

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022



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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, 2022, 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, 2022, 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, Pennsylvania Place Apartments, LP, Post Oak East Apartments, LP and Lincoln Terrace, LP, which represent 16%, (24)%, and 12% respectively, of the assets, net position, and revenues of the business-type activities as of December 31, 2022. 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, 2022

Those statements of the blended component units mentioned above were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements the blended component units mentioned above which conform the presentation of those financial statements to present in accordance with accounting standards issued by the Governmental Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the blended component units mentioned above, prior to these conversion adjustments, is based solely on the report of the other auditors.

Those statements of the discretely presented component units mentioned above, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standard Board, were audited by other auditors whose reports have been furnished to us. We have applied limited audit procedures on the presentation only conversion adjustments to the financial statements of the discretely presented component units mentioned above. Our opinion, insofar as it relates to the amounts included for the discretely presented component units mentioned above, prior to the limited presentation only conversion adjustments, is based solely on the report of the other auditors.

Basis for Opinions

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

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

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective January 1, 2022, the Authority adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow or resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this restatement.

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 69 through 79 and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the financial data schedules and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2023, 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 24, 2023

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Fort Worth Housing Solutions (FWHS) is proud to provide this narrative overview and analysis of FWHS' financial activities for the year ended December 31, 2022. 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, 2022 by \$126.6 million (net position). This amount represents an increase of approximately \$12.8 million from the balance at December 31, 2021. 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, 2022 was \$61.9 million representing an decrease of \$14.6 million from December 31, 2021.
- Total assets increased by approximately \$11.7 million. This is due to Skyline Prairie, Crestwood, The Opal, Chaparral Ranch Homes Ground Leases recorded in the current year.
- Total operating income was \$4.4 million. This is mostly due to the income received for the construction of Cowan Place and Hughes House.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

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.

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.

	2022	2021	Change	
			Amount	Percent
Current Assets	\$ 93,838,945	\$ 101,443,611	\$ (7,604,666)	-7%
Noncurrent Assets	21,528,076	19,979,115	1,548,961	8%
Capital Assets, Net	226,351,032	208,571,546	17,779,486	9%
Total Assets	341,718,053	329,994,272	11,723,781	4%
Current Liabilities	13,611,836	17,899,756	(4,287,920)	-24%
Long-Term Liabilities	93,039,211	198,285,307	(105,246,096)	-53%
Total Liabilities	106,651,047	216,185,063	(109,534,016)	-51%
Deferred Inflows	108,491,718	-	108,491,718	100%
Net Position:				
Net Investment in Capital Assets	126,516,481	96,828,063	29,688,418	31%
Restricted Net Position	7,362,118	9,127,076	(1,764,958)	-19%
Unrestricted Net Position	(7,303,311)	7,854,070	(15,157,381)	-193%
Total Net Position	126,575,288	113,809,209	12,766,079	11%
Total Liabilities, Deferred Inflows, and Net Position	\$ 341,718,053	\$ 329,994,272	\$ 11,723,781	4%

Total assets of FWHS at December 31, 2022 amounted to \$341.7 million. This amount represents an increase of approximately \$11.8 million from the balance at December 31, 2021. This increase is due to the following leases being recorded during FY2022: The Opal, Skyline Prairie, Crestwood, and Chaparral Ranch Homes.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

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 \$106.7 million at December 31, 2022. This balance represents a decrease of approximately \$109.5 million from what was reported at the end of 2021. This is primarily due to the Deferred Inflows reported in the current year versus \$-0- in the prior year.

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 decreased by approximately \$12.8 million during the year ended December 31, 2022.

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, 2022**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2022	2021	Change	
			Amount	Percent
Operating Revenues				
Net Tenant Rental Revenue	\$ 18,190,085	\$ 18,130,903	\$ 59,182	0%
HUD Operating Grants	67,477,910	65,701,166	1,776,744	3%
Other Revenue	25,534,866	23,048,836	2,486,030	11%
Total Operating Revenues	111,202,861	106,880,905	4,321,956	4%
Operating Expenses				
Administrative	18,443,624	17,262,920	1,180,704	7%
Tenant Services	207,739	62,287	145,452	234%
Utilities	2,224,550	2,247,152	(22,602)	-1%
Ordinary Maintenance and Operations	6,591,410	5,158,448	1,432,962	28%
General and Other	5,302,519	3,622,724	1,679,795	46%
Housing Assistance Payments	68,639,802	69,412,278	(772,476)	-1%
Depreciation	5,451,104	5,574,410	(123,306)	-2%
Total Operating Expenses	106,860,748	103,340,219	3,520,529	3%
Operating Income	4,342,113	3,540,686	801,427	1%
Nonoperating Revenues				
HUD Capital Grants	6,733,736	2,480,642	4,253,094	171%
Investment Income	800,229	23,212	777,017	3347%
Gain on Sale of Capital Assets	3,884,558	12,051	3,872,507	32134%
Total Nonoperating Revenues	11,418,523	2,515,905	8,902,618	35653%
Nonoperating Expenses				
Interest Expense	2,963,252	3,380,999	(417,747)	-12%
Casualty Loss	31,306	108,531	(77,225)	-71%
Transfer of Post Oak East Apartments, LP	-	1,563,289	(1,563,289)	-100%
Total Nonoperating Expenses	2,994,558	5,052,819	(2,058,261)	-41%
Nonoperating Income (Loss)	8,423,965	(2,536,914)	10,960,879	-432%
Change in Net Position	12,766,078	1,003,772	11,762,306	1172%
Net Position - Beginning	113,809,210	112,805,437	1,003,773	1%
Net Position - Ending	<u>\$ 126,575,288</u>	<u>\$ 113,809,209</u>	<u>\$ 12,766,079</u>	<u>11%</u>

Fiscal year 2022 resulted in income on operating income of \$4.4 million, a favorable change of \$0.8 million from 2021. Total operating revenues increased by \$4.3 million and total operating expenses increased by \$3.4 million. Operating revenue increased mostly due to the increase in other revenue of \$1.3 million. The primary driver for the increase is related to the proceeds of Penn Place of \$4.4 million. HUD Operating grants increased \$1.8 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, EHV and Mainstream vouchers as well as emergency rental assistance. Please note that HUD operating grants and state/local grants and housing assistance payments increased similarly.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Total nonoperating revenues increased by \$8.9 million and total nonoperating expenses decreased by \$2.1 million. The change is to an increase of Mainstream reserves received from HUD, draws related to the construction of Cowan Place and Hughes House projects from the CNI Award. The decrease is related to a decrease in voucher utilization in the HCV programs.

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 2022 and 2021. Additional details for activities affecting capital assets are presented in Note 7 of the Notes to the Financial Statements included in Section II of this report.

	<u>2022</u>	<u>2021</u>
Land	\$ 82,482,581	\$ 66,155,437
Buildings	200,338,863	223,091,020
Furniture, Equipment, and Machinery - Dwellings	5,656,276	6,218,872
Furniture, Equipment, and Machinery - Administrative	4,575,899	3,156,973
Leasehold Improvements	16,983,552	16,538,227
Construction in Progress	<u>6,974,323</u>	<u>-</u>
Total Capital Assets	317,011,494	315,160,529
Less: Accumulated Depreciation	<u>(90,660,462)</u>	<u>(106,588,983)</u>
Net Capital Assets	<u>\$ 226,351,032</u>	<u>\$ 208,571,546</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 2022 as compared to the end of the previous year. Additional details for activities affecting outstanding debt are presented in Note 9 of the Notes to Financial Statements included in Section II of this report.

