	(98,821)
Accrued Interest Payable	2,344,075
Accrued Compensated Absences	8,101
Tenant Security Deposits	170,360
Unearned Revenue	163,451
Other Current Liabilities	510,496
Noncurrent Liabilities - Other	432,745
Deferred Inflows - Ground Leases	<u>(18,618,351)</u>
Net Cash Provided by Operating Activities	<u>\$ 26,716,532</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2024**

	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	\$ 1,070,297	\$ -	\$ 703,006	\$ -	\$ 85,439	\$ 804,238	\$ 103,481
Cash and Cash Equivalents - Restricted	2,405,446	-	760,107	-	1,984,860	1,010,970	318,569
Accounts Receivable - Tenants (Net of Allowance)	10,527	-	33,954	-	260,933	22,998	133,152
Accounts Receivable - Other (Net of Allowance)	-	-	2,414	-	11	980	31,191
Prepaid Expenses	225,939	-	107,332	-	167,305	236,431	1,216,333
Total Current Assets	3,712,209	-	1,606,813	-	2,498,548	2,075,617	1,802,726
NONCURRENT ASSETS							
Capital Assets, Net of Accumulated Depreciation	5,918,964	-	7,660,449	-	29,188,985	9,893,145	12,717,938
Other Assets	292,052	-	444,385	-	2,919,548	128,945	889,937
Total Noncurrent Assets	6,211,016	-	8,104,834	-	32,108,533	10,022,090	13,607,875
 Total Assets	 \$ 9,923,225	 \$ -	 \$ 9,711,647	 \$ -	 \$ 34,607,081	 \$ 12,097,707	 \$ 15,410,601

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2024**

	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	\$ 94,059	\$ 405,728	\$ 31,786	\$ 153,156	\$ 196,681	\$ 127,356	\$ 471,461
Cash and Cash Equivalents - Restricted	1,083,633	1,421,767	431,828	536,337	477,785	495,049	809,001
Accounts Receivable - Tenants (Net of Allowance)	55,728	101,222	16,851	32,504	6,033	4,915	-
Accounts Receivable - Other (Net of Allowance)	8,966	-	606	26,084	10,739	10,775	22,507
Prepaid Expenses	37,893	126,459	33,778	10,526	11,097	29,158	28,440
Total Current Assets	1,280,279	2,055,176	514,849	758,607	702,335	667,253	1,331,409
NONCURRENT ASSETS							
Capital Assets, Net of Accumulated Depreciation	19,974,508	24,166,426	16,543,687	7,162,368	7,214,362	8,571,410	8,077,281
Other Assets	4,313,166	1,911,634	2,105,309	326,269	603,001	1,195,549	2,030,085
Total Noncurrent Assets	24,287,674	26,078,060	18,648,996	7,488,637	7,817,363	9,766,959	10,107,366
 Total Assets	 \$ 25,567,953	 \$ 28,133,236	 \$ 19,163,845	 \$ 8,247,244	 \$ 8,519,698	 \$ 10,434,212	 \$ 11,438,775

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2024**

	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	\$ 211,711	\$ 1,724,435	\$ 60,176	\$ 94,990	\$ 557,735	\$ 122,072	\$ 47,060	\$ 7,064,867
Cash and Cash Equivalents - Restricted	707,097	842,405	799,656	1,504,949	1,208,504	1,178,048	1,000,324	18,976,335
Accounts Receivable - Tenants (Net of Allowance)	2,934	30,926	318,004	131,692	44,663	30,006	12,750	1,249,792
Accounts Receivable - Other (Net of Allowance)	-	1,999	21,373	15,930	194,871	19,940	142,655	511,041
Prepaid Expenses	124,843	52,843	123,853	86,335	148,155	89,563	147,198	3,003,481
Total Current Assets	1,046,585	2,652,608	1,323,062	1,833,896	2,153,928	1,439,629	1,349,987	30,805,516
NONCURRENT ASSETS								
Capital Assets, Net of Accumulated Depreciation	16,733,393	15,389,531	33,853,666	30,785,853	12,475,510	35,326,965	19,060,859	320,715,300
Other Assets	1,006,713	3,094,022	2,003,253	3,809,531	1,650,202	1,046,336	1,388,044	31,157,981
Total Noncurrent Assets	17,740,106	18,483,553	35,856,919	34,595,384	14,125,712	36,373,301	20,448,903	351,873,281
Total Assets	<u>\$ 18,786,691</u>	<u>\$ 21,136,161</u>	<u>\$ 37,179,981</u>	<u>\$ 36,429,280</u>	<u>\$ 16,279,640</u>	<u>\$ 37,812,930</u>	<u>\$ 21,798,890</u>	<u>\$ 382,678,797</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2024**

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	\$ 71,846	\$ -	\$ 79,049	\$ -	\$ 195,699	\$ 58,491	\$ 201,202
Accrued Wages and Payroll Taxes Payable	-	-	-	-	-	-	6,394
Current Portion of Notes and Mortgage Payable	147,663	-	163,427	-	442,191	142,904	296,650
Accrued Interest Payable	-	-	-	-	170,027	26,000	923,623
Security Deposits Payable	45,368	-	32,640	-	78,217	45,451	76,400
Unearned Revenue - Current	30,419	-	14,202	-	23,655	6,313	6,099
Other Liabilities	266,817	-	436,408	-	1,303,742	108,458	1,043,594
Total Current Liabilities	562,113	-	725,726	-	2,213,531	387,617	2,553,962
LONG-TERM LIABILITIES							
Notes and Mortgage Payable, Net of Current Portion	7,341,782	-	2,773,486	-	25,156,382	9,958,850	15,888,268
Noncurrent Liabilities - Other	-	-	-	-	-	825,997	1,943,385
Total Long-Term Liabilities	7,341,782	-	2,773,486	-	25,156,382	10,784,847	17,831,653
Total Liabilities	7,903,895	-	3,499,212	-	27,369,913	11,172,464	20,385,615
NET POSITION							
Net Investment in Capital Assets	(1,570,481)	-	4,723,536	-	3,590,412	(208,609)	(3,466,980)
Restricted Net Position	2,360,078	-	727,467	-	1,906,643	965,519	242,169
Unrestricted Net Position	1,229,733	-	761,432	-	1,740,113	168,333	(1,750,203)
Total Net Position	2,019,330	-	6,212,435	-	7,237,168	925,243	(4,975,014)
Total Liabilities and Net Position	\$ 9,923,225	\$ -	\$ 9,711,647	\$ -	\$ 34,607,081	\$ 12,097,707	\$ 15,410,601

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2024**

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	\$ 37,813	\$ 54,699	\$ -	\$ 16,906	\$ 14,168	\$ 40,200	\$ 8,635
Accrued Wages and Payroll Taxes Payable	-	-	-	-	-	-	-
Current Portion of Notes and Mortgage Payable	292,926	260,540	-	-	-	-	-
Accrued Interest Payable	68,095	511,518	55,809	-	-	15,814	17,041
Security Deposits Payable	53,005	55,887	31,204	16,521	16,635	40,291	47,503
Unearned Revenue - Current	11,319	47,168	295	-	-	20,851	33,661
Other Liabilities	45,139	24,165	49,935	64,780	42,019	13,891	32,084
Total Current Liabilities	508,297	953,977	137,243	98,207	72,822	131,047	138,924
LONG-TERM LIABILITIES							
Notes and Mortgage Payable, Net of Current Portion	21,216,626	20,325,526	12,584,084	6,627,897	6,568,670	2,947,181	3,427,427
Noncurrent Liabilities - Other	521,320	946,117	1,404,296	110,000	265,651	-	-
Total Long-Term Liabilities	21,737,946	21,271,643	13,988,380	6,737,897	6,834,321	2,947,181	3,427,427
Total Liabilities	22,246,243	22,225,620	14,125,623	6,836,104	6,907,143	3,078,228	3,566,351
NET POSITION							
Net Investment in Capital Assets	(1,535,044)	3,580,360	3,959,603	534,471	645,692	5,624,229	4,649,854
Restricted Net Position	1,030,628	1,365,880	400,624	519,816	461,150	454,758	761,498
Unrestricted Net Position	3,826,126	961,376	677,995	356,853	505,713	1,276,997	2,461,072
Total Net Position	3,321,710	5,907,616	5,038,222	1,411,140	1,612,555	7,355,984	7,872,424
Total Liabilities and Net Position	\$ 25,567,953	\$ 28,133,236	\$ 19,163,845	\$ 8,247,244	\$ 8,519,698	\$ 10,434,212	\$ 11,438,775

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2024**

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	\$ 19,420	\$ 19,557	\$ 98,880	\$ 176,458	\$ 34,800	\$ 174,520	\$ 419,743	\$ 1,722,086
Accrued Wages and Payroll Taxes Payable	-	2,239	-	-	6,419	-	-	15,052
Current Portion of Notes and Mortgage Payable	-	-	-	-	-	-	257,847	2,004,148
Accrued Interest Payable	28,059	276,184	339,542	178,002	15,068	35,215	1,049,915	3,709,912
Security Deposits Payable	48,387	35,831	69,342	99,225	52,097	49,800	30,503	924,307
Unearned Revenue - Current	6,727	21,459	40,382	25,458	18,285	19,541	-	325,834
Other Liabilities	17,024	53,056	559,109	35,543	210,187	67,245	4,700,216	9,073,412
Total Current Liabilities	119,617	408,326	1,107,255	514,686	336,856	346,321	6,458,224	17,774,751
LONG-TERM LIABILITIES								
Notes and Mortgage Payable, Net of Current Portion	8,666,245	9,416,906	24,030,000	24,419,838	4,742,000	24,781,447	15,495,703	246,368,318
Noncurrent Liabilities - Other	177,731	98,111	4,336,036	2,635,710	-	233,843	-	13,498,197
Total Long-Term Liabilities	8,843,976	9,515,017	28,366,036	27,055,548	4,742,000	25,015,290	15,495,703	259,866,515
Total Liabilities	8,963,593	9,923,343	29,473,291	27,570,234	5,078,856	25,361,611	21,953,927	277,641,266
NET POSITION								
Net Investment in Capital Assets	8,067,148	5,972,625	9,823,666	6,366,015	7,733,510	10,545,518	3,307,309	72,342,834
Restricted Net Position	658,710	806,574	730,314	1,405,724	1,156,407	1,128,248	969,821	18,052,028
Unrestricted Net Position	1,097,240	4,433,619	(2,847,290)	1,087,307	2,310,867	777,553	(4,432,167)	14,642,669
Total Net Position	9,823,098	11,212,818	7,706,690	8,859,046	11,200,784	12,451,319	(155,037)	105,037,531
Total Liabilities and Net Position	\$ 18,786,691	\$ 21,136,161	\$ 37,179,981	\$ 36,429,280	\$ 16,279,640	\$ 37,812,930	\$ 21,798,890	\$ 382,678,797

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, 2024

	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	\$ 2,112,663	\$ -	\$ 1,362,381	\$ -	\$ 3,134,496	\$ 2,469,109	\$ 2,536,015
Other Revenue	28,327	-	175,110	-	-	2,612,094	28,478
Total Operating Revenues	2,140,990	-	1,537,491	-	3,134,496	5,081,203	2,564,493
OPERATING EXPENSES							
Administrative	392,352	-	281,587	-	656,840	440,250	679,960
Tenant Services	-	-	-	-	-	-	21,868
Utilities	176,884	-	120,527	-	243,673	117,199	250,563
Ordinary Maintenance and Operations	576,973	-	653,378	-	294,694	626,866	695,635
Protective Services	67,469	-	82,712	-	202,878	-	240,602
General	397,557	-	136,185	-	703,890	452,540	795,110
Depreciation and Amortization	565,387	-	418,945	-	1,323,031	418,336	920,593
Total Operating Expenses	2,176,622	-	1,693,334	-	3,425,006	2,055,191	3,604,331
OPERATING INCOME (LOSS)	(35,632)	-	(155,843)	-	(290,510)	3,026,012	(1,039,838)
NONOPERATING REVENUES (EXPENSES)							
Interest Income	65,956	-	30,686	-	74,496	17,805	735
Interest Expense	(295,106)	-	(15,129)	-	(928,383)	(505,719)	(492,383)
Other	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(229,150)	-	15,557	-	(853,887)	(487,914)	(491,648)
CHANGE IN NET POSITION	(264,782)	-	(140,286)	-	(1,144,397)	2,538,098	(1,531,486)
Total Net Position - Beginning of Year, as Previously Reported	2,284,112	(370,759)	6,352,721	2,006,427	8,381,565	(1,612,855)	(3,443,528)
Changes to Reporting Entity (Discretely to Blended)	-	370,759	-	(2,006,427)	-	-	-
NET POSITION - END OF YEAR	<u>\$ 2,019,330</u>	<u>\$ -</u>	<u>\$ 6,212,435</u>	<u>\$ -</u>	<u>\$ 7,237,168</u>	<u>\$ 925,243</u>	<u>\$ (4,975,014)</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, 2024