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Bonds, Notes, and Loans Payable	<u>\$ 94,761,287</u>	<u>\$ 106,452,257</u>	<u>\$ (11,690,970)</u>

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

ECONOMIC FACTORS

Most of the FWHS' funding is from HUD in the form of capital fund grants, housing assistance payments, administrative fees, and other smaller grants. These represented about 44% of FWHS' total operating revenues in 2022. Additionally, a majority of its \$226.4 million net capital assets as of December 31, 2022 were acquired and or developed over the years with funding received from multiple sources including grants or loans from HUD. Such assistance has typically come with use restrictions and generally limits FWHS' ability to encumber or leverage debt financing against HUD properties in its portfolio.

Several significant economic factors affecting FWHS are as follows:

- Congress and the federal government maintained stable from the year prior, this funding impacts FWHS' economic position because federal housing dollars is a significant source of revenue for the Agency. Based on HUD's funding letters and notices, most programs will continue to receive renewal funding; however, it will still be less than 100% of eligibility.
- The Department of HUD has historically underestimated the subsidy and administrative fee needs of public housing authorities. In 2022 the operating fund and housing voucher administrative fee were prorated at 98.5% and 84%, respectively.
- The economic condition in the Fort Worth metropolitan aligns with the national trend; price increases over the years have decreased the availability of lower-cost housing in both single-family and multifamily, across the city. A report prepared by Interface Studio estimates the need for 32,000 affordable housing units. As an Agency, FWHS will continue to work with other partners, look for innovative ways to develop new projects and turn to the private sector for more support to address this need.

In FY 2023, the Authority looks forward to developing additional high-quality affordable housing units throughout the City of Fort Worth and particularly the Stop Six Neighborhood area a CNI funded revitalization; enhancing property management and housing operations; expanding educational, job training and health services to residents and implementing additional efficiencies across the board.

REQUEST FOR INFORMATION

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

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

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS	<u>Enterprise Fund</u>	<u>Discretely Presented Component Units</u>
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 53,961,160	\$ 6,256,665
Cash and Cash Equivalents - Restricted	7,939,912	17,583,681
Accounts Receivable - HUD	7,943,107	-
Accounts Receivable - Tenants (Net of Allowance)	387,641	1,351,262
Accounts Receivable - Other (Net of Allowance)	23,031,249	533,349
Prepaid Expenses	575,876	3,009,331
Total Current Assets	<u>93,838,945</u>	<u>28,734,288</u>
 NONCURRENT ASSETS		
Capital Assets:		
Land	82,482,581	-
Buildings	200,338,863	405,565,660
Furniture, Equipment, and Machinery - Dwelling	5,656,276	14,760,454
Furniture, Equipment, and Machinery - Administration	4,575,899	6,925,367
Leasehold Improvements	16,983,552	3,096,931
Construction in Progress	6,974,323	-
Total	<u>317,011,494</u>	<u>430,348,412</u>
Less: Accumulated Depreciation	<u>(90,660,462)</u>	<u>(106,331,271)</u>
Total Capital Assets	226,351,032	324,017,141
 Notes Receivable - Noncurrent	 19,306,964	 -
Other Assets	<u>2,221,112</u>	<u>31,955,666</u>
Total Noncurrent Assets	<u>247,879,108</u>	<u>355,972,807</u>
 Total Assets	 <u><u>\$ 341,718,053</u></u>	 <u><u>\$ 384,707,095</u></u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2022

	Enterprise Fund	Discretely Presented Component Units
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,540,574	\$ 2,376,009
Accounts Payable - HUD	2,043	-
Accrued Wages and Payroll Taxes Payable	366,352	18,730
Current Portion of Notes and Mortgage Payable	2,126,618	2,923,602
Accrued Compensated Absences - Current	352,440	-
Accrued Interest Payable	225,225	2,323,224
Tenant Security Deposits	387,466	927,607
Unearned Revenue	4,786,035	600,266
Other Current Liabilities	3,825,083	5,626,213
Total Current Liabilities	13,611,836	14,795,651
LONG-TERM LIABILITIES		
Notes and Mortgage Payable, Net of Current Portion	92,634,669	233,015,707
Accrued Compensated Absences - Noncurrent Portion	67,914	-
Noncurrent Liabilities - Other	336,628	-
Interest Rate Swap	-	20,697,955
Total Long-Term Liabilities	93,039,211	253,713,662
Total Liabilities	106,651,047	268,509,313
DEFERRED INFLOWS OF RESOURCES		
Ground Leases	108,491,718	-
NET POSITION		
Net Investment in Capital Assets	126,516,481	88,077,832
Restricted Net Position:		
Replacement, Escrow, and Operating Reserves	7,031,125	16,656,074
HAP Vouchers	330,993	-
Unrestricted Net Position	(7,303,311)	11,463,876
Total Net Position	126,575,288	116,197,782
Total Liabilities and Net Position	\$ 341,718,053	\$ 384,707,095

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022

	Enterprise Fund	Discretely Presented Component Units
	<u> </u>	<u> </u>
OPERATING REVENUES		
Net Tenant Rental Revenue	\$ 18,190,085	\$ 35,396,585
HUD Operating Grants	67,477,910	-
Other Governmental Grants	10,677,413	-
Other Revenue	14,857,453	12,391,674
Total Operating Revenues	<u>111,202,861</u>	<u>47,788,259</u>
OPERATING EXPENSES		
Administrative	18,443,624	7,314,761
Tenant Services	207,739	-
Utilities	2,224,550	2,676,194
Ordinary Maintenance and Operations	6,591,410	7,805,751
Protective Services	921,345	-
General	4,381,174	5,529,251
Housing Assistance Payments	68,639,802	-
Depreciation and Amortization	5,451,104	15,810,571
Total Operating Expenses	<u>106,860,748</u>	<u>39,136,528</u>
OPERATING INCOME	4,342,113	8,651,731
NONOPERATING REVENUES (EXPENSES)		
Investment Income	800,229	25,341
Interest Expense	(2,963,252)	(10,640,386)
Gain on Sale of Capital Assets	3,884,558	-
Capital Grants	6,733,736	-
Casualty Loss	(31,306)	-
Total Nonoperating Revenues (Expenses)	<u>8,423,965</u>	<u>(10,615,045)</u>
CHANGE IN NET POSITION	12,766,078	(1,963,314)
Total Net Position - Beginning of Year	<u>113,809,210</u>	<u>118,161,096</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 126,575,288</u>	<u>\$ 116,197,782</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022**

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Dwelling Rent Receipts	\$ 18,251,968
Operating Subsidy and Grant Receipts	70,384,161
Other Receipts	14,768,429
Payments to Vendors	(4,845,406)
Payments to Employees	(18,419,224)
Housing Assistance Payments	(68,639,802)
Net Cash Provided by Operating Activities	11,500,126
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	800,229
Net Cash Provided by Investing Activities	800,229
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grant Receipts	6,733,736
Proceeds from Debt	-
Casualty Loss	(31,306)
Payments Received on Notes Receivable	397,581
Purchases of Capital Assets	(27,204,846)
Loss on Disposition of Capital Assets	(592,373)
Proceeds from Disposition of Capital Assets	8,451,184
Payments on Debt	(11,690,970)
Interest Paid on Debt	(2,963,252)
Net Cash Used by Capital and Related Financing Activities	(26,900,246)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,599,891)
Cash and Cash Equivalents - Beginning of Year	76,500,963
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 61,901,072
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 4,342,113
Adjustments to Reconcile Net Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	5,451,104
Provision for Bad Debts	464,983
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable - HUD	(7,693,189)
Accounts Receivable - Tenants	(301,643)
Accounts Receivable - Other	(149,286)
Prepaid Expenses and Other Assets	(1,262,632)
Accounts Payable	(95,882)
Accounts Payable - HUD	(77,973)
Accrued Wages and Payroll Taxes Payable	41,051
Accrued Interest Payable	(2,971)
Accrued Compensated Absences	(16,651)
Tenant Security Deposits	(38,224)
Unearned Revenue	11,336,414
Other Current Liabilities	(554,087)
Noncurrent Liabilities - Other	56,999
Net Cash Provided by Operating Activities	\$ 11,500,126