	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	\$ 2,452,678	\$ 2,992,161	\$ 1,947,837	\$ 1,256,343	\$ 1,308,993	\$ 1,417,377	\$ 1,313,895
Other Revenue	11,531	-	7,882	487	2,535	9,854	36,148
Total Operating Revenues	2,464,209	2,992,161	1,955,719	1,256,830	1,311,528	1,427,231	1,350,043
OPERATING EXPENSES							
Administrative	372,431	440,613	370,472	209,587	224,325	241,713	257,484
Tenant Services	-	-	-	-	-	-	-
Utilities	173,287	122,128	154,738	152,439	198,457	101,027	82,322
Ordinary Maintenance and Operations	552,305	550,405	327,067	207,325	148,590	560,648	269,949
Protective Services	-	75,809	-	-	-	40,285	-
General	244,277	293,047	161,625	95,627	57,222	186,294	349,641
Depreciation and Amortization	724,493	998,422	1,454,236	355,614	318,377	684,975	575,217
Total Operating Expenses	2,066,793	2,480,424	2,468,138	1,020,592	946,971	1,814,942	1,534,613
OPERATING INCOME (LOSS)	397,416	511,737	(512,419)	236,238	364,557	(387,711)	(184,570)
NONOPERATING REVENUES (EXPENSES)							
Interest Income	1,622	1,913		100	68	783	6,638
Interest Expense	(921,077)	(1,010,810)	(662,484)	(347,119)	(332,353)	(187,912)	(199,291)
Other	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(919,455)	(1,008,897)	(662,484)	(347,019)	(332,285)	(187,129)	(192,653)
CHANGE IN NET POSITION	(522,039)	(497,160)	(1,174,903)	(110,781)	32,272	(574,840)	(377,223)
Total Net Position - Beginning of Year, as Previously Reported	3,843,749	6,404,776	6,213,125	1,521,921	1,580,283	7,930,824	8,249,647
Changes to Reporting Entity (Discretely to Blended)	-	-	-	-	-	-	-
NET POSITION - END OF YEAR	<u>\$ 3,321,710</u>	<u>\$ 5,907,616</u>	<u>\$ 5,038,222</u>	<u>\$ 1,411,140</u>	<u>\$ 1,612,555</u>	<u>\$ 7,355,984</u>	<u>\$ 7,872,424</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, 2024

	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	\$ 1,844,410	\$ 1,495,735	\$ 2,754,853	\$ 2,970,249	\$ 1,963,163	\$ 2,065,241	\$ 1,631,101	\$ 39,028,700
Other Revenue	1,616	17,612	68,584	87,842	65,717	6,089,475	-	9,243,292
Total Operating Revenues	1,846,026	1,513,347	2,823,437	3,058,091	2,028,880	8,154,716	1,631,101	38,486,175
OPERATING EXPENSES								
Administrative	383,052	293,201	443,371	450,905	665,774	636,840	506,164	7,946,921
Tenant Services	7,800	-	-	-	-	7,569	-	37,237
Utilities	133,112	96,436	164,443	156,464	116,747	248,392	218,593	3,027,431
Ordinary Maintenance and Operations	456,325	459,895	427,753	582,449	496,778	369,131	531,009	8,787,175
Protective Services	-	9,751	166,200	94,059	-	54,846	53,230	1,087,841
General	206,848	280,757	425,210	317,712	210,129	537,794	242,292	6,093,757
Depreciation and Amortization	658,544	576,965	1,200,985	1,125,853	538,957	1,319,939	1,098,656	15,277,525
Total Operating Expenses	1,845,681	1,717,005	2,827,962	2,727,442	2,028,385	3,174,511	2,649,944	42,257,887
OPERATING INCOME (LOSS)	345	(203,658)	(4,525)	330,649	495	4,980,205	(1,018,843)	6,014,105
NONOPERATING REVENUES (EXPENSES)								
Interest Income	12,094	84,393	29,710	60,317	2,666	8,190	-	398,172
Interest Expense	(333,551)	(348,316)	(1,123,407)	(1,245,063)	(177,896)	(1,356,427)	(504,381)	(10,986,807)
Other	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(321,457)	(263,923)	(1,093,697)	(1,184,746)	(175,230)	(1,348,237)	(504,381)	(10,588,635)
CHANGE IN NET POSITION	(321,112)	(467,581)	(1,098,222)	(854,097)	(174,735)	3,631,968	(1,523,224)	(4,574,530)
Total Net Position - Beginning of Year, as Previously Reported	10,144,212	11,680,399	8,804,912	9,713,143	11,375,519	8,819,351	1,368,187	111,247,731
Changes to Reporting Entity (Discretely to Blended)	-	-	-	-	-	-	-	(1,635,668)
NET POSITION - END OF YEAR	<u>\$ 9,823,100</u>	<u>\$ 11,212,818</u>	<u>\$ 7,706,690</u>	<u>\$ 8,859,046</u>	<u>\$ 11,200,784</u>	<u>\$ 12,451,319</u>	<u>\$ (155,037)</u>	<u>\$ 105,037,532</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 its 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, 2024**

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, 2024**

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, 2024, 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, 2024**

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, 2024, 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, 2024, 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, 2024, 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, 2024, 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, 2024, 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, 2024**

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, 2024, 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, 2024, 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, 2024, 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, 2024 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, 2024**

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, 2024, 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, 2024 the BRPFC Board composition was identical to that of FWHS.

Samuels Avenue, L.P.

Samuels Avenue, L.P. is a Texas limited partnership formed in August 2005 to construct, develop and operate a 36-unit multi-family apartment complex, known as The Pavilion at Samuels Avenue, constructed on land FWHS purchased in 2004. Tax credit and construction loan financed construction was completed in 2007. The general partner is Pioneers of Samuels, LLC (a blended component unit) and owns .009%.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

Western Hills Affordable Housing, L.P. (WHAH)

Western Hills Affordable Housing, L.P. is a Texas limited partnership formed on September 22, 2004 and consists of a 330-unit multi-family apartment complex known as Cambridge Courts Apartments. Renovation was completed in 2007. During 2006, third-party tax credit equity was received for 99.9% of the equity. The general partner is Western Hills Affordable Housing General Partner LLC (a blended component unit) and owns .009%. Cambridge has 33 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.

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.

Discretely Presented Component Units

FWHS has a controlling minority interest in these real estate limited partnerships as of December 31, 2024. 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, 2024. 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. 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.
3. 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%.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

4. 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.
5. 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%.
6. Woodmont – Owned by Woodmont Apartments, LTD and consists of 252-unit apartment. FWHS is the general partner of this entity and owns .01%.
7. 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.
8. 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.
9. 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.
10. 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%.
11. 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%.
12. 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%.
13. 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.
14. 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.
15. 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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

16. 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.
17. 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.
18. 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.
19. 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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

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

Inventories

Inventories are recorded at 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, 2024, there were no permanent impairments experienced by FWHS that required material adjustments to the Statement of Net Position.

Infrastructure Assets

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

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

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

Developer Fees Receivable

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

Collection Losses

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

Insurance

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of FWHS. Settlement amounts have not exceeded insurance coverage for the current year or the 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. 101, *Accrued 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 leave benefits in varying amounts to specified maximums depending on tenure with FWHS. Employees also earn annual sick leave at established rates. Vacation pay is recorded as an expense and related liability in the year earned by employees.

Income Taxes

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

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Expenses

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

Operating Revenues and Operating Expenses

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

Net Position

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

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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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.

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, 2024, the carrying amount of FWHS' cash and cash equivalents was \$55,001,290 and bank balances were \$55,708,800. Of the bank balance, \$459,946 was not collateralized at December 31, 2024. 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	\$ 44,100,446
Cash and Cash Equivalents - Restricted	10,900,844
Total Cash and Cash Equivalents	<u>\$ 55,001,290</u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash for the enterprise fund as of December 31, 2024 consisted of the following:

Tenant Security Deposits	\$ 535,140
Escrows and Reserves	2,642,347
Restricted for Payment of Current Liabilities	7,250,961
HAP Vouchers	472,396
Total	<u><u>\$ 10,900,844</u></u>

Restricted cash for the discretely presented component units as of December 31, 2024 consisted of the following:

Tenant Security Deposits	\$ 835,581
Escrows and Reserves	8,964,384
Restricted for Payment of Current Liabilities	9,176,370
Total	<u><u>\$ 18,976,335</u></u>

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2024 consisted of the following:

Accounts Receivable - HUD	\$ 4,867,521
Tenants (Net of Allowance \$84,830)	742,260
Developer Fees Receivable	7,256,510
HCVP Landlord Overpayments (Net of Allowance \$499,688)	1,395,949
Related Party Transactions	16,003,036
State and Local Grants	-
Accrued Interest Receivable (Net of Allowance \$587,211)	3,767,480
Miscellaneous	1,354,747
Total	<u><u>\$ 35,387,503</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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 OTHER ASSETS

Prepaid expenses and other assets for discretely presented component units at December 31, 2024 were made up of the following:

Prepaid Ground Leases	\$ 3,003,481
Debt Issuance Costs	6,696,865
Other Costs and Fees	24,461,115
Total	<u>\$ 34,161,461</u>

NOTE 6 NOTES RECEIVABLE

Notes receivable of the enterprise fund consists of the following:

<u>Description</u>	<u>Amount</u>
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.	\$ 669,919
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.	750,000
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.	2,652,094
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.	803,876

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 1,750,000
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.	2,830,000
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.	2,000,000
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.	1,000,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 1,916,451
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.	3,146,950
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.	5,239,057
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.	1,416,612

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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 CDBG eligible 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.	\$ 250,000
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.	5,423,532
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.	1,250,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 225,000
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.	500,000
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.	360,000

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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.	\$ 750,000
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.	11,384,658
On August 1, 2024, FWAI entered into a promissory note with Baber Manor for \$971,659 which requires all unpaid principal and interest to accrue at 4.79% be due at maturity at September 2066.	971,659
Less: Elimination for Consolidated Entities	<u>(10,361,639)</u>
Total Notes and Capital Lease Receivable	34,928,169
Less: Current Maturities	<u>-</u>
Long-Term	<u>\$ 34,928,169</u>
Accrued Interest Receivable	\$ 4,354,691
Allowance for Accrued Interest Receivable	<u>(587,211)</u>
Total Accrued Interest Receivable	<u><u>\$ 3,767,480</u></u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 CAPITAL ASSETS

The following is a summary of changes in capital assets of the enterprise fund during the year ended December 31, 2024:

	Balance December 31, 2023	Additions	Deletions	Adjustment/ Reclass	Balance December 31, 2024
Nondepreciable:					
Land	\$ 83,827,412	\$ 7,488,596	\$ (240,903)	\$ -	\$ 91,075,105
Construction in Progress	2,444,404	32,581,966	(11,840)	(29,092,121)	5,922,409
Depreciable:					
Buildings and Improvements	206,200,714	2,150,090	(326,066)	32,058,634	240,083,372
Furniture, Equipment, and Machinery	10,301,235	694,215	(11,349)	1,588,405	12,572,506
Leasehold Improvements	16,887,526	-	(892,231)	-	15,995,286
Total	319,661,291	42,914,867	(1,482,389)	4,554,918	365,648,678
Accumulated Depreciation:					
Buildings and Improvements	(93,540,567)	(6,694,989)	911,450	(13,370,723)	(112,694,829)
Furniture, Equipment, and Machinery	(2,166,984)	-	-	-	(2,166,984)
Total	(95,707,551)	(6,694,989)	911,450	(13,370,723)	(114,861,813)
Total Capital Assets, Net	<u>\$ 223,953,740</u>	<u>\$ 36,219,878</u>	<u>\$ (570,939)</u>	<u>\$ (8,815,805)</u>	<u>\$ 250,786,865</u>

The following is a summary of changes in capital assets of the discretely presented component units during the year ended December 31, 2024:

	Balance December 31, 2023	2024 Activity	Balance December 31, 2024
Nondepreciable:			
Land	\$ -	\$ -	\$ -
Construction in Progress	-	-	-
Depreciable:			
Buildings and Improvements	441,441,057	(20,193,668)	421,247,389
Furniture, Equipment, and Machinery	23,652,956	(770,358)	22,882,598
Total	465,094,013	(20,964,026)	444,129,987
Less: Accumulated Depreciation	(122,117,528)	(1,297,158)	(123,414,686)
Total Capital Assets, Net	<u>\$ 342,976,485</u>	<u>\$ (22,261,184)</u>	<u>\$ 320,715,301</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 OTHER LIABILITIES

For the year ended December 31, 2024, 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, 2024:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024	Within One Year
Family Self-Sufficiency Escrow	\$ 442,717	\$ 435,470	\$ (405,791)	\$ 472,396	\$ -
Compensated Absences	439,974	97,354	(89,253)	448,075	398,959
Total	<u>\$ 882,691</u>	<u>\$ 532,824</u>	<u>\$ (495,044)</u>	<u>\$ 920,471</u>	<u>\$ 398,959</u>

NOTE 9 MORTGAGES AND NOTES PAYABLE

Mortgages and notes payable of the enterprise fund consists of the following at December 31, 2024:

<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.	\$ 4,012,286
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.	2,854,342
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%.	9,234,638

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 8,209,814
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.	12,812,126
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.	7,541,970
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.	2,652,094

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 803,876
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.	1,360,746
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.	863,751
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.	19,118,261

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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.	23,814,587
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
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.	1,195,092
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>(10,111,639)</u>
Total	94,017,613
Less: Current Portion	<u>(2,020,399)</u>
Total Primary Government Note Payable - Noncurrent	<u><u>\$ 91,997,214</u></u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Mortgages and notes payable of the discretely presented component units consist of the following at December 31, 2024:

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 7,489,445
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.	1,800,000
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%.	9,373,550
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.	2,936,909

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 23,475,700
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.	12,305,669
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.	1,683,131
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

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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
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.	9,451,308
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.	18,362,602

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	18,669,615
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.	8,422,582
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.	1,000,000
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.	8,666,245

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 12,274,634
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.	6,627,897

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 6,422,092
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.	3,427,427
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.	2,947,181

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 22,735,000
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.	4,742,000
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.	669,919
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.	669,919

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ 750,000
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.	750,000
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.	856,190
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.	15,366,022

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	\$ -
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.	-
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.	8,926,655

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
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.	<u>\$ 23,080,000</u>
Total	248,372,465
Less: Current Portion	<u>(2,004,148)</u>
Total Discretely Presented Component Units - Debt - Noncurrent	<u><u>\$ 246,368,317</u></u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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
2025	\$ 217,962	\$ -	\$ 217,962
2026	217,962	-	217,962
2027	217,962	-	217,962
2028	217,962	-	217,962
2029	217,962	-	217,962
2030-2034	1,089,808	-	1,089,808
2035-2039	1,089,808	-	1,089,808
2040-2043	742,860	-	742,860
Total	<u>\$ 4,012,286</u>	<u>\$ -</u>	<u>\$ 4,012,286</u>
Fort Worth Affordability 2	Principal	Interest	Total
2025	\$ 158,330	\$ -	\$ 158,330
2026	158,330	-	158,330
2027	158,330	-	158,330
2028	158,330	-	158,330
2029	158,330	-	158,330
2030-2034	791,651	-	791,651
2035-2039	791,651	-	791,651
2040-2042	479,391	-	479,391
Total	<u>\$ 2,854,343</u>	<u>\$ -</u>	<u>\$ 2,854,343</u>
FW Casa de Esperanza, LP	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030-2034	-	-	-
2035-2039	-	-	-
2040	9,234,638	-	9,234,638
Total	<u>\$ 9,234,638</u>	<u>\$ -</u>	<u>\$ 9,234,638</u>
Eastwood Public Facility Corporation	Principal	Interest	Total
2025	\$ 152,605	\$ 282,036	\$ 434,641
2026	157,985	276,655	434,640
2027	163,556	271,085	434,641
2028	169,322	265,319	434,641
2029	175,292	259,349	434,641
2030-2034	973,639	1,199,564	2,173,203
2035-2039	1,157,815	1,015,388	2,173,203
2040-2044	1,376,831	796,372	2,173,203
2045-2049	1,637,276	535,927	2,173,203
2050-2054	1,946,988	226,215	2,173,203
2055	298,505	3,734	302,239
Total	<u>\$ 8,209,814</u>	<u>\$ 5,131,644</u>	<u>\$ 13,341,458</u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Overton Square, L.P.	Principal	Interest	Total
2025	\$ 264,819	\$ 386,426	\$ 651,245
2026	273,010	378,235	651,245
2027	281,454	369,791	651,245
2028	290,160	361,086	651,246
2029	299,134	352,111	651,245
2030-2034	1,640,313	1,615,914	3,256,227
2035-2039	1,910,172	1,346,055	3,256,227
2040-2044	2,224,428	1,031,799	3,256,227
2045-2049	2,590,385	665,842	3,256,227
2050-2054	3,038,251	239,680	3,277,931
Total	<u>\$ 12,812,126</u>	<u>\$ 6,746,940</u>	<u>\$ 19,559,065</u>
Hillside Partners	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
2026	\$ 7,541,970	\$ 124,219	7,666,189
2027	-	-	-
2028	-	-	-
2029	-	-	-
Total	<u>\$ 7,541,970</u>	<u>\$ 124,219</u>	<u>\$ 7,666,189</u>
Lincoln Terrace, LP	Principal	Interest	Total
2025	\$ 40,948	\$ 79,100	\$ 120,048
2026	43,511	76,537	120,048
2027	46,165	73,883	120,048
2028	49,044	71,004	120,048
2029	52,069	67,979	120,048
Thereafter	1,129,009	279,124	1,408,133
Total	<u>\$ 1,360,746</u>	<u>\$ 647,627</u>	<u>\$ 2,008,373</u>
Lincoln Terrace, LP	Principal	Interest	Total
2025	\$ 197,371	\$ -	\$ 197,371
2026	197,371	-	197,371
2027	197,371	-	197,371
2028	197,371	-	197,371
2029	74,267	-	74,267
Total	<u>\$ 863,751</u>	<u>\$ -</u>	<u>\$ 863,751</u>
Aventine Tarrant Parkway Apts, LP	Principal	Interest	Total
2025	\$ 415,924	\$ 643,580	\$ 1,059,504
2026	430,288	629,216	1,059,504
2027	445,147	614,357	1,059,504
2028	460,521	598,983	1,059,504
2029	476,425	583,079	1,059,504
2030-2034	2,640,585	2,656,935	5,297,520
2035-2039	3,129,145	2,168,375	5,297,520
2040-2044	3,708,100	1,589,420	5,297,520
2045-2049	4,394,172	903,348	5,297,520
2050-2052	3,017,954	160,818	3,178,772
Total	<u>\$ 19,118,261</u>	<u>\$ 10,548,111</u>	<u>\$ 29,666,372</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Post Oak East Apartments, LP	Principal	Interest	Total
2025	\$ 524,826	\$ 537,510	\$ 1,062,336
2026	536,918	525,418	1,062,336
2027	549,289	513,048	1,062,336
2028	561,944	500,392	1,062,336
2029	574,891	487,445	1,062,336
2030-2034	3,079,346	2,232,336	5,311,682
2035-2039	3,450,810	1,860,872	5,311,682
2040-2044	3,867,085	1,444,598	5,311,682
2045-2049	4,333,575	978,108	5,311,682
2050-2054	4,856,338	455,345	5,311,682
2055-2057	1,479,566	25,428	1,504,994
Total	<u>\$ 23,814,587</u>	<u>\$ 9,560,502</u>	<u>\$ 33,375,089</u>

Samuels Avenue, LP	Principal	Interest	Total
2025	\$ 47,612	\$ -	\$ 47,612
2026	51,049	-	51,049
2027	1,096,431	-	1,096,431
Total	<u>\$ 1,195,092</u>	<u>\$ -</u>	<u>\$ 1,195,092</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
Knights of Pythias	6/12/2012	250,000

Total - Enterprise Fund	Principal	Interest	Total
2025	\$ 2,020,399	\$ 1,928,652	\$ 3,949,052
2026	9,608,394	2,010,281	11,618,675
2027	3,155,705	1,842,164	4,997,869
2028	3,604,654	1,796,784	5,401,438
2029	2,028,370	1,961,108	3,989,479
2030-2034	10,215,342	7,704,750	17,920,091
2035-2039	11,529,401	6,390,690	17,920,091
2040-2044	21,633,332	4,862,189	26,495,521
2045-2049	12,955,408	3,083,225	16,038,633
2050-2054	12,859,531	1,082,058	13,941,588
2055-2058	1,778,069	29,162	1,807,231
2063	2,629,009	-	2,629,009
Total	<u>\$ 94,017,613</u>	<u>\$ 32,691,063</u>	<u>\$ 126,708,677</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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	\$ 4,213,018	\$ -	\$ (200,732)	\$ -	\$ 4,012,286	\$ 217,962	\$ 3,794,324	\$ 4,012,286
TDHCA FWAI 2	3,034,662	-	(180,320)	-	2,854,342	158,335	2,696,007	2,854,342
Eastwood Public Facility Corp	8,356,798	-	(146,983)	-	8,209,815	152,605	8,057,210	8,209,815
New 172 Hillside Partners, LLC	7,780,014	-	(238,044)	-	7,541,970	-	7,541,970	7,541,970
Overton Square, LP 4	13,068,348	-	(256,222)	-	12,812,126	264,819	12,547,307	12,812,126
Aventine Tarrant Pkwy Apts, LP	19,520,306	-	(402,045)	-	19,118,261	415,924	18,702,337	19,118,261
Cobb Park Townhomes, LP Lease*	2,674,982	-	(22,888)	-	2,652,094	59,628	2,592,466	2,652,094
Cobb Park Townhomes, LP Note*	762,725	41,151	-	-	803,876	158,333	645,543	803,876
Lincoln Terrace, LP Mortgage	1,399,349	-	(38,603)	-	1,360,746	44,407	1,316,339	1,360,746
Lincoln Terrace, LP Exchange Grant	1,390,074	-	(526,323)	-	863,751	-	863,751	863,751
Hillside PFC (Knights of Pythias)*	1,416,612	-	-	-	1,416,612	241,521	1,175,091	1,416,612
FW Casa De Esperanza, LP	9,238,325	-	(3,687)	-	9,234,638	-	9,234,638	9,234,638
Post Oak East	24,327,574	-	(513,007)	-	23,814,567	524,826	23,289,741	23,814,567
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
Samuels Avenue	-	1,195,092	-	-	1,195,092	-	1,195,092	1,195,092
Western / Cambridge	-	5,239,057	-	-	5,239,057	-	5,239,057	5,239,057
Elimination	(5,104,320)	(5,239,057)	231,757	-	(10,111,620)	(217,961)	(9,893,659)	(10,111,620)
Total	<u>\$ 95,078,467</u>	<u>\$ 1,236,243</u>	<u>\$ (2,297,097)</u>	<u>\$ -</u>	<u>\$ 94,017,613</u>	<u>\$ 2,020,399</u>	<u>\$ 91,997,214</u>	<u>\$ 94,017,613</u>