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2022

ASSETS	South Hulen, LP	Samuels Avenue, LP	Trinity Quality Housing, LP	Western Hills Affordable Housing, LP	FW Hunter Plaza, LP	LDG Stallion Pointe, LP
CURRENT ASSETS						
Cash and Cash Equivalents - Unrestricted	\$ 1,022,988	\$ 8,021	\$ 767,135	\$ 228,657	\$ 82,483	\$ 213,658
Cash and Cash Equivalents - Restricted	2,305,033	146,229	612,942	1,214,555	913,101	1,773,445
Accounts Receivable - Tenants (Net of Allowance)	56,793	9,212	57,354	179,224	47,352	204,089
Accounts Receivable - Other (Net of Allowance)	-	1,330	-	-	970	11
Prepaid Expenses	152,666	34,374	449,526	181,962	106,309	82,386
Total Current Assets	<u>3,537,480</u>	<u>199,166</u>	<u>1,886,957</u>	<u>1,804,398</u>	<u>1,150,215</u>	<u>2,273,589</u>
NONCURRENT ASSETS						
Capital Assets, Net of Accumulated Depreciation	7,000,396	1,788,260	8,309,146	7,471,946	21,158,778	31,662,525
Other Assets	327,583	170,398	112,790	23,843	5,187,495	3,099,377
Total Noncurrent Assets	<u>7,327,979</u>	<u>1,958,658</u>	<u>8,421,936</u>	<u>7,495,789</u>	<u>26,346,273</u>	<u>34,761,902</u>
Total Assets	<u>\$ 10,865,459</u>	<u>\$ 2,157,824</u>	<u>\$ 10,308,893</u>	<u>\$ 9,300,187</u>	<u>\$ 27,496,488</u>	<u>\$ 37,035,491</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2022

ASSETS	Hometowne at Matador Ranch, LP	Woodmont Apartments, Ltd	FW Alton Park, LP	FW Campus Apartments, LP	Palladium Fort Worth, Ltd	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC
CURRENT ASSETS							
Cash and Cash Equivalents - Unrestricted	\$ 97,179	\$ 118,468	\$ 43,822	\$ 137,646	\$ 9,154	\$ 26,504	\$ 10,629
Cash and Cash Equivalents - Restricted	1,080,408	177,830	1,101,855	1,287,852	338,158	473,295	420,502
Accounts Receivable - Tenants (Net of Allowance)	40,601	59,488	77,938	187,882	93,461	30,349	34,846
Accounts Receivable - Other (Net of Allowance)	417,226	-	4,174	8,604	11,953	36,871	-
Prepaid Expenses	173,077	1,184,451	50,903	85,762	4,265	10,299	9,903
Total Current Assets	<u>1,808,491</u>	<u>1,540,237</u>	<u>1,278,692</u>	<u>1,707,746</u>	<u>456,991</u>	<u>577,318</u>	<u>475,880</u>
NONCURRENT ASSETS							
Capital Assets, Net of Accumulated Depreciation	10,499,992	13,828,685	22,165,989	26,275,388	19,326,675	7,861,801	7,813,017
Other Assets	142,789	1,214,318	3,696,631	2,003,369	2,233,316	357,292	624,395
Total Noncurrent Assets	<u>10,642,781</u>	<u>15,043,003</u>	<u>25,862,620</u>	<u>28,278,757</u>	<u>21,559,991</u>	<u>8,219,093</u>	<u>8,437,412</u>
Total Assets	<u>\$ 12,451,272</u>	<u>\$ 16,583,240</u>	<u>\$ 27,141,312</u>	<u>\$ 29,986,503</u>	<u>\$ 22,016,982</u>	<u>\$ 8,796,411</u>	<u>\$ 8,913,292</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2022

ASSETS	Western Center Reserve, LLC	Reserve at McAlister Senior Living, LLC	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	FW Stallion Ridge, LP	FW Patriot Pointe, LP	Fossil Ridge II, LP	Total
CURRENT ASSETS								
Cash and Cash Equivalents - Unrestricted	\$ 195,247	\$ 339,234	\$ 406,433	\$ 1,376,257	\$ 544,929	\$ 230,977	\$ 397,244	\$ 6,256,665
Cash and Cash Equivalents - Restricted	664,856	720,242	535,419	819,049	609,414	1,205,878	1,183,618	17,583,681
Accounts Receivable - Tenants (Net of Allowance)	16,642	17,476	16,629	53,522	82,534	47,782	38,088	1,351,262
Accounts Receivable - Other (Net of Allowance)	-	-	1,337	-	3,209	10,989	36,675	533,349
Prepaid Expenses	33,553	29,017	94,971	33,234	109,353	70,904	112,416	3,009,331
Total Current Assets	<u>910,298</u>	<u>1,105,969</u>	<u>1,054,789</u>	<u>2,282,062</u>	<u>1,349,439</u>	<u>1,566,530</u>	<u>1,768,041</u>	<u>28,734,288</u>
NONCURRENT ASSETS								
Capital Assets, Net of Accumulated Depreciation	9,650,915	9,118,877	17,982,159	19,253,905	36,247,160	32,980,435	13,621,092	324,017,141
Other Assets	1,269,953	2,125,535	1,075,035	551,534	2,073,449	3,929,930	1,736,634	31,955,666
Total Noncurrent Assets	<u>10,920,868</u>	<u>11,244,412</u>	<u>19,057,194</u>	<u>19,805,439</u>	<u>38,320,609</u>	<u>36,910,365</u>	<u>15,357,726</u>	<u>355,972,807</u>
Total Assets	<u>\$ 11,831,166</u>	<u>\$ 12,350,381</u>	<u>\$ 20,111,983</u>	<u>\$ 22,087,501</u>	<u>\$ 39,670,048</u>	<u>\$ 38,476,895</u>	<u>\$ 17,125,767</u>	<u>\$ 384,707,095</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2022

LIABILITIES	South Hulen, LP	Samuels Avenue, LP	Trinity Quality Housing, LP	Western Hills Affordable Housing, LP	FW Hunter Plaza, LP	LDG Stallion Pointe, LP
CURRENT LIABILITIES						
Accounts Payable	\$ 35,564	\$ 3,833	\$ 26,668	\$ 952,619	\$ 70,563	\$ 152,206
Accrued Wages and Payroll Taxes Payable	-	-	-	-	-	-
Current Portion of Notes and Mortgage Payable	136,600	41,417	161,801	-	243,726	409,781
Accrued Interest Payable	26,479	345,108	1,518	172,453	32,491	208,089
Security Deposits Payable	44,279	8,550	25,322	62,666	36,902	79,940
Unearned Revenue - Current	47,750	4,749	36,623	39,118	69,572	38,517
Other Liabilities	235,267	234,893	237,201	29,234	906,274	242,416
Total Current Liabilities	<u>525,939</u>	<u>638,550</u>	<u>489,133</u>	<u>1,256,090</u>	<u>1,359,528</u>	<u>1,130,949</u>
LONG-TERM LIABILITIES						
Notes and Mortgage Payable, Net of Current Portion	7,631,505	1,365,999	3,099,573	5,239,057	16,018,881	26,059,109
Noncurrent Liabilities - Other	-	330,560	174,996	-	7,312,989	655,650
Total Long-Term Liabilities	<u>7,631,505</u>	<u>1,696,559</u>	<u>3,274,569</u>	<u>5,239,057</u>	<u>23,331,870</u>	<u>26,714,759</u>
Total Liabilities	8,157,444	2,335,109	3,763,702	6,495,147	24,691,398	27,845,708
NET POSITION						
Net Investment in Capital Assets	(767,709)	380,844	5,047,772	2,232,889	4,896,171	5,193,635
Restricted Net Position	2,260,754	137,679	587,620	1,151,889	876,199	1,693,505
Unrestricted Net Position	1,214,970	(695,808)	909,799	(579,738)	(2,967,280)	2,302,643
Total Net Position	<u>2,708,015</u>	<u>(177,285)</u>	<u>6,545,191</u>	<u>2,805,040</u>	<u>2,805,090</u>	<u>9,189,783</u>
Total Liabilities and Net Position	<u>\$ 10,865,459</u>	<u>\$ 2,157,824</u>	<u>\$ 10,308,893</u>	<u>\$ 9,300,187</u>	<u>\$ 27,496,488</u>	<u>\$ 37,035,491</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2022