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

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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	Refinancing/ Adjustment	Ending Debt	Current Portion	Long-Term Portion
Western Hills Affordable Housing, L.P.	\$ 5,239,057	\$ -	\$ -	\$ (5,239,057)	\$ -	\$ -	\$ -
Samuels Avenue, L.P. - Pacific Life	1,239,499	-	-	(1,239,499)	-	-	-
Samuels Avenue, L.P. - City of Fort Worth	126,500	-	-	(126,500)	-	-	-
South Hulen, L.P. - Greystone	7,631,469	-	(142,024)	-	7,489,445	147,663	7,341,782
Wind River Apartments	3,099,521	-	(162,612)	-	2,936,909	163,427	2,773,482
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	9,623,215	-	(249,665)	-	9,373,550	257,847	9,115,703
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.	24,024,251	-	(548,551)	-	23,475,700	442,191	23,033,509
LDG Stallion Pointe, L.P. - Trinity River PFC	2,000,000	-	-	-	2,000,000	-	2,000,000
Woodmont - TDHCA Bonds	12,586,907	-	(281,238)	-	12,305,669	296,650	12,009,019
Woodmont - TDHCA TCAP	1,750,620	-	(67,489)	-	1,683,131	-	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	336,927	-	-	856,190	-	856,190
Hometowne at MR LP - Dwight Capital	9,589,201	-	(137,893)	-	9,451,308	142,904	9,308,404
Hometowne at MR LP - City of Fort Worth	650,000	-	-	-	650,000	-	650,000
FW Alton Park, LP - Citibank 1	18,642,801	-	(280,200)	-	18,362,601	292,926	18,069,675
FW Alton Park, LP - Trinity River PFC	3,146,951	-	-	-	3,146,951	-	3,146,951
FW Campus Apartments, LP	18,917,301	-	(247,686)	-	18,669,615	260,540	18,409,075
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	-	(14,418)	-	8,422,582	-	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	8,795,052	-	(128,806)	-	8,666,246	-	8,666,246
Palladium Fort Worth, Ltd - Bridge Loan	12,418,854	-	(144,220)	-	12,274,634	-	12,274,634
FW Steele Prince Hall, LLC - Trinity River PFC	6,726,452	-	(98,554)	-	6,627,898	-	6,627,898
FW Steele Sabine Place, LLC - Trinity River PFC	6,520,802	-	(98,710)	-	6,422,092	-	6,422,092
Reserve at McAlister Senior Living, LLC	3,495,611	-	(68,184)	-	3,427,427	-	3,427,427
Western Center Reserve, LLC	3,012,181	-	(65,000)	-	2,947,181	-	2,947,181
FW Stallion Ridge, LP - Subordinate Loans	1,500,000	-	-	-	1,500,000	-	1,500,000
FW Stallion Ridge, LP - Bonds	22,925,000	-	(190,000)	-	22,735,000	-	22,735,000
FW Patriot Pointe, LP - Notes	1,339,838	-	-	-	1,339,838	-	1,339,838
FW Patriot Pointe, LP - Bonds	23,290,000	-	(210,000)	-	23,080,000	-	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	912,906	(220,767)	-	15,366,022	-	15,366,022
FW Cowan Place, LP - Bond Loan	20,000,000	-	(20,000,000)	-	-	-	-
FW Cowan Place, LP - Bridge Loan	6,419,029	-	(6,419,029)	-	-	-	-
FW Cowan Place, LP - FWHS Loans	8,926,655	-	-	-	8,926,655	-	8,926,655
Total	<u>\$ 283,502,735</u>	<u>\$ 1,249,833</u>	<u>\$ (29,775,046)</u>	<u>\$ (6,605,056)</u>	<u>\$ 248,372,466</u>	<u>\$ 2,004,148</u>	<u>\$ 246,368,318</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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:

	South Hulen/ Candletree Apts	Trinity/WR Apartments	Hunter Plaza	Stallion Pointe	Woodmont Apts, Ltd	Hometowne at Matador Ranch LP	FW Alton Park, LP
<u>Year Ending December 31,</u>							
2025	\$ 147,663	\$ 163,427	\$ 257,847	\$ 442,191	\$ 296,650	\$ 142,904	\$ 292,926
2026	153,526	164,246	268,353	459,345	312,906	148,578	306,231
2027	159,621	165,069	279,286	477,164	330,054	154,477	320,139
2028	165,959	165,896	289,702	495,675	348,141	160,610	334,680
2029	172,549	166,728	302,467	514,904	367,219	166,987	349,881
Thereafter	6,690,127	2,111,543	14,355,895	23,086,421	15,387,391	9,327,752	19,905,695
Total Mortgage Payable	<u>\$ 7,489,445</u>	<u>\$ 2,936,909</u>	<u>\$ 15,753,550</u>	<u>\$ 25,475,700</u>	<u>\$ 17,042,361</u>	<u>\$ 10,101,308</u>	<u>\$ 21,509,552</u>

	FW Campus Apartments, LP	Standard at Boswell Marketplace, LP	Amtex Avondale, LP	Fossil Ridge II, LP	Palladium Fort Worth, Ltd	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC
<u>Year Ending December 31,</u>							
2025	\$ 260,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	274,060	87,177	139,974	43,643	162,477	109,310	109,351
2027	288,283	90,248	145,405	89,736	171,391	115,120	115,095
2028	303,243	93,428	150,162	93,104	178,999	121,239	121,140
2029	318,980	96,719	156,871	96,598	190,616	127,683	127,503
Thereafter	19,140,960	9,055,010	8,073,834	4,418,919	11,571,151	6,154,546	5,949,003
Total Mortgage Payable	<u>\$ 20,586,066</u>	<u>\$ 9,422,582</u>	<u>\$ 8,666,246</u>	<u>\$ 4,742,000</u>	<u>\$ 12,274,634</u>	<u>\$ 6,627,898</u>	<u>\$ 6,422,092</u>

	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>						
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,004,148
2026	76,625	73,705	210,000	235,000	233,234	3,567,741
2027	81,230	78,484	225,000	245,000	239,730	3,770,532
2028	86,112	83,574	230,000	255,000	246,406	3,923,070
2029	91,286	88,994	245,000	270,000	253,268	4,104,253
Thereafter	3,092,174	2,622,424	23,325,000	23,414,838	23,320,039	231,002,722
Total Mortgage Payable	<u>\$ 3,427,427</u>	<u>\$ 2,947,181</u>	<u>\$ 24,235,000</u>	<u>\$ 24,419,838</u>	<u>\$ 24,292,677</u>	<u>\$ 248,372,466</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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, 2024 were \$1,578,518 for FWHS' Low-Rent Public Housing Program.

Housing Choice Voucher Program Annual Contributions Contracts provide 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, 2024 were as follows:

Rental Vouchers	\$ 69,741,020
Moderate Rehabilitation	436,619
Mainstream	5,756,288
Total	<u><u>\$ 75,933,927</u></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, 2024, 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, 2024**

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, 2024. 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, 2024 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, 2024 was \$40,431,488, 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, 2024**

NOTE 13 RELATED PARTY TRANSACTIONS (CONTINUED)

The following table reflects those entities that do not meet the criteria of a component unit of FWHS:

Project	Date Formed	FWHS Interest	Percentage Ownership
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 \$142,114,932. As of December 31, 2024, \$142,114,932 remains deferred and reported as deferred inflows in the statement of net position. Total rent of \$1,186,951 was earned for the year ended December 31, 2024.

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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>
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	-	142,800.00	142,800.00
2029	-	145,656.00	145,656.00
2030-2034	-	773,159.66	773,159.66
2035-2039	-	853,630.73	853,630.73
2040-2044	-	942,477.33	942,477.33
2045-2049	-	1,040,571.12	1,040,571.12
2050-2054	-	1,148,874.60	1,148,874.60
2055-2059	46,117.13	1,222,333.25	1,268,450.37
2060-2064	562,868.77	837,602.95	1,400,471.72
2065-2069	730,547.28	815,686.66	1,546,233.94
2070-2074	919,363.21	787,804.00	1,707,167.21
2075-2079	1,131,641.05	753,209.50	1,884,850.55
2080-2084	1,369,951.42	711,075.88	2,081,027.30
2085-2089	1,637,136.87	660,485.43	2,297,622.30
2090-2094	1,936,340.26	600,420.41	2,536,760.67
2095-2099	2,271,036.24	529,752.52	2,800,788.76
2100-2104	2,645,065.90	447,231.20	3,092,297.10
2105-2109	3,062,675.08	351,470.79	3,414,145.87
2110-2114	3,528,556.64	240,936.28	3,769,492.91
2115-2119	4,047,897.21	113,927.56	4,161,824.76
2120-2121	1,777,627.03	5,964.41	1,783,591.44
Total	<u>\$ 25,666,824.08</u>	<u>\$ 13,125,070.28</u>	<u>\$ 38,791,894.36</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, 2024, there were no liabilities to be reported.

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 or covered by applicable insurance, 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 NO-COMMITMENT DEBT OBLIGATIONS

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 no-commitment 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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 16 NO-COMMITMENT 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.

NOTE 17 CHANGES TO OR WITHIN FINANCIAL REPORTING ENTITY

Change in Component Unit Presentation

Samuels Ave, LP and Western Hills, LP were previously reported as discretely presented component units of FWHS. However, FWHS acquired majority ownership of these components in 2024. Therefore, because FWHS now holds majority ownership, and has control over Samuels and Western Hills, the requirements for presentation as a discretely presented component unit have been changed to blended component units for the fiscal year ended December 31, 2024. The effects of that change to or within the financial reporting entity are shown in the table below.

Net Position December 31, 2023, as Previously Stated	\$ 137,206,234
Transfer of Samuels Ave, LP and Western Hills Affordable, LP	<u>1,635,675</u>
Net Position January 1, 2024, as Restated	<u><u>\$ 138,841,909</u></u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 18 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

Condensed combining information for FWHS' blended component units is of and for the year ended December 31, 2024 and is provided as follows:

	Gateway Public Facility Corporation	Fort Worth Affordability, Inc.	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Cobb Park Townhomes II, LP	Post Oak East Apartments, LP	Aventine Tarrant Parkway Apartments, LP
ASSETS								
Cash	\$ 2,296,142	\$ 2,053,313	\$ -	\$ -	\$ 191,724	\$ 77,335	\$ 1,307,495	\$ 2,412,483
Restricted Cash	-	-	-	-	20,569	733,987	1,149,577	1,513,794
Interprogram Assets	10,785,105	2,922,515	-	-	-	-	-	-
Other - Current Assets	136	7,816,227	-	60,000	174,838	214,998	232,949	257,177
Noncurrent Assets	-	11,361,640	-	-	-	134,818	549,256	413,554
Capital Assets, Net	-	1,979,047	-	-	3,318,469	6,277,044	8,318,427	9,177,031
Total Assets	13,081,383	26,132,742	-	60,000	3,705,600	7,438,182	11,557,704	13,774,039
LIABILITIES								
Current Liabilities	-	3,024,745	-	61,000	815,952	1,828,128	1,719,402	998,095
Noncurrent Liabilities	-	5,044,325	-	-	2,854,342	3,079,676	23,289,741	18,702,332
Total Liabilities	-	8,069,070	-	61,000	3,670,294	4,907,804	25,009,143	19,700,427
DEFERRED OUTFLOWS								
Ground Leases	-	-	-	-	-	-	-	-
NET POSITION								
Net Investment in								
Capital Assets	-	(3,065,278)	-	-	464,127	3,039,035	(14,971,314)	(9,525,301)
Restricted	-	-	-	-	20,569	733,987	1,149,577	1,513,794
Unrestricted	13,081,383	21,128,950	-	(1,000)	(449,390)	(1,242,644)	370,298	2,085,119
Total Net Position	13,081,383	18,063,672	-	(1,000)	35,306	2,530,378	(13,451,439)	(5,926,388)
Total Liabilities and Net Position	<u>\$ 13,081,383</u>	<u>\$ 26,132,742</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 3,705,600</u>	<u>\$ 7,438,182</u>	<u>\$ 11,557,704</u>	<u>\$ 13,774,039</u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 18 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	Western Hills Affordable Housing, LP	Samuels Avenue, LP	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Eastwood Public Facility Corporation	Overton Square, L.P.
ASSETS										
Cash	\$ 217,954	\$ 2,870,383	\$ 96	\$ -	\$ 82,592	\$ 8,989	\$ 9,713	\$ 26,533	\$ 327,416	\$ 1,730,536
Restricted Cash	5,654	347,728	-	-	1,562,542	190,065	132,328	61,664	2,029,431	1,476,055
Interprogram Assets	-	100,000	190,939	-	-	-	162,500	-	-	-
Other - Current Assets	32,933	107,674	10,157,176	-	477,155	30,681	94,131	171,182	85,328	127,891
Noncurrent Assets	-	(39,392)	13,068,320	-	(6,526)	162,953	-	-	116,789	365,294
Capital Assets, Net	2,465,369	9,955,950	-	-	6,496,750	1,505,411	1,323,729	1,342,758	2,943,747	6,356,383
Total Assets	2,721,910	13,342,343	23,416,531	-	8,612,513	1,898,099	1,722,401	1,602,137	5,502,711	10,056,159
LIABILITIES										
Current Liabilities	911,978	752,160	3,608,015	-	2,256,346	640,025	2,458,825	2,436,633	332,712	686,733
Noncurrent Liabilities	1,416,612	7,300,451	-	-	5,239,057	1,150,685	-	-	8,057,209	12,547,307
Total Liabilities	2,328,590	8,052,611	3,608,015	-	7,495,403	1,790,710	2,458,825	2,436,633	8,389,921	13,234,040
DEFERRED OUTFLOWS										
Ground Leases	-	-	-	-	-	-	-	-	-	-
NET POSITION										
Net Investment in										
Capital Assets	1,048,757	2,413,980	-	-	1,257,693	354,726	1,323,729	1,342,758	(5,266,067)	(6,190,924)
Restricted	5,654	347,728	-	-	1,562,542	-	132,328	61,664	2,029,431	1,476,055
Unrestricted	(661,091)	2,528,024	19,808,516	-	(1,703,125)	(247,337)	(2,192,481)	(2,238,918)	349,426	1,536,988
Total Net Position	393,320	5,289,732	19,808,516	-	1,117,110	107,389	(736,424)	(834,496)	(2,887,210)	(3,177,881)
Total Liabilities and Net Position	<u>\$ 2,721,910</u>	<u>\$ 13,342,343</u>	<u>\$ 23,416,531</u>	<u>\$ -</u>	<u>\$ 8,612,513</u>	<u>\$ 1,898,099</u>	<u>\$ 1,722,401</u>	<u>\$ 1,602,137</u>	<u>\$ 5,502,711</u>	<u>\$ 10,056,159</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 18 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	\$ 50,194	\$ -	\$ -	\$ 29,887	\$ 20,957	\$ 46,026	\$ 377,625	\$ 1,139,456	\$ 15,276,849
Restricted Cash	-	-	-	635,986	-	13,518	-	-	9,872,898
Interprogram Assets	2,716,403	-	1,333,688	-	-	-	754,976	2,248,938	21,215,064
Other - Current Assets	-	586,517	5,181	74,732	516,739	85,617	-	220,892	21,530,154
Noncurrent Assets	-	-	-	107,033	1,061,238	-	25,916,824	-	53,211,801
Capital Assets, Net	-	5,879,976	86,961,105	5,311,870	7,861,720	15,259,308	2,684,418	-	185,418,512
Total Assets	2,766,597	6,466,493	88,299,974	6,159,508	9,460,654	15,404,469	29,733,843	3,609,286	306,525,278
LIABILITIES									
Current Liabilities	-	2,433,574	-	4,632,445	1,759,954	2,966,128	-	18,495	34,341,345
Noncurrent Liabilities	-	-	-	2,224,517	9,234,638	1,500,000	250,000	-	101,890,892
Total Liabilities	-	2,433,574	-	6,856,962	10,994,592	4,466,128	250,000	18,495	136,232,237
DEFERRED OUTFLOWS									
Ground Leases	-	1,007,765	90,841,671	-	-	-	26,146,102	-	117,995,538
NET POSITION									
Net Investment in Capital Assets	-	5,858,246	84,826,754	3,087,353	(1,372,918)	13,759,308	2,079,285	-	80,463,949
Restricted	-	-	-	635,986	-	13,518	-	-	9,682,833
Unrestricted	2,766,597	(2,833,092)	(87,368,451)	(4,420,793)	(161,020)	(2,834,485)	1,258,456	3,590,791	(37,849,279)
Total Net Position	2,766,597	3,025,154	(2,541,697)	(697,454)	(1,533,938)	10,938,341	3,337,741	3,590,791	52,297,503
Total Liabilities and Net Position	<u>\$ 2,766,597</u>	<u>\$ 6,466,493</u>	<u>\$ 88,299,974</u>	<u>\$ 6,159,508</u>	<u>\$ 9,460,654</u>	<u>\$ 15,404,469</u>	<u>\$ 29,733,843</u>	<u>\$ 3,609,286</u>	<u>\$ 306,525,278</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 18 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Gateway Public Facility Corporation	Fort Worth Affordability, Inc.						Aventine Tarrant Parkway Apartments, LP
		Fort Worth Affordability, Inc.	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Cobb Park Townhomes II, LP	Post Oak East Apartments, LP	
OPERATING REVENUES								
Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ 1,017,174	\$ 1,485,090	\$ 2,984,693	\$ 3,177,065
Other Revenues	49,215	1,735,283	1,396	-	363,063	33,805	71,627	108,275
Total Operating Revenues	49,215	1,735,283	1,396	-	1,380,237	1,518,895	3,056,320	3,285,340
OPERATING EXPENSES								
Administrative	-	8,661	-	-	304,516	469,696	457,244	462,307
Tenant Services	-	-	-	-	646	-	-	-
Utilities	-	-	-	-	104,309	278,507	296,139	249,770
Ordinary Maintenance and Operations	-	-	-	-	777,740	662,100	1,035,333	628,902
Protective Services	-	-	-	-	50,766	79,054	84,737	83,066
General Expenses	56	9,555	-	-	266,227	317,411	1,166,471	1,007,299
Depreciation	-	-	-	-	155,986	108,864	395,608	434,308
Total Operating Expenses	56	18,216	-	-	1,660,190	1,915,632	3,435,532	2,865,652
OPERATING INCOME (LOSS)	49,159	1,717,067	1,396	-	(279,953)	(396,737)	(379,212)	419,688
Total Nonoperating Revenues (Expenses)	-	-	-	-	(35,767)	-	-	-
INCOME (LOSS) BEFORE TRANSFERS	49,159	1,717,067	1,396	-	(315,720)	(396,737)	(379,212)	419,688
Operating Transfers	-	-	(1,304,466)	-	-	-	-	-
CHANGE IN NET POSITION	49,159	1,717,067	(1,303,070)	-	(315,720)	(396,737)	(379,212)	419,688
Total Net Position - Beginning of Year, as Previously Reported	13,032,224	16,346,605	1,303,070	(1,000)	351,026	2,927,115	(13,072,227)	(6,346,076)
Changes to Reporting Entity (Discretely to Blended)	-	-	-	-	-	-	-	-
Total Net Position - Beginning of Year, as Restated	13,032,224	16,346,605	1,303,070	(1,000)	351,026	2,927,115	(13,072,227)	(6,346,076)
TOTAL NET POSITION - END OF YEAR	<u>\$ 13,081,383</u>	<u>\$ 18,063,672</u>	<u>\$ -</u>	<u>\$ (1,000)</u>	<u>\$ 35,306</u>	<u>\$ 2,530,378</u>	<u>\$ (13,451,439)</u>	<u>\$ (5,926,388)</u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 18 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	Western Hills Affordable Housing, LP	Samuels Avenue, LP	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Eastwood Public Facility Corporation	Overton Square, L.P.
OPERATING REVENUES										
Tenant Revenue	\$ 250,383	\$ 2,431,164	-	\$ -	2,077,817	384,824	\$ 634,681	\$ 556,945	\$ 1,631,188	\$ 2,550,007
Other Revenues	46,373	303,545	472,458	-	124,936	651,537	149,639	476,642	96,335	140,274
Total Operating Revenues	296,756	2,734,709	472,458	-	2,202,753	1,036,361	784,320	1,033,587	1,727,523	2,690,281
OPERATING EXPENSES										
Administrative	23,978	602,227	204,004	-	397,593	56,200	765,092	534,356	574,792	480,937
Tenant Services	325	2,341	-	-	-	-	3,388	679	-	2,270
Utilities	16,948	150,413	81	-	288,791	52,604	153,056	134,893	97,387	179,515
Ordinary Maintenance and Operations	32,798	801,163	-	-	877,147	71,461	499,915	355,969	446,360	603,753
Protective Services	-	-	-	-	165,739	-	37,796	47	1,800	-
General Expenses	60,940	453,707	299	-	744,021	235,532	40,538	69,159	394,429	603,370
Depreciation	588	256,082	-	-	618,779	142,416	149,732	82,925	495,481	396,089
Total Operating Expenses	135,577	2,265,933	204,384	-	3,092,070	558,213	1,649,517	1,178,028	2,010,249	2,265,934
OPERATING INCOME (LOSS)	161,179	468,776	268,074	-	(889,317)	478,148	(865,197)	(144,441)	(282,726)	424,347
Total Nonoperating Revenues (Expenses)	-	-	-	-	-	-	-	-	287	(16,974)
INCOME (LOSS) BEFORE TRANSFERS	161,179	468,776	268,074	-	(889,317)	478,148	(865,197)	(144,441)	(282,439)	407,373
Operating Transfers	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	161,179	468,776	268,074	-	(889,317)	478,148	(865,197)	(144,441)	(282,439)	407,373
Total Net Position - Beginning of Year, as Previously Reported	232,141	4,820,956	19,540,442	-	-	-	128,773	(690,055)	(2,604,771)	(3,585,254)
Changes to Reporting Entity (Discretely to Blended)	-	-	-	-	2,006,427	(370,759)	-	-	-	-
Total Net Position - Beginning of Year, as Restated	232,141	4,820,956	19,540,442	-	2,006,427	(370,759)	128,773	(690,055)	(2,604,771)	(3,585,254)
TOTAL NET POSITION - END OF YEAR	<u>\$ 393,320</u>	<u>\$ 5,289,732</u>	<u>\$ 19,808,516</u>	<u>\$ -</u>	<u>\$ 1,117,110</u>	<u>\$ 107,389</u>	<u>\$ (736,424)</u>	<u>\$ (834,496)</u>	<u>\$ (2,887,210)</u>	<u>\$ (3,177,881)</u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 18 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	\$ -	\$ -	\$ -	\$ 727,383	\$ 1,502,653	\$ 9,993	\$ -	\$ -	\$ 21,421,060
Other Revenues	89,119	475,871	2,469,351	197,371	359,280	3,504,728	386,475	1,963,803	14,270,401
Total Operating Revenues	89,119	475,871	2,469,351	924,754	1,861,933	3,514,721	386,475	1,963,803	35,691,461
OPERATING EXPENSES									
Administrative	70,745	24,081	9,420	202,001	1,567,674	527,106	-	81,526	7,824,156
Tenant Services	-	-	-	1,665	-	-	-	-	11,314
Utilities	-	191	-	94,655	84,500	35,179	-	-	2,216,938
Ordinary Maintenance and Operations	-	185,084	-	238,997	524,398	22,053	-	-	7,763,173
Protective Services	-	-	-	79,559	233,608	21,280	-	-	837,452
General Expenses	-	-	-	168,853	145,608	5,665	-	200	5,689,340
Depreciation	-	-	1,642,882	281,675	320,278	-	-	-	5,481,693
Total Operating Expenses	70,745	209,356	1,652,302	1,067,405	2,876,066	611,283	-	81,726	29,824,066
OPERATING INCOME (LOSS)	18,374	266,515	817,049	(142,651)	(1,014,133)	2,903,438	386,475	1,882,077	5,867,395
Total Nonoperating Revenues (Expenses)	-	-	-	-	-	-	-	-	(52,454)
INCOME (LOSS) BEFORE TRANSFERS	18,374	266,515	817,049	(142,651)	(1,014,133)	2,903,438	386,475	1,882,077	5,814,941
Operating Transfers	-	-	-	-	-	1,189,200	-	-	(115,266)
CHANGE IN NET POSITION	18,374	266,515	817,049	(142,651)	(1,014,133)	4,092,638	386,475	1,882,077	5,699,675
Total Net Position - Beginning of Year, as Previously Reported	2,748,223	2,758,639	(3,358,746)	(554,803)	(519,805)	6,845,703	2,951,266	1,708,714	44,962,160
Changes to Reporting Entity (Discretely to Blended)	-	-	-	-	-	-	-	-	1,635,668
Total Net Position - Beginning of Year, as Restated	2,748,223	2,758,639	(3,358,746)	(554,803)	(519,805)	6,845,703	2,951,266	1,708,714	46,597,828
TOTAL NET POSITION - END OF YEAR	<u>\$ 2,766,597</u>	<u>\$ 3,025,154</u>	<u>\$ (2,541,697)</u>	<u>\$ (697,454)</u>	<u>\$ (1,533,938)</u>	<u>\$ 10,938,341</u>	<u>\$ 3,337,741</u>	<u>\$ 3,590,791</u>	<u>\$ 52,297,503</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 18 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Gateway Public Facility Corporation	Fort Worth Affordability, Inc.						Aventine Tarrant Parkway Apartments, LP
		Fort Worth Affordability, Inc.	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Cobb Park Townhomes II, LP	Post Oak East Apartments, LP	
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ (1,055,336)	\$ 446,910	\$ (409,070)	\$ -	\$ 150,274	\$ (61,877)	\$ 370,358	\$ 847,062
Capital and Related Financing Activities	-	(418,693)	-	-	(180,321)	18,263	(161,769)	(402,045)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,055,336)	28,217	(409,070)	-	(30,047)	(43,614)	208,589	445,017
Cash and Cash Equivalents - Beginning of Year	3,351,478	2,025,096	409,070	-	242,340	854,936	2,248,483	3,481,260
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,296,142	\$ 2,053,313	\$ -	\$ -	\$ 212,293	\$ 811,322	\$ 2,457,072	\$ 3,926,277