LIABILITIES	Hometowne at Matador Ranch, LP	Woodmont Apartments, Ltd	FW Alton Park, LP	FW Campus Apartments, LP	Palladium Fort Worth, Ltd	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC
CURRENT LIABILITIES							
Accounts Payable	\$ 17,229	\$ 234,345	\$ 108,754	\$ 34,525	\$ 10,809	\$ 58,402	\$ 167,410
Accrued Wages and Payroll Taxes Payable	927	-	-	-	11,384	-	-
Current Portion of Notes and Mortgage Payable	132,198	333,445	268,026	235,466	138,513	93,580	93,784
Accrued Interest Payable	626,475	22,164	70,128	80,920	57,094	29,497	-
Security Deposits Payable	46,458	75,746	54,638	54,779	36,848	13,350	10,660
Unearned Revenue - Current	13,047	18,719	16,429	54,940	64,968	-	-
Other Liabilities	2,040,828	518,324	16,648	12,053	24,229	36,250	39,282
Total Liabilities	<u>2,877,162</u>	<u>1,202,743</u>	<u>534,623</u>	<u>472,683</u>	<u>343,845</u>	<u>231,079</u>	<u>311,136</u>
LONG-TERM LIABILITIES							
Notes and Mortgage Payable, Net of Current Portion	10,239,200	16,536,087	21,789,753	20,833,753	12,418,854	6,726,453	6,520,802
Noncurrent Liabilities - Other	649,997	663,453	325,227	1,345,181	1,449,296	-	228,710
Total Long-Term Liabilities	<u>10,889,197</u>	<u>17,199,540</u>	<u>22,114,980</u>	<u>22,178,934</u>	<u>13,868,150</u>	<u>6,726,453</u>	<u>6,749,512</u>
Total Liabilities	13,766,359	18,402,283	22,649,603	22,651,617	14,211,995	6,957,532	7,060,648
NET POSITION							
Net Investment in Capital Assets	128,594	(3,040,847)	108,210	5,206,169	6,769,308	1,041,768	1,198,431
Restricted Net Position	1,033,950	102,084	1,047,217	1,233,073	301,310	459,945	409,842
Unrestricted Net Position	(2,477,631)	1,119,720	3,336,282	895,644	734,369	337,166	244,371
Total Net Position	<u>(1,315,087)</u>	<u>(1,819,043)</u>	<u>4,491,709</u>	<u>7,334,886</u>	<u>7,804,987</u>	<u>1,838,879</u>	<u>1,852,644</u>
Total Liabilities and Net Position	<u>\$ 12,451,272</u>	<u>\$ 16,583,240</u>	<u>\$ 27,141,312</u>	<u>\$ 29,986,503</u>	<u>\$ 22,016,982</u>	<u>\$ 8,796,411</u>	<u>\$ 8,913,292</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2022

LIABILITIES	Western Center Reserve, LLC	Reserve at McAlister Senior Living, LLC	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	FW Stallion Ridge, LP	FW Patriot Pointe, LP	Fossil Ridge II, LP	Total
CURRENT LIABILITIES								
Accounts Payable	\$ 127,007	\$ 94,161	\$ 4,882	\$ 34,104	\$ 73,468	\$ 99,074	\$ 70,386	\$ 2,376,009
Accrued Wages and Payroll Taxes Payable	-	-	-	-	-	-	6,419	18,730
Current Portion of Notes and Mortgage Payable	61,042	64,319	124,904	-	185,000	200,000	-	2,923,602
Accrued Interest Payable	16,134	17,355	28,881	204,408	251,135	117,827	15,068	2,323,224
Security Deposits Payable	43,057	49,002	49,952	40,030	58,709	86,028	50,691	927,607
Unearned Revenue - Current	17,992	14,501	17,982	28,192	59,643	44,219	13,305	600,266
Other Liabilities	8,675	7,226	609,165	13,094	372,340	38,588	4,226	5,626,213
Total Liabilities	<u>273,907</u>	<u>246,564</u>	<u>835,766</u>	<u>319,828</u>	<u>1,000,295</u>	<u>585,736</u>	<u>160,095</u>	<u>14,795,651</u>
LONG-TERM LIABILITIES								
Notes and Mortgage Payable, Net of Current Portion	3,012,181	3,495,611	8,795,051	9,437,000	24,425,000	24,629,838	4,742,000	233,015,707
Noncurrent Liabilities - Other	-	91,219	-	98,111	4,676,262	2,696,304	-	20,697,955
Total Long-Term Liabilities	<u>3,012,181</u>	<u>3,586,830</u>	<u>8,795,051</u>	<u>9,535,111</u>	<u>29,101,262</u>	<u>27,326,142</u>	<u>4,742,000</u>	<u>253,713,662</u>
Total Liabilities	3,286,088	3,833,394	9,630,817	9,854,939	30,101,557	27,911,878	4,902,095	268,509,313
NET POSITION								
Net Investment in Capital Assets	6,577,692	5,558,947	9,062,204	9,816,905	11,637,160	8,150,597	8,879,092	88,077,832
Restricted Net Position	621,799	671,240	485,467	779,019	550,705	1,119,850	1,132,927	16,656,074
Unrestricted Net Position	1,345,587	2,286,800	933,495	1,636,638	(2,619,374)	1,294,570	2,211,653	11,463,876
Total Net Position	<u>8,545,078</u>	<u>8,516,987</u>	<u>10,481,166</u>	<u>12,232,562</u>	<u>9,568,491</u>	<u>10,565,017</u>	<u>12,223,672</u>	<u>116,197,782</u>
Total Liabilities and Net Position	<u>\$ 11,831,166</u>	<u>\$ 12,350,381</u>	<u>\$ 20,111,983</u>	<u>\$ 22,087,501</u>	<u>\$ 39,670,048</u>	<u>\$ 38,476,895</u>	<u>\$ 17,125,767</u>	<u>\$ 384,707,095</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2022