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 18 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	Western Hills Affordable Housing, LP	Samuels Avenue, LP	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	\$ 21,716	\$ 916,903	\$ 12,255,388	\$ -	\$ 104,688	202,353	\$ 13,634	\$ (722)	\$ 84,363	\$ 520,381
Capital and Related Financing Activities	-	(1,173,468)	(13,068,320)	-	22,245	(165,625)	-	42,235	(146,983)	59,054
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,716	(256,565)	(812,932)	-	126,933	36,728	13,634	41,513	(62,620)	579,435
Cash and Cash Equivalents - Beginning of Year	201,892	3,474,676	813,028	-	-	-	128,407	46,684	2,419,467	2,627,156
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 223,608</u>	<u>\$ 3,218,111</u>	<u>\$ 96</u>	<u>\$ -</u>	<u>\$ 126,933</u>	<u>\$ 36,728</u>	<u>\$ 142,041</u>	<u>\$ 88,197</u>	<u>\$ 2,356,847</u>	<u>\$ 3,206,591</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 18 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	\$ (2,715,321)	\$ (154,335)	\$ -	\$ 271,349	\$ (484,425)	\$ 8,093,463	\$ 377,625	\$ 119,613	\$ 19,914,994
Capital and Related Financing Activities	-	154,335	-	(283,231)	265,944	(9,233,918)	-	-	(24,672,297)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,715,321)	-	-	(11,882)	(218,481)	(1,140,455)	377,625	119,613	(4,757,303)
Cash and Cash Equivalents - Beginning of Year	2,765,515	-	-	677,755	239,438	1,200,000	-	1,019,843	28,226,524
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 50,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 665,873</u>	<u>\$ 20,957</u>	<u>\$ 59,545</u>	<u>\$ 377,625</u>	<u>\$ 1,139,456</u>	<u>\$ 23,469,221</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 19 SUBSEQUENT EVENTS

In preparing the financial statements, FWHS has evaluated events and transactions for potential recognition or disclosure through September 29, 2025, 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 million Grant.

Construction of Hughes House Phase I was completed in May 2025, with open-house events conducted to begin lease-up. Phases II and III are underway, with Phase III (totaling 78 units, including 54 low-income and 24 market-rate) scheduled to commence construction in October 2025 and reach completion by December 2026.

In January 2025, the Board approved a Memorandum of Understanding (MOU) with Stone Hawk for development of The Quinn, now referred to as The Dutton, a 118-unit multifamily community featuring one- and two-bedroom apartments with deeper affordability and acceptance of housing vouchers. The property is located off I-35 in the Northside area of Fort Worth, across from Mercado Juarez. Huntley PFC will hold the ground lease, Wind Terrace, Inc. will serve as general partner, and FWAI will be an affiliate of both entities. Financing is being provided by Southside Bank. The development anticipates annual cash flow of approximately \$125,000, with closing targeted within 90 days of approval.

Also in January 2025, the Board approved an MOU with Urban Genesis for development of The COOP on Collier Street, a five-story workforce housing community comprised entirely of one-bedroom units. The project is located on two sides of 10th Street between Texas Street and 7th Street, with Collier and Ballinger Streets forming the other borders, just west of the FWHS Auxiliary parking lot. The COOP will accept vouchers and offer deeper affordability for households earning up to 60% of Area Median Income. With its proximity to downtown Fort Worth, the project is expected to lease quickly upon completion.

In March 2025, S&P Global Ratings assigned an 'A+' issuer credit rating (ICR) to Fort Worth Housing Solutions (FWHS). This rating reflects the Authority's strong financial management, prudent fiscal policies, and robust operational performance. The 'A+' rating enhances FWHS's ability to access capital markets at favorable terms, facilitating the financing of affordable housing projects and related initiatives. The rating also underscores FWHS's commitment to maintaining financial stability and transparency in its operations. The agency intends to leverage this strong credit position and its integrated systems to further its initiatives in affordable housing, including developing new properties, acquiring full ownership interests from current development partners, and rehabilitating legacy properties as needed.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 19 SUBSEQUENT EVENTS (CONTINUED)

In March 2025, the Board approved a five-year enterprise software agreement with Yardi Systems totaling \$2.198 million, payable in installments over the contract term. The Yardi platform will provide an integrated property management, accounting, compliance, and resident services solution across the Authority's portfolio. This system is expected to enhance operational efficiency by consolidating multiple legacy systems, improving real-time reporting and analytics, streamlining leasing and rent collection processes, and strengthening compliance monitoring for HUD and other funding requirements.

In April 2025, the Board approved acquisition of The Standard at River District, a 293-unit mixed-income residential development located at 5200 White Settlement Road, Fort Worth, Texas. To finance this transaction, of Residential Development Revenue Bonds (River District Project), the Agency issued \$73.3 million of Series 2025 bonds, with proceeds designated for acquisition and capital improvements. The bonds have been assigned an "A+" credit rating by S&P Global. The acquisition and financing closed after year-end.

In August 2025, the Authority approved the acquisition of Chaparral Homes, a large-scale residential community purchased for approximately \$78.5 million. The acquisition was financed through the issuance of Series 2025 long-term tax-exempt and taxable revenue bonds on September 23, 2025. Chaparral Homes will be preserved as an affordable housing community, with planned capital improvements to enhance unit quality and energy efficiency. The property will remain under affordability restrictions for the term of the financing, ensuring continued access to quality housing for low- and moderate-income households.

SUPPLEMENTARY INFORMATION

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2024**

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	\$ 11,929,488	\$ 4,076	\$ -	\$ 529,905	\$ 237,569	\$ -	\$ 4,893,643	\$ 15,276,850	\$ 1,372,615
113	Other Restricted	-	-	-	-	-	-	-	2,642,347	472,396
114	Tenant Security Deposits	3,413	-	-	-	-	-	-	531,727	-
115	Cash - Restricted for Current Liabilities	-	-	-	-	-	-	-	6,698,826	552,135
100	Total Cash	11,932,901	4,076	-	529,905	237,569	-	4,893,643	25,149,750	2,397,146
Accounts and Notes Receivable:										
122	Hud Other Projects	-	159,531	64,273	838,100	13,518	-	-	-	-
124	Other Government	-	-	-	-	-	-	-	-	-
125	Miscellaneous	150,000	76,497	-	-	825	24,022	5,800,095	16,311,519	1,895,637
126	Tenants	30,116	-	-	-	-	-	-	796,974	-
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	(84,830)	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	(447,845)	-	(499,688)
127	Notes, Loans, and Mortgages Receivable - Current	-	-	-	-	-	-	-	217,961	-
129	Accrued Interest Receivable	-	-	-	-	-	-	863,855	2,574,287	-
120	Total Accounts and Notes Receivable	180,116	236,028	64,273	838,100	14,343	24,022	6,216,105	19,815,911	1,395,949
142	Prepaid Expenses and Other Assets	56,517	1,203	-	-	-	-	43,101	1,714,243	1,976
144	Interprogram - Due From	2,221,677	-	-	-	7,587	529,710	15,313,168	21,215,062	-
150	Total Current Assets	14,391,211	241,307	64,273	1,368,005	259,499	553,732	26,466,017	67,894,966	3,795,071
NONCURRENT ASSETS										
Capital Assets:										
161	Land	4,001,105	-	-	-	-	-	41,168,607	45,886,009	-
162	Buildings	24,545,080	-	-	-	-	-	7,086,558	193,141,689	-
163	Furniture, Equipment and Mach - Dwellings	33,826	-	-	-	-	-	-	7,434,193	16,361
164	Furniture, Equipment and Mach - Admin.	641,308	3,000	-	-	-	-	255	2,336,547	533,999
165	Leasehold Improvements	-	-	-	-	-	-	-	15,995,286	-
166	Accumulated Depreciation	(21,061,952)	(3,000)	-	-	-	-	(786,078)	(79,514,256)	(460,270)
167	Construction In Progress	-	-	-	-	-	-	1,834,173	139,044	-
160	Total Capital Assets, Net of Accumulated Depreciation	8,159,367	-	-	-	-	-	49,303,515	185,418,512	90,090
171	Notes, Loans and Mortgages Receivable - Noncurrent	-	-	-	-	-	-	2,830,000	24,679,959	-
174	Other Assets	-	-	-	2,187	-	-	-	28,531,841	-
180	Total Noncurrent Assets	8,159,367	-	-	2,187	-	-	52,133,515	238,630,312	90,090
290	Total Assets	\$ 22,550,578	\$ 241,307	\$ 64,273	\$ 1,370,192	\$ 259,499	\$ 553,732	\$ 78,599,532	\$ 306,525,278	\$ 3,885,161

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2024**

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	\$ 392,269	\$ -	\$ -	\$ -	\$ 9,464,031	\$ -	\$ 44,100,446	\$ 7,064,867	\$ 51,165,313
113	Other Restricted	-	-	-	-	-	-	3,114,743	8,964,384	12,079,127
114	Tenant Security Deposits	-	-	-	-	-	-	535,140	835,581	1,370,721
115	Cash - Restricted for Current Liabilities	-	-	-	-	-	-	7,250,961	9,176,370	16,427,331
100	Total Cash	<u>392,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,464,031</u>	<u>-</u>	<u>55,001,290</u>	<u>26,041,202</u>	<u>81,042,492</u>
Accounts and Notes Receivable:										
122	Hud Other Projects	-	3,792,099	-	-	-	-	4,867,521	-	4,867,521
124	Other Government	-	-	-	-	-	-	-	-	-
125	Miscellaneous	98,347	-	-	-	2,152,988	-	26,509,930	511,041	27,020,971
126	Tenants	-	-	-	-	-	-	827,090	1,398,846	2,225,936
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	(84,830)	(149,054)	(233,884)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	(139,366)	-	(1,086,899)	-	(1,086,899)
127	Notes, Loans, and Mortgages Receivable - Current	-	-	-	-	-	(217,961)	-	-	-
129	Accrued Interest Receivable	-	916,549	-	-	-	-	4,354,691	-	4,354,691
120	Total Accounts and Notes Receivable	<u>98,347</u>	<u>4,708,648</u>	<u>-</u>	<u>-</u>	<u>2,013,622</u>	<u>(217,961)</u>	<u>35,387,503</u>	<u>1,760,833</u>	<u>37,148,336</u>
142	Prepaid Expenses and Other Assets	-	-	-	-	353,928	-	2,170,968	3,003,481	5,174,449
144	Interprogram - Due From	-	-	-	-	1,144,284	(40,431,488)	-	-	-
150	Total Current Assets	<u>490,616</u>	<u>4,708,648</u>	<u>-</u>	<u>-</u>	<u>12,975,865</u>	<u>(40,649,449)</u>	<u>92,559,761</u>	<u>30,805,516</u>	<u>123,365,277</u>
NONCURRENT ASSETS										
Capital Assets:										
161	Land	-	-	-	-	19,384	-	91,075,105	-	91,075,105
162	Buildings	-	-	-	-	15,310,045	-	240,083,372	418,150,458	658,233,830
163	Furniture, Equipment and Mach - Dwellings	-	-	-	-	29,414	-	7,513,794	14,150,646	21,664,440
164	Furniture, Equipment and Mach - Admin.	-	-	-	-	1,543,603	-	5,058,712	8,731,952	13,790,664
165	Leasehold Improvements	-	-	-	-	10	-	15,995,296	3,096,931	19,092,227
166	Accumulated Depreciation	-	-	-	-	(13,036,257)	-	(114,861,813)	(123,414,686)	(238,276,499)
167	Construction In Progress	-	3,949,192	-	-	-	-	5,922,409	-	5,922,409
160	Total Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>3,949,192</u>	<u>-</u>	<u>-</u>	<u>3,866,199</u>	<u>-</u>	<u>250,786,875</u>	<u>320,715,301</u>	<u>571,502,176</u>
171	Notes, Loans and Mortgages Receivable - Noncurrent	-	17,561,888	-	-	-	(10,143,678)	34,928,169	-	34,928,169
174	Other Assets	-	-	-	-	-	-	28,534,028	31,157,980	59,692,008
180	Total Noncurrent Assets	<u>-</u>	<u>21,511,080</u>	<u>-</u>	<u>-</u>	<u>3,866,199</u>	<u>(10,143,678)</u>	<u>314,249,072</u>	<u>351,873,281</u>	<u>666,122,353</u>
290	Total Assets	<u>\$ 490,616</u>	<u>\$ 26,219,728</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,842,064</u>	<u>\$ (50,793,127)</u>	<u>\$ 406,808,833</u>	<u>\$ 382,678,797</u>	<u>\$ 789,487,630</u>

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2024**

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	\$ 37,322	\$ 953	\$ -	\$ 286,887	\$ -	\$ 98	\$ 5,672	\$ 1,089,069	\$ 319,163
313	Accounts Payable >90 Days	-	-	-	-	-	-	-	-	138,902
321	Accrued Wage/Payroll Taxes Payable	17,311	29,466	15,038	692	1,254	3,544	-	6,597	-
322	Accrued Compensated Absences - Current Portion	18,607	-	-	604	1,155	-	-	3,633	106,241
325	Accrued Interest Payable	-	-	-	-	-	-	-	945,848	-
331	Accounts Payable - Hud	-	-	-	-	2,042	-	-	-	-
341	Tenant Security Deposits	3,413	-	-	-	-	-	-	498,464	-
342	Deferred Revenues	1,924	-	-	-	-	500,000	-	4,740,173	-
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	2,238,360	-
345	Other Current Liabilities	53,511	9,599	-	14,831	-	158	1,232,529	8,331,176	329,417
346	Other Liabilities	-	-	-	-	-	-	-	-	-
347	Interprogram (Due To)	607,039	209,558	49,775	203,773	-	33,209	10,019	16,488,025	2,114,051
310	Total Current Liabilities	739,127	249,576	64,813	506,787	4,451	537,009	1,248,220	34,341,345	3,007,774
NONCURRENT LIABILITIES										
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	101,890,892	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	472,396
354	Accrued Compensated Absences - Noncurrent	2,238	-	-	26	-	-	-	-	6,447
350	Total Noncurrent Liabilities	2,238	-	-	26	-	-	-	101,890,892	478,843
300	Total Liabilities	741,365	249,576	64,813	506,813	4,451	537,009	1,248,220	136,232,237	3,486,617
400	DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	24,119,393	117,995,539	-
NET POSITION										
508.4	Net Investment In Capital Assets	8,159,367	-	-	-	-	-	49,303,515	81,289,260	90,090
511.4	Restricted Net Position	-	-	-	-	-	-	-	9,374,436	552,135
512.4	Unrestricted Net Position	13,649,846	(8,269)	(540)	863,379	255,048	16,723	3,928,404	(38,366,194)	(243,681)
513	Total Net Position	21,809,213	(8,269)	(540)	863,379	255,048	16,723	53,231,919	52,297,502	398,544
600	Total Liabilities, Deferred Inflow of Resources, and Net Position	<u>\$ 22,550,578</u>	<u>\$ 241,307</u>	<u>\$ 64,273</u>	<u>\$ 1,370,192</u>	<u>\$ 259,499</u>	<u>\$ 553,732</u>	<u>\$ 78,599,532</u>	<u>\$ 306,525,278</u>	<u>\$ 3,885,161</u>

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2024**

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	\$ -	\$ -	\$ -	\$ -	\$ 18,500	\$ -	\$ 1,757,664	\$ 1,722,086	\$ 3,479,750
313	Accounts Payable >90 Days	-	-	-	-	-	-	138,902	-	138,902
321	Accrued Wage/Payroll Taxes Payable	3,067	11,227	-	-	71,285	-	159,481	15,052	174,533
322	Accrued Compensated Absences - Current Portion	-	-	-	-	268,719	-	398,959	-	398,959
325	Accrued Interest Payable	-	916,549	-	-	-	-	1,862,397	3,709,911	5,572,308
331	Accounts Payable - Hud	-	-	-	-	-	-	2,042	-	2,042
341	Tenant Security Deposits	-	-	-	-	-	-	501,877	924,307	1,426,184
342	Deferred Revenues	99,575	-	-	-	-	-	5,341,672	325,834	5,667,506
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	(217,961)	2,020,399	2,004,148	4,024,547
345	Other Current Liabilities	-	171,233	-	-	995,038	(250,000)	10,887,492	9,073,412	19,960,904
346	Other Liabilities	-	-	-	-	-	-	-	-	-
347	Interprogram (Due To)	7,101	4,819,403	-	-	15,889,535	(40,431,488)	-	-	-
310	Total Current Liabilities	109,743	5,918,412	-	-	17,243,077	(40,899,449)	23,070,885	17,774,750	40,845,635
NONCURRENT LIABILITIES										
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	(9,893,678)	91,997,214	246,368,318	338,365,532
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	472,396	13,498,197	13,970,593
354	Accrued Compensated Absences - Noncurrent	-	-	-	-	40,405	-	49,116	-	49,116
350	Total Noncurrent Liabilities	-	-	-	-	40,405	(9,893,678)	92,518,726	259,866,515	352,385,241
300	Total Liabilities	109,743	5,918,412	-	-	17,283,482	(50,793,127)	115,589,611	277,641,265	393,230,876
400	DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	142,114,932	-	142,114,932
NET POSITION										
508.4	Net Investment In Capital Assets	-	3,949,192	-	-	3,866,199	-	146,657,623	72,342,835	219,000,458
511.4	Restricted Net Position	-	-	-	-	-	-	9,926,571	18,052,028	27,978,599
512.4	Unrestricted Net Position	380,873	16,352,124	-	-	(4,307,617)	-	(7,479,904)	14,642,669	7,162,765
513	Total Net Position	380,873	20,301,316	-	-	(441,418)	-	149,104,290	105,037,532	254,141,822
600	Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 490,616	\$ 26,219,728	\$ -	\$ -	\$ 16,842,064	\$ (50,793,127)	\$ 406,808,833	\$ 382,678,797	\$ 789,487,630

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2024**

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	\$ 80,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,323,522	\$ -
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	1,097,538	-
70500	Total Tenant Revenue	80,718	-	-	-	-	-	-	21,421,060	-
70600	HUD PHA Operating Grants	3,922,478	3,764,724	460,110	5,756,288	436,619	-	-	-	69,741,020
70610	Capital Grants	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-
70800	Other Governmental Grants	-	-	-	-	-	1,418,210	-	2,456,228	-
71100	Investment Income - Unrestricted	429,911	-	-	-	-	-	224,915	953,247	238
71400	Fraud Recovery	-	-	-	140	-	-	-	-	97,860
71500	Other Revenue	67,962	-	-	-	-	10,000	1,681,807	10,402,967	25,745
71600	Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	454,140	-
72000	Investment Income - Restricted	-	-	-	-	-	-	-	3,818	-
70000	Total Revenue	4,501,069	3,764,724	460,110	5,756,428	436,619	1,428,210	1,906,722	35,691,460	69,864,863
EXPENSES										
Administrative:										
91100	Administrative Salaries	349,729	503,448	353,220	12,100	23,103	152,949	-	1,563,304	2,384,205
91200	Auditing Fees	5,084	6,999	-	8,348	857	-	13,429	335,955	27,819
91300	Management Fee	156,903	-	-	82,882	13,300	4,688	-	92,102	1,012,605
91310	Bookkeeping Fee	-	-	-	37,645	4,650	-	-	-	450,193
91400	Advertising And Marketing	-	-	-	-	-	-	-	65,360	-
91500	Employee Benefit Contributions - Administrative	90,827	133,862	105,304	3,940	6,672	45,239	-	324,337	775,283
91600	Office Expense	415,319	105,174	-	6,068	1,711	19,952	4,337	3,442,756	593,144
91700	Legal Expense	27,413	-	-	-	-	-	2,957	322,743	10,515
91800	Travel	756	-	-	-	-	10,843	-	403	4,608
91900	Other	51,330	-	-	-	-	2,377	-	1,610,500	40,145
	Total Administrative	1,097,361	749,483	458,524	150,983	50,293	236,048	20,723	7,757,460	5,298,517
92000	Asset Management Fee	1,760	-	-	-	-	-	-	66,700	-
Tenant Services:										
92200	Relocation Cost	-	-	-	-	-	-	-	-	-
92400	Other	900	-	-	-	-	-	-	11,314	-
	Total Tenant Services	900	-	-	-	-	-	-	11,314	-
Utilities:										
93100	Water	57,123	-	-	-	-	-	-	1,653,038	-
93200	Electricity	8,607	-	-	-	-	-	-	482,762	-
93300	Gas	783	-	-	-	-	-	-	81,136	-
93600	Sewer	-	-	-	-	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	-	-	-	-	-	-
	Total Utilities	66,513	-	-	-	-	-	-	2,216,936	-
Ordinary Maintenance and Operations:										
94100	Labor	-	-	-	-	-	-	-	1,561,704	-
94200	Materials and Other	51,044	60	-	-	-	-	-	520,145	7,274
94300	Contracts	91,453	2,838	-	-	-	1,110	-	5,506,109	71,997
94500	Employee Benefits Contribution	-	-	-	-	-	-	-	175,211	-
	Total Ordinary Maintenance and Operations	142,497	2,898	-	-	-	1,110	-	7,763,169	79,271

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,404,240	\$ 37,433,233	\$ 57,837,473
70400	Tenant Revenue - Other	-	-	-	-	-	-	1,097,538	1,595,467	2,693,005
70500	Total Tenant Revenue	-	-	-	-	-	-	21,501,778	39,028,700	60,530,478
70600	HUD PHA Operating Grants	1,642,094	928,323	-	-	-	-	86,651,656	-	86,651,656
70610	Capital Grants	-	6,963,628	-	-	-	-	6,963,628	-	6,963,628
70710	Management Fee	-	-	-	-	1,300,928	(1,300,928)	-	-	-
70720	Asset Management Fee	-	-	-	-	1,760	(1,760)	-	-	-
70730	Bookkeeping Fee	-	-	-	-	502,535	(502,535)	-	-	-
70700	Total Fee Revenue	-	-	-	-	1,805,223	(1,805,223)	-	-	-
70800	Other Governmental Grants	-	-	-	-	-	-	3,874,438	-	3,874,438
71100	Investment Income - Unrestricted	-	-	-	-	47,011	-	1,655,322	398,172	2,053,494
71400	Fraud Recovery	-	-	-	-	-	-	98,000	-	98,000
71500	Other Revenue	75,617	-	-	-	488,476	-	12,752,574	9,243,292	21,995,866
71600	Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	454,140	-	454,140
72000	Investment Income - Restricted	-	-	-	-	-	-	3,818	-	3,818
70000	Total Revenue	1,717,711	7,891,951	-	-	2,340,710	(1,805,223)	133,955,354	48,670,164	182,625,518
EXPENSES										
Administrative:										
91100	Administrative Salaries	62,983	-	-	-	4,539,000	-	9,944,041	2,944,073	12,888,114
91200	Auditing Fees	-	-	-	-	132,652	-	531,143	301,728	832,871
91300	Management Fee	30,550	-	-	-	-	(1,300,928)	92,102	175,618	267,720
91310	Bookkeeping Fee	10,047	-	-	-	-	(502,535)	-	-	-
91400	Advertising And Marketing	-	-	-	-	5,582	-	70,942	184,939	255,881
91500	Employee Benefit Contributions - Administrative	9,505	-	-	-	1,148,471	-	2,643,440	477,053	3,120,493
91600	Office Expense	-	-	-	-	2,446,956	-	7,035,417	807,368	7,842,785
91700	Legal Expense	-	-	-	-	137,595	-	501,223	197,489	698,712
91800	Travel	-	-	-	-	104,589	-	121,199	16,749	137,948
91900	Other	351	-	-	-	62,933	-	1,767,636	2,841,902	4,609,538
	Total Administrative	113,436	-	-	-	8,577,778	(1,803,463)	22,707,143	7,946,919	30,654,062
92000	Asset Management Fee	-	-	-	-	-	(1,760)	66,700	-	66,700
Tenant Services:										
92200	Relocation Cost	-	-	-	-	-	-	-	-	-
92400	Other	-	-	-	-	8,943	-	21,157	37,237	58,394
	Total Tenant Services	-	-	-	-	8,943	-	21,157	37,237	58,394
Utilities:										
93100	Water	-	-	-	-	17,594	-	1,727,755	1,613,114	3,340,869
93200	Electricity	-	-	-	-	110,257	-	601,626	1,046,965	1,648,591
93300	Gas	-	-	-	-	-	-	81,919	97,570	179,489
93600	Sewer	-	-	-	-	-	-	-	248,306	248,306
93800	Other Utilities Expense	-	-	-	-	-	-	-	21,476	21,476
	Total Utilities	-	-	-	-	127,851	-	2,411,300	3,027,431	5,438,731
Ordinary Maintenance and Operations:										
94100	Labor	-	-	-	-	-	-	1,561,704	2,026,976	3,588,680
94200	Materials and Other	-	-	-	-	34,794	-	613,317	1,242,860	1,856,177
94300	Contracts	-	-	-	-	306,113	-	5,979,620	5,171,537	11,151,157
94500	Employee Benefits Contribution	-	-	-	-	-	-	175,211	345,802	521,013
	Total Ordinary Maintenance and Operations	-	-	-	-	340,907	-	8,329,852	8,787,175	17,117,027