	South Hulen, LP	Samuels Avenue, LP	Trinity Quality Housing, LP	Western Hill Affordable Housing, LP	FW Hunter Plaza, LP	LDG Stallion Pointe, LP
OPERATING REVENUES						
Net Tenant Rental Revenue	\$ 1,847,584	\$ 326,738	\$ 1,217,801	\$ 2,347,484	\$ 1,393,341	\$ 2,901,769
Other Revenue	45,613	3,240	36,635	73,413	110,916	788,891
Total Operating Revenues	<u>1,893,197</u>	<u>329,978</u>	<u>1,254,436</u>	<u>2,420,897</u>	<u>1,504,257</u>	<u>3,690,660</u>
OPERATING EXPENSES						
Administrative	295,877	49,950	310,189	475,183	265,089	822,211
Tenant Services	-	-	-	-	-	-
Utilities	163,678	61,692	102,863	271,877	122,138	198,772
Ordinary Maintenance and Operations	497,955	55,950	519,295	639,792	568,972	117,380
Protective Services	-	-	-	-	-	-
General	255,387	46,483	132,743	268,016	575,188	582,092
Depreciation and Amortization	628,995	173,580	412,850	599,253	1,079,292	1,275,353
Total Operating Expenses	<u>1,841,892</u>	<u>387,655</u>	<u>1,477,940</u>	<u>2,254,121</u>	<u>2,610,679</u>	<u>2,995,808</u>
OPERATING INCOME (LOSS)	51,305	(57,677)	(223,504)	166,776	(1,106,422)	694,852
NONOPERATING REVENUES (EXPENSES)						
Interest Income	1,573	13	227	462	2,016	6,213
Interest Expense	(325,012)	(140,235)	(25,857)	(160,953)	(597,529)	(1,014,977)
Total Nonoperating Revenues (Expenses)	<u>(323,439)</u>	<u>(140,222)</u>	<u>(25,630)</u>	<u>(160,491)</u>	<u>(595,513)</u>	<u>(1,008,764)</u>
CHANGE IN NET POSITION	(272,134)	(197,899)	(249,134)	6,285	(1,701,935)	(313,912)
Net Position - January 1, 2022	<u>2,980,149</u>	<u>20,614</u>	<u>6,794,325</u>	<u>2,798,755</u>	<u>4,507,025</u>	<u>9,503,695</u>
NET POSITION- DECEMBER 31, 2022	<u>\$ 2,708,015</u>	<u>\$ (177,285)</u>	<u>\$ 6,545,191</u>	<u>\$ 2,805,040</u>	<u>\$ 2,805,090</u>	<u>\$ 9,189,783</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, 2022

	Hometowne at Matador Ranch, LP	Woodmont Apartments, Ltd	FW Alton Park, LP	FW Campus Apartments, LP	Palladium Fort Worth, Ltd.	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC
OPERATING REVENUES							
Net Tenant Rental Revenue	\$ 1,975,184	\$ 2,536,030	\$ 2,236,448	\$ 2,273,959	\$ 1,741,316	\$ 979,876	\$ 982,119
Other Revenue	59,988	1,286,155	59,863	70,135	-	7,249	9,146
Total Operating Revenues	<u>2,035,172</u>	<u>3,822,185</u>	<u>2,296,311</u>	<u>2,344,094</u>	<u>1,741,316</u>	<u>987,125</u>	<u>991,265</u>
OPERATING EXPENSES							
Administrative	368,521	612,971	327,118	391,911	449,225	182,427	234,917
Tenant Services	-	-	-	-	-	-	-
Utilities	156,638	270,143	139,769	78,517	107,145	110,811	165,818
Ordinary Maintenance and Operations	525,539	475,140	687,784	600,728	301,696	134,657	148,909
Protective Services	-	-	-	-	-	-	-
General	346,403	568,975	238,554	227,001	158,118	84,868	90,146
Depreciation and Amortization	410,157	754,090	1,121,895	1,203,706	1,554,440	446,336	456,060
Total Operating Expenses	<u>1,807,258</u>	<u>2,681,319</u>	<u>2,515,120</u>	<u>2,501,863</u>	<u>2,570,624</u>	<u>959,099</u>	<u>1,095,850</u>
OPERATING INCOME (LOSS)	227,914	1,140,866	(218,809)	(157,769)	(829,308)	28,026	(104,585)
NONOPERATING REVENUES (EXPENSES)							
Interest Income	206	67	341	364	409	135	196
Interest Expense	(532,335)	(541,403)	(991,456)	(1,054,659)	(716,904)	(368,091)	(346,247)
Total Nonoperating Revenues (Expenses)	<u>(532,129)</u>	<u>(541,336)</u>	<u>(991,115)</u>	<u>(1,054,295)</u>	<u>(716,495)</u>	<u>(367,956)</u>	<u>(346,051)</u>
CHANGE IN NET POSITION	(304,215)	599,530	(1,209,924)	(1,212,064)	(1,545,803)	(339,930)	(450,636)
Net Position - January 1, 2022	<u>(1,010,872)</u>	<u>(2,418,573)</u>	<u>5,701,633</u>	<u>8,546,950</u>	<u>9,350,790</u>	<u>2,178,809</u>	<u>2,303,280</u>
NET POSITION- DECEMBER 31, 2022	<u>\$ (1,315,087)</u>	<u>\$ (1,819,043)</u>	<u>\$ 4,491,709</u>	<u>\$ 7,334,886</u>	<u>\$ 7,804,987</u>	<u>\$ 1,838,879</u>	<u>\$ 1,852,644</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, 2022

	Western Center Reserve, LLC	Reserve at McAlister Senior Living, LLC	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	FW Stallion Ridge, LP	FW Patriot Pointe, LP	Fossil Ridge II, LP	Total
OPERATING REVENUES								
Net Tenant Rental Revenue	\$ 1,317,340	\$ 1,166,879	\$ 1,673,505	\$ 1,391,777	\$ 2,637,996	\$ 2,753,099	\$ 1,696,340	\$ 35,396,585
Other Revenue	32,562	6,888	55,058	67,524	5,888,399	3,768,696	21,302	12,391,673
Total Operating Revenues	<u>1,349,902</u>	<u>1,173,767</u>	<u>1,728,563</u>	<u>1,459,301</u>	<u>8,526,395</u>	<u>6,521,795</u>	<u>1,717,642</u>	<u>47,788,258</u>
OPERATING EXPENSES								
Administrative	256,103	194,681	354,824	377,935	474,951	448,744	421,934	7,314,761
Tenant Services								-
Utilities	86,660	72,864	136,854	64,790	146,358	89,350	129,457	2,676,194
Ordinary Maintenance and Operations	404,217	231,126	375,299	271,408	304,399	467,421	478,084	7,805,751
Protective Services								-
General	401,576	134,014	509,999	187,040	178,771	270,598	273,282	5,529,254
Depreciation and Amortization	671,673	553,983	641,183	844,521	1,216,621	1,132,483	634,099	15,810,570
Total Operating Expenses	<u>1,820,229</u>	<u>1,186,668</u>	<u>2,018,159</u>	<u>1,745,694</u>	<u>2,321,100</u>	<u>2,408,596</u>	<u>1,936,856</u>	<u>39,136,530</u>
OPERATING INCOME (LOSS)	(470,327)	(12,901)	(289,596)	(286,393)	6,205,295	4,113,199	(219,214)	8,651,728
NONOPERATING REVENUES (EXPENSES)								
Interest Income	462	2,398	2,419	6,320	1,050	380	90	25,341
Interest Expense	(211,470)	(228,215)	(363,144)	(344,017)	(1,248,994)	(1,220,899)	(207,989)	(10,640,386)
Total Nonoperating Revenues (Expenses)	<u>(211,008)</u>	<u>(225,817)</u>	<u>(360,725)</u>	<u>(337,697)</u>	<u>(1,247,944)</u>	<u>(1,220,519)</u>	<u>(207,899)</u>	<u>(10,615,045)</u>
CHANGE IN NET POSITION	(681,335)	(238,718)	(650,321)	(624,090)	4,957,351	2,892,680	(427,113)	(1,963,317)
Net Position - January 1, 2022	<u>9,226,413</u>	<u>8,755,705</u>	<u>11,131,487</u>	<u>12,856,652</u>	<u>4,611,140</u>	<u>7,672,337</u>	<u>12,650,785</u>	<u>118,161,099</u>
NET POSITION- DECEMBER 31, 2022	<u>\$ 8,545,078</u>	<u>\$ 8,516,987</u>	<u>\$ 10,481,166</u>	<u>\$ 12,232,562</u>	<u>\$ 9,568,491</u>	<u>\$ 10,565,017</u>	<u>\$ 12,223,672</u>	<u>\$ 116,197,782</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Fort Worth Housing Solutions (FWHS) is a public body corporate and politic organized under the laws of the state of Texas by the City of Fort Worth for the purpose of providing adequate housing for qualified low-income individual led by a Board of Housing Commissioners appointed by the mayor of the city of Fort Worth.