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

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	\$ 287,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 837,451	\$ 87,341
95300	Protective Services - Other	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	287,532	-	-	-	-	-	-	837,451	87,341
Insurance Premiums:										
96110	Property Insurance	61,765	-	-	-	-	-	41,226	1,417,296	1,172
96120	Liability Insurance	4,917	-	-	-	-	-	12	613	-
96130	Workmen's Compensation	2,118	2,543	2,126	72	170	918	-	15,801	14,926
96140	All Other Insurance	586	-	-	-	-	-	-	550	3,350
96100	Total Insurance Premiums	69,386	2,543	2,126	72	170	918	41,238	1,434,260	19,448
General Expenses:										
96200	Other General Expenses	157,853	-	-	-	-	-	173,904	589,040	15,841
96210	Compensated Absences	2,788	-	-	172	-	(915)	-	3,633	-
96300	Payments In Lieu of Taxes	-	-	-	-	-	-	-	49,198	-
96400	Bad Debt - Tenant Rents	-	-	-	-	74	-	-	905,596	-
96000	Total General Expenses	160,641	-	-	172	74	(915)	173,904	1,547,467	15,841
96710	Interest of Mortgage Payable	-	-	-	-	-	-	-	2,596,990	-
96720	Interest on Notes Payable	-	-	-	-	-	-	-	55,376	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	55,250	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	2,707,616	-
96900	Total Operating Expenses	1,826,590	754,924	460,650	151,227	50,537	237,161	235,865	24,342,373	5,500,418
97000	EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES	2,674,479	3,009,800	(540)	5,605,201	386,082	1,191,049	1,670,857	11,349,087	64,364,445
97200	Casualty Losses - Noncapitalized	-	-	-	-	-	-	-	52,454	12,645
97300	Housing Assistance Payments	-	3,015,478	-	5,143,969	361,195	1,077,864	-	-	64,426,208
97350	HAP Portability - In	-	-	-	-	-	-	-	-	325,041
97400	Depreciation Expense	39,621	-	-	-	-	-	785,896	5,481,693	9,230
90000	Total Expenses	1,866,211	3,770,402	460,650	5,295,196	411,732	1,315,025	1,021,761	29,876,520	70,273,542
Other Financing Sources (Uses):										
10010	Operating Transfer In	2,144,249	-	-	-	-	-	48,918	-	-
10020	Operating Transfer Out	(2,144,249)	-	-	-	-	(48,918)	-	-	-
10093	Transfers Between Program and Project - In	-	-	-	-	-	-	-	1,189,200	-
10094	Transfers Between Project and Program - Out	-	-	-	-	-	-	(3,515,178)	(1,304,466)	-
10100	Total Other Financing Sources (Uses)	-	-	-	-	-	(48,918)	(3,466,260)	(115,266)	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	<u>\$ 2,634,858</u>	<u>\$ (5,678)</u>	<u>\$ (540)</u>	<u>\$ 461,232</u>	<u>\$ 24,887</u>	<u>\$ 64,267</u>	<u>\$ (2,581,299)</u>	<u>\$ 5,699,674</u>	<u>\$ (408,679)</u>

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

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	\$ -	\$ -	\$ -	\$ -	\$ 75,095	\$ -	\$ 1,287,419	\$ 1,087,841	\$ 2,375,260
95300	Protective Services - Other	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	75,095	-	1,287,419	1,087,841	2,375,260
Insurance Premiums:										
96110	Property Insurance	-	-	-	-	64,439	-	1,585,898	3,200,077	4,785,975
96120	Liability Insurance	-	-	-	-	24,366	-	29,908	-	29,908
96130	Workmen's Compensation	378	-	-	-	28,226	-	67,278	47,765	115,043
96140	All Other Insurance	-	-	-	-	52,880	-	57,366	4,008	61,374
96100	Total Insurance Premiums	378	-	-	-	169,911	-	1,740,450	3,251,850	4,992,300
General Expenses:										
96200	Other General Expenses	-	-	-	-	-	-	936,638	1,285,693	2,222,331
96210	Compensated Absences	-	-	-	-	-	-	5,678	-	5,678
96300	Payments In Lieu of Taxes	-	-	-	-	-	-	49,198	71,641	120,839
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	905,670	1,395,224	2,300,894
96000	Total General Expenses	-	-	-	-	-	-	1,897,184	2,752,558	4,649,742
96710	Interest of Mortgage Payable	-	-	-	-	-	-	2,596,990	10,639,543	13,236,533
96720	Interest on Notes Payable	-	-	-	-	-	-	55,376	347,264	402,640
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	55,250	609,642	664,892
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	2,707,616	11,596,449	14,304,065
96900	Total Operating Expenses	113,814	-	-	-	9,300,485	(1,805,223)	41,168,821	38,487,460	79,656,281
97000	EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES	1,603,897	7,891,951	-	-	(6,959,775)	-	92,786,533	10,182,704	102,969,237
97200	Casualty Losses - Noncapitalized	-	-	-	-	10,179	-	75,278	89,352	164,630
97300	Housing Assistance Payments	1,404,131	-	-	-	-	-	75,428,845	-	75,428,845
97350	HAP Portability - In	-	-	-	-	-	-	325,041	-	325,041
97400	Depreciation Expense	-	-	-	-	378,549	-	6,694,989	14,667,883	21,362,872
90000	Total Expenses	1,517,945	-	-	-	9,689,213	(1,805,223)	123,692,974	53,244,695	176,937,669
Other Financing Sources (Uses):										
10010	Operating Transfer In	-	-	-	-	396,455	-	2,589,622	-	2,589,622
10020	Operating Transfer Out	-	-	(396,455)	-	-	-	(2,589,622)	-	(2,589,622)
10093	Transfers Between Program and Project - In	-	-	-	-	4,819,383	-	6,008,583	-	6,008,583
10094	Transfers Between Project and Program - Out	-	-	-	-	(1,188,939)	-	(6,008,583)	-	(6,008,583)
10100	Total Other Financing Sources (Uses)	-	-	(396,455)	-	4,026,899	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ 199,766	\$ 7,891,951	\$ (396,455)	\$ -	\$ (3,321,604)	\$ -	\$ 10,262,380	\$ (4,574,531)	\$ 5,687,849

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, 2024, and the related notes to the financial statements, which collectively comprise FWHS' basic financial statements, and have issued our report thereon dated September 29, 2025. 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, Samuels Avenue, LP, Western Hills Affordable Housing, LP and Lincoln Terrace, LP (the blended component units) and South Hulen, LP, Trinity Quality 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, Western Hills Affordable Housing, LP, Trinity Quality 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, The Standard at Boswell Marketplace, 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 29, 2025



**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, 2024. 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, 2024.

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, 2024. 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 Matters

The results of our auditing procedures disclosed four instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

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's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

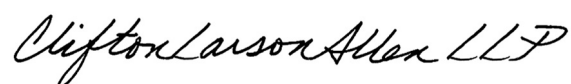
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003 to be significant deficiencies.

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's 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 29, 2025

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024**

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	-	-	\$ 1,578,518
Capital Fund Program	14.872	-	-	2,343,960
Resident Opportunity and Supportive Services	14.870	-	-	460,650
Continuum of Care	14.267	-	-	3,770,402
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	-	-	411,732
Hope VI Cluster:				
Choice Neighborhoods Implementation Grant	14.889	-	-	7,891,951
Housing Voucher Cluster:				
Mainstream Vouchers	14.879	-	-	5,295,196
Emergency Housing Vouchers	14.871	-	-	1,517,945
Housing Choice Vouchers	14.871	-	-	70,273,542
Section 8 Housing Choice Vouchers Subtotal				<u>71,791,487</u>
Total Housing Voucher Cluster				77,086,683
Passed through from the City of Fort Worth:				
Emergency Solutions Grant	14.231	756000528	-	-
Passed Through from the County of Tarrant				
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	<u>802,118</u>
Total U.S. Department of Housing and Urban Development (HUD)				94,346,014
U.S. Department of Treasury (DOT)				
Passed through from the City of Fort Worth:				
(COVID-19) Emergency Rental Assistance	21.023	756000528	-	-
Passed through from the County of Tarrant:				
(COVID) Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	<u>2,456,228</u>
Total U.S. Department of Treasury (DOT)				<u>2,456,228</u>
Total Expenditures of Federal Awards				<u><u>\$ 96,802,242</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, 2024**

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	\$ 2
Total Expenditures of State Awards			\$ 2

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, 2024**

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, 2024. 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, 2024.

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, 2024.

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

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
21.027

Name of Federal Program or Cluster

Housing Voucher Cluster
Coronavirus Local Fiscal Recovery

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

\$2,904,051

Auditee qualified as low-risk auditee?

 x yes _____ no

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

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

2024 – 001

Federal Agency	U.S. Department of the Treasury	U.S. Department of Housing and Urban Development
Federal Program Title	Coronavirus State and Local Fiscal Recovery Funds	Community Development Block Grants/Entitlement Grants
Assistance Listing Number	21.027	14.218
Award Period	January 1, 2024, through December 31, 2024	

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: 2 CFR part 200.303 require that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Internal Control-Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission, provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

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 CFDA 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 State 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 and the expenditures related to the Community Development Block Grants on the SEFA as required by Uniform Guidance for federal program 14.218.

Questioned costs: None

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

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

Context: During the review of revenue for these federal grants, it was discovered and determined that they were 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 Agencies' programs' expenditures may be disallowed if the expenditures are not reported correctly on the SEFA.

Repeat Finding: No

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 the Uniform Guidance.

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

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

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

2024 – 002

Federal Agency: US Department of Housing and Urban Development

Federal Program Title: Housing Choice Voucher Program

Assistance Listing Number: 14.871

Award Period: January 1, 2024, through December 31, 2024

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: According to the HUD Compliance Supplement, "The PHA must determine that the rent to the owner is reasonable at the time of initial leasing. Also, the PHA must determine reasonable rent during the term of the contract (a) before any increase in the rent to owner, and (b) at the HAP contract anniversary if there is a 10 percent decrease in the published Fair Market Rent in effect 60 days before the HAP contract anniversary."

Condition: The Authority did not have adequate internal controls designed to ensure that the rent reasonableness was completed/approved prior to the rent effective date.

Questioned costs: None

Context: During our testing, 2 of 29 sampled tenant files did not have their rent reasonableness determination completed/approved prior to the rent effective date.

Cause: The Authority did not have proper internal controls to ensure that rent reasonableness determinations were completed in a timely manner.

Effect: The Authority is not in compliance with the program's requirements of reasonable rent.

Repeat Finding: No

Recommendation: We recommend that the Authority implement processes to ensure that rent reasonableness determinations are completed on time.

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

2024 – 003

Federal Agency: US Department of Housing and Urban Development

Federal Program Title: Housing Choice Voucher Program

Assistance Listing Number: 14.871

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Award Period: January 1, 2024, through December 31, 2024

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: According to the HUD Compliance Supplement, "The PHA must inspect the unit leased to a family at least biennially to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)). However, NSPIRE for HCV and PBV programs, referred to as NSPIRE-V during HUD's demonstration, was effective October 1, 2023, and replaced Housing Quality Standards (HQS), as previously defined in 24 CFR 982.401, as the inspection standards for these programs."

Condition: The Authority did not have adequate internal controls designed to ensure that the biennial inspection was completed in a timely manner.

Questioned costs: None

Context: During our testing, 1 of 29 sampled tenant files did not have their inspection completed within the required biennial timeframe.

Cause: The Authority did not have adequate internal controls to ensure all inspections were completed within the correct timeframe.

Effect: The Authority is not in compliance with the program requirements of the housing quality inspections standards.

Repeat Finding: No

Recommendation: We recommend that the Authority implement processes to ensure that inspections are completed on time.

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