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

Additionally, FWHS entered into an Annual Contribution Contract with the U.S. Department of Housing and Urban Development (HUD) to be the administrator of the housing and housing related programs described herein.

Reporting Entity

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

Basis of Accounting and Measurement Focus

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

Basis of Presentation

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

Business-Type Activities

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

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

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022**

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, 2022, 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, 2022**

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, 2022, 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, 2022, 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, 2022, 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, 2022, 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.

QuadCo Management Solutions, Inc. (QuadCo)

In 2006, TriVest Management Services, Inc., now known as QuadCo Management Solutions, Inc. was established to manage FWHS' housing properties and to earn non program funds that would help support the agency's operations. A decision was made to cease QuadCo's operations in 2019.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

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, 2022, 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.

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, 2022, 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, 2022, 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, 2022, 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, 2022 the ICPFC Board composition was identical to that of FWHS.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

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.

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.

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, 2022, 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.

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, 2022. 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, 2022. The limited partnerships do not serve FWHS exclusively, or almost exclusively, and therefore, are shown as discretely presented component units.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

1. Candletree Apartments – Owned by South Hulen, L.P. and consists of a 216-unit multi-family apartment complex that was purchased by FWHS in 1994 through the Resolution Trust Corporation. The \$15,000,000 renovation of this property started in 2007 and was completed in 2008 and was financed by tax credits and construction loans. FWHS is general partner of this entity and owns .008%. Candletree has Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
2. The Pavilion at Samuels Avenue – Owned by Samuels Avenue, L.P. and consists of a 36-unit multi-family apartment complex constructed on land FWHS purchased in 2004. Tax credit and construction loan financed construction was completed in 2007. FWHS is general partner of this entity and owns .009%.
3. Wind River Apartments – Owned by Trinity Quality Housing, L.P. and consists of a 168-unit multi-family apartment complex purchased by FWHS. FWHS is the general partner of this entity and owns .01%. Wind River has 34 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
4. Cambridge Court Apartments – Owned by Western Hills Affordable Housing, L.P. and consists of a 330-unit multi-family apartment complex purchased in 2004. Renovation was completed in 2007. During 2006, third-party tax credit equity was received for 99.9% of the equity. FWHS is the general partner of this entity and owns .009%. Cambridge has 33 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
5. Hunter Plaza – Owned by FW Hunter Plaza, LP and will consist of 115 affordable and 49 market rate units. Twenty-five affordable units received housing assistance payment contracts under the Rental Assistance Demonstration program, Project-Based Rental Assistance, in October 2014. FWHS is general partner of this entity and owns .005%.
6. Stallion Pointe – Owned by LDG Stallion Pointe, LP and consists of 264 multi-family residential units. FWHS is general partner of this entity and owns .01%. Stallion Pointe has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
7. Matador Ranch – Owned by Hometowne at Matador Ranch, LP and consists of 198-unit senior apartments. FWHS is the general partner of this entity and owns .01%.
8. Woodmont – Owned by Woodmont Apartments, LTD and consists of 252-unit apartment. FWHS is the general partner of this entity and owns .01%.
9. Alton Park – Owned by FW Alton Park, LP and consists of a 195-unit multifamily apartment complex. FWHS is the general partner of this entity and owns .005%. Alton Park has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

10. Campus Villas – Owned by FW Campus Apartments, LP and consists of a 224-unit multifamily apartment complex. FWHS is the general partner of this entity and owns .005%. Campus has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
11. Palladium Fort Worth, Ltd. – Owns a 150-unit multifamily residential rental community known as Palladium Fort Worth. FWHS is the general partner of this entity and owns .005%. Palladium has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
12. FW Steele Prince Hall, LLC – Owns a 76-unit apartment property in 10 buildings known as Prince Hall Gardens II. FWHS is the managing member of this entity and owns .01%.
13. FW Steele Sabine Place, LLC – Owns a 72-unit apartment property in 12 buildings known as Sabine Place Apartments. FWHS is the managing member of this entity and owns .01%.
14. Standard at Boswell – Owned by The Standard at Boswell Marketplace, LP and is under construction to build a 128-unit complex. FWHS is the general partner of this entity and owns .01%.
15. Western Center Reserve, LLC – Owns a 120-unit apartment project known as The Reserve at Western Center. FWHS is the managing member of this entity and owns .0048%. Western Center has 23 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
16. Reserve at McAlister Senior Living, LLC – Owns a 124-unit apartment project known as the Reserve at McAlister Senior Living. FWHS is the managing member of this entity and owns .0029%. This property has 22 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
17. Amtex Avondale, LP – Owns a 160-unit multifamily apartment complex known as Avondale Apartments. FWHS is the general partner of this entity and owns .01%. Avondale has 25 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
18. FW Stallion Ridge, LP – owns a 204-unit multifamily apartment complex known as Stallion Ridge Apartments. FWHS is both the general partner and special limited partner of this entity and owns .02%. Stallion Ridge has 20 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
19. FW Patriot Pointe, LP – owns a 220-unit multifamily apartment complex known as Patriot Pointe Apartments. FWHS is both the general partner and special limited partner of this entity and owns .02%. Patriot Pointe has 22 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
20. Fossil Ridge II, LP - owns a 172-unit multifamily apartment complex known as Sedona Village. FWHS is both the general partner and class B limited partner and owns .02%. Sedona Village has Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

Copies of the separately issued audited financial statements of the discretely presented component units can be obtained by contacting the Department of Finance and Administration, Fort Worth Housing Solutions, 1407 Texas Street, Fort Worth, Texas 76102.

Use of Estimates

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

Budgets

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

Cash and Cash Equivalents

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

Investments

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

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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

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

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

Buildings	30 to 40 Years
Building Improvements	10 Years
Site Improvements	10 Years
Furniture, Fixture, and Equipment	5 to 10 Years
Nondwelling Structures	30 Years

Impairment of Capital Assets

Financial reporting standards issued by the GASB's Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requires certain note disclosures and adjustments for the impairment of capital assets. During the fiscal year ended December 31, 2022, there were no permanent impairments experienced by FWHS that required material adjustments to the Statement of Net Position.

Infrastructure Assets

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

Accounts Receivable

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

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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Insurance

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

Compensated Absences

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

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

Income Taxes

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

Revenues and Expenses

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

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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

New Accounting Pronouncement

During the year ended June 30, 2022, the Authority adopted Statement No. 87, *Leases*, which was effective for the Authority beginning in fiscal year 2022. This statement requires recognition of certain lease assets and lease liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The Authority adopted the requirements of the guidance effective for fiscal year ending June 30, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

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.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

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, 2022, the carrying amount of FWHS' cash and cash equivalents was \$61,901,072 and bank balances were \$63,218,998. Of the bank balance, \$480,048 was not collateralized at December 31, 2022. 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	\$ 53,961,160
Cash and Cash Equivalents - Restricted	<u>7,939,912</u>
Total Cash and Cash Equivalents	<u><u>\$ 61,901,072</u></u>

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash for the enterprise fund as of December 31, 2022 consisted of the following:

Tenant Security Deposits	\$ 387,467
Escrows and Reserves	34,018
Restricted for Payment of Current Liabilities	6,720,143
HAP Vouchers	798,284
Total	<u><u>\$ 7,939,912</u></u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS (CONTINUED)

Restricted cash for the discretely presented component units as of December 31, 2022 consisted of the following:

Tenant Security Deposits	\$ 951,673
Escrows and Reserves	10,432,720
Restricted for Payment of Current Liabilities	6,199,288
Total	<u>\$ 17,583,681</u>

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2022 consisted of the following:

Accounts Receivable - HUD	\$ 7,943,107
Tenants (Net of Allowance of \$34,015)	387,641
Developer Fees Receivable	8,653,355
Other Related Party Transactions	3,826,820
State and Local Grants (Net of Allowance of \$19,405)	1,399,827
Accrued Interest Receivable (Net of Allowance \$447,845)	1,401,333
Miscellaneous (Net of Allowance \$373,283)	7,749,914
Total	<u>\$ 31,361,997</u>

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

NOTE 5 OTHER ASSETS

Prepaid expenses and other assets for discretely presented component units at December 31, 2022 were made up of the following:

Prepaid Ground Leases	\$ 3,009,331
Debt Issuance Costs	8,264,394
Other Costs and Fees	23,691,272
Total	<u>\$ 34,964,997</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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.	\$ 602,419
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.	2,833,315
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.	822,353
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

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description</u>	<u>Amount</u>
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. As of December 31, 2022, accrued interest was \$130,027.	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. As of December 31, 2022, accrued interest was \$179,561.	1,000,000
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. As of December 31, 2022, accrued interest was \$315,895.	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.	3,219,037

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

Description	Amount
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.	1,417,596
Less: Elimination for Consolidated Entities	<u>(5,073,264)</u>
Total Notes and Capital Lease Receivable	19,306,964
Less: Current Maturities	<u>-</u>
Long-Term	<u>\$ 19,306,964</u>
Accrued Interest Receivable	\$ 1,849,178
Allowance for Accrued Interest Receivable	<u>(447,845)</u>
Total Accrued Interest Receivable	<u>\$ 1,401,333</u>

NOTE 7 CAPITAL ASSETS

The following is a summary of changes in capital assets of the enterprise fund during the year ended December 31, 2022:

	Balance December 31, 2021	Additions	Deletions	Adjustment/ Reclass	Balance December 31, 2022
Nondepreciable:					
Land	\$ 66,155,437	\$ 16,345,316	\$ (18,172)	\$ -	\$ 82,482,581
Construction in Progress	-	6,829,846	-	144,477	6,974,323
Depreciable:					
Buildings and Improvements Furniture, Equipment, and Machinery	223,091,019	2,707,737	(24,510,332)	(949,561)	200,338,863
Leasehold Improvements	9,375,843	876,622	(825,374)	805,084	10,232,175
Total	<u>16,538,226</u>	<u>445,325</u>	<u>-</u>	<u>-</u>	<u>16,983,552</u>
Total	315,160,525	27,204,846	(25,353,878)	-	317,011,494
Accumulated Depreciation:					
Buildings and Improvements Furniture, Equipment, and Machinery	(104,422,001)	(5,451,104)	21,379,627	-	(88,493,478)
Total	<u>(2,166,984)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,166,984)</u>
Total	<u>(106,588,985)</u>	<u>(5,451,104)</u>	<u>21,379,627</u>	<u>-</u>	<u>(90,660,462)</u>
Total Capital Assets - Net	<u>\$ 208,571,540</u>	<u>\$ 21,753,742</u>	<u>\$ (3,974,251)</u>	<u>\$ -</u>	<u>\$ 226,351,032</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 CAPITAL ASSETS (CONTINUED)

The following is a summary of changes in capital assets of the discretely presented component units during the year ended December 31, 2022:

	Balance December 31, 2021	2022 Activity	Balance December 31, 2022
Nondepreciable:			
Land	\$ -	\$ -	\$ -
Construction in Progress	31,191,458	(31,191,458)	-
Depreciable:			
Buildings and Improvements	378,144,924	30,517,667	408,662,591
Furniture, Equipment, and Machinery	18,981,821	2,704,000	21,685,821
Total	428,318,203	2,030,209	430,348,412
Less: Accumulated Depreciation	(90,676,278)	(15,654,993)	(106,331,271)
Total Capital Assets - Net	<u>\$ 337,641,925</u>	<u>\$ (13,624,784)</u>	<u>\$ 324,017,141</u>

NOTE 8 OTHER LIABILITIES

For the year ended December 31, 2022, 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, 2022:

	Balance - December 31, 2021	Additions	Deletions	Balance - December 31, 2022	Within One Year
Exchange Program Grant Deferred Revenue - Lincoln Terrace, LP	\$ 3,407,583	\$ -	\$ (3,407,583)	\$ -	\$ -
Family Self-Sufficiency Escrow	365,613	-	(28,985)	336,628	-
HCVF Cares Unearned Revenue	-	-	(717,580)	-	-
Compensated Absences	437,395	98,433	(115,474)	420,354	352,440
Total	<u>\$ 4,210,591</u>	<u>\$ 98,433</u>	<u>\$ (4,269,622)</u>	<u>\$ 756,982</u>	<u>\$ 352,440</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE

Mortgages and notes payable of the enterprise fund consists of the following at December 31, 2022:

<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.	\$ 4,431,888
During fiscal year 2011, Fort Worth Affordability, Inc. (FWAI) entered into a promissory note with the Texas Department of Housing and Community Affairs (TDHCA) in an amount not to exceed \$4,499,906. The note bears no interest. Monthly payments of \$12,500 began on February 1, 2013 and are due through maturity on January 1, 2043.	3,179,798
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%.	9,234,945
During the fiscal year 2014, Fair Oaks Public Facility Corporation entered into a promissory note with Bank of Oklahoma in an amount not to exceed \$1,720,000. The note bears 6.35% interest per annum. Monthly payments of interest began on June 1, 2014. This note was paid off in November 2022.	-
During the fiscal year 2014, Fair Park Public Facility Corporation entered into a promissory note with Bank of Oklahoma in an amount not to exceed \$2,250,000. The note bears 6.35% interest per annum. Monthly payments of interest began on June 1, 2014. This note was paid off in November 2022.	-
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.	8,498,774

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description</u>	<u>Amount</u>
<p>On November 27, 2019, Overton Square, L.P. refinanced its mortgage loan in the amount of \$14,000,000 from Mason Joseph Company, Inc. The loan bears interest at 3.05%. Monthly installments of principal and interest of \$54,270 are due beginning February 1, 2020 and until the loan matures on January 1, 2055. The mortgage payable is collateralized by the Property.</p>	\$ 13,316,729
<p>On December 14, 2016, Pennsylvania Place Apartment, LP obtained a loan in the amount of \$6,690,000 from the HUD lender which is insured by the Project and insured by HUD. The loan bears interest at a rate of 3.05% and is due monthly. Monthly installments of principal and interest of \$25,934 are due beginning February 1, 2017. This loan was paid off in 2022.</p>	-
<p>During fiscal year 2015, New 172 Hillside Partners, LLC entered into a promissory note with Mutual of Omaha Bank in the amount of \$9,500,000. The note bears interest at 4% per annum and is payable in monthly installments of \$45,842, including principal and interest, through the maturity date on May 22, 2025.</p>	8,009,548
<p>On November 29, 2010, Cobb Park Townhomes II, L.P. entered into a capital lease obligation with Fort Worth Affordability, Inc. (Villas by the Park) to finance development and rehabilitation of the project. The lease obligation bears no interest and annual payments of \$158,333 are due beginning in 2011 until maturity on January 1, 2040. This lease is eliminated upon consolidation.</p>	2,833,315
<p>On November 29, 2010, Cobb Park Townhomes II, L.P. (Villas by the Park) entered into a promissory note agreement for \$1,788,850 with Fort Worth Affordability, Inc. for the rehabilitation of the Project. The note is noninterest bearing, except that if an event of default occurs under the provision of the Additional Rent Agreement, then interest will accrue at the lesser of 18% per annum or the highest interest rate allowed by applicable law. Payment of principal only is due on January 1, 2011 and due an payable in the amount of \$4,969 on a monthly basis thereafter. The note is collateralized by the capital lease on the Project and matures on December 1, 2040. This note is eliminated upon consolidation.</p>	822,353

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description</u>	<u>Amount</u>
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.	\$ 1,435,251
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.	1,916,397
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.	19,908,930
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.	1,417,596
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 percent and matures on May 1, 2056. Monthly principal and interest payments of \$88,528 are required until maturity.	24,829,027
Elimination	<u>(5,073,264)</u>
Total	94,761,287
Less: Current Portion	<u>(2,126,618)</u>
Total Primary Government Note Payable - Noncurrent	<u>\$ 92,634,669</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Mortgages and notes payable of the discretely presented component units consist of the following at December 31, 2022:

<u>Description</u>	<u>Amount</u>
Western Hills Affordable Housing, LP obtained permanent financing of \$6,000,000 for the Project from the Lender. The Principal Amount bears interest at a rate of 3.89% with payments of principal and interest of \$28,265 due monthly. The mortgage payable is collateralized by the Project and matures in July 2022.	\$ 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.	1,280,916
In December 2007, Samuels Avenue, LP obtained a loan of \$126,500 for the Project from the City of Fort Worth pursuant to the HOME Investment Partnership Program. The note bears interest at the greater of 4.75% or the applicable federal rate for long term debt, compounded annually; is collateralized by the Project, matures on December 16, 2027; and is payable from available net cash flow beginning in December 2008.	126,500
During May 2009, South Hulen, L.P. entered into a permanent financing agreement with Wells Fargo Bank, N.A., in the amount of \$4,000,000. On March 27, 2018, the Date of Refinance, the Partnership obtained a loan insured by HUD, which is held by Greystone, in the amount of \$8,339,700. The HUD Mortgage bears interest at 3.9% per annum with monthly principal and interest payments of \$36,426 starting May 1, 2018 through April 1, 2053. The loan is secured by the Project.	7,768,105
On January 12, 2010, Wind River Apartments entered into a \$4,950,523 note with the Texas Department of Housing and Community Affairs to finance development of the project. The note requires monthly payments of principal and interest in the amount of \$14,811, based on .5%, due until maturity on April 1, 2032.	3,261,374
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

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<p>FW Hunter Plaza, L.P. entered into a financing agreement with Trinity River Public Facility Corporation (the Issuer and TRPFC) to use the proceeds from the issuance of tax-exempt bonds for the construction and development of the project. The bonds were issued on September 1, 2014 and will mature September 1, 2032. The bonds are collateralized by the Project and bear interest at 4%.</p>	<p>\$ 9,882,607</p>
<p>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.</p>	<p>2,830,000</p>
<p>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.</p>	<p>1,750,000</p>
<p>On July 1, 2016, LDG Stallion Pointe, LP, entered into a loan agreement with Citi Bank for a principal sum of up to \$27,000,000. The loan will mature on July 1, 2034. Interest will accrue at a variable rate as defined in the loan agreement and monthly interest payments began immediately. Subsequent to the conversion date, the loan will bear interest at a fixed rate of 3.78%.</p>	<p>24,468,890</p>
<p>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.</p>	<p>2,000,000</p>
<p>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.</p>	<p>12,854,722</p>
<p>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.</p>	<p>1,817,439</p>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description</u>	<u>Amount</u>
<p>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.</p>	\$ 413,390
<p>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.</p>	283,981
<p>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.</p>	1,500,000
<p>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.</p>	9,721,399
<p>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.</p>	650,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description</u>	<u>Amount</u>
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.	\$ 18,910,828
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.	19,152,768
On August 1, 2017, FW Campus Apartments, LP obtained a subordinate promissory note from Trinity River Public Facility Corporation for a principal sum of \$1,916,451. The loan will mature on August 1, 2052. Interest on the loan accrues at 3.00% per annum. Principal and interest payments prior to the maturity date shall consist of annual payments of 60% of residual cash flow as stipulated in the Partnership Agreement.	1,916,451
On September 26, 2019, for the Standard at Boswell Marketplace, LP, the construction note payable with Capital One, National Association converted to a permanent loan in the original amount of \$8,437,000. The loan accrues interest at a fixed rate of 3.42% per annum and will have a term of 15 years with monthly payments of principal and interest due.	8,437,000
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. entered into a loan agreement in the original amount not to exceed \$21,000,000 dated June 3, 2015 payable to Community Bank of Texas, N.A. The construction portion of the loan converted to a permanent loan January 25, 2018 in the amount of \$9,350,000 with a fixed interest rate per annum equal to 4.50%. Beginning on the first day of the first month following the loan conversion, equal monthly installments of principal and interest in the amount of \$47,732 shall be due and payable. Paid in full during March 2022.	-

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description</u>	<u>Amount</u>
<p>Amtex Avondale, L.P/ The Partnership entered into a multifamily loan agreement on March 30, 2022, in the original amount of \$9,000,000. with JLL Real Estate Capital, LLC. The loan secured is by, among other things, a lien on the Property. The loan bears interest at a rate of 3.76% per annum and requires monthly installments of principal and interest in the amount of \$38,564 through maturity at March 2024 at which all unpaid principal and interest is due.</p>	\$ 8,919,955
<p>On December 22, 2017, Palladium Fort Worth, Ltd. entered into a forward commitment agreement with the Lender to enter into a permanent mortgage upon maturity of the Construction Loan. On May 6, 2020 the Partnership entered into a promissory note and loan agreement with the Lender. The original loan amount is \$12,872,000 bearing an interest rate of 5.28% per annum. The term of the loan is 15 years with an amortization period of 35 years. The loan matures on June 1, 2035 with monthly principal and interest payments of \$67,280, based on a 35 year amortization and a balloon payment at maturity. Monthly deposits are made to a reserve for replacement account for future replacements and monthly repairs. Monthly deposits are made to an escrow for insurance and ground lease payments.</p>	12,557,367
<p>The acquisition and rehabilitation of Prince Hall Gardens II by FW Steele Prince Hall, LLC was financed, in part, with the Trinity River Public Facility Corporation Governmental Note Series 2018 bonds (Bonds) in the amount of \$7,180,000. The loan agreement details an arrangement between the Trinity River Public Facility Corporation and Citibank, NA. Citibank purchased the Bonds issued by TRPFC, the proceeds of which were loaned to Prince Hall to finance the acquisition, construction and equipping of the Prince Hall Gardens II in the form of a nonrecourse permanent mortgage loan. The terms of the loan provide for a maximum principal in the amount of \$7,180,000 and an annual fixed interest rate of 5.19% with a term of at least 17 years with a mandatory prepayment date of July 1, 2035 and a maturity date of July 1, 2048. The loan also provides for monthly deposits for reserve for replacements and monthly principal and interest payments of \$37,111 commencing August 1, 2018 based on a 35-year amortization period with a balloon payment of the remaining principal balance at maturity.</p>	6,820,032

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description</u>	<u>Amount</u>
<p>The acquisition and rehabilitation of Sabine Place Apartments by FW Steele Sabine Place, LLC was financed, in part, with the Trinity River Public Facility Corporation Governmental Note Series 2018 bonds (Bonds) in the amount of \$7,000,000. The loan agreement details an arrangement between the Trinity River Public Facility Corporation and Citibank, NA. Citibank purchased the Bonds issued by TRPFC, the proceeds of which were loaned to Prince Hall to finance the acquisition, construction and equipping of the Prince Hall Gardens II in the form of a nonrecourse permanent mortgage loan. The terms of the loan provide for a maximum principal in the amount of \$7,000,000 and an annual fixed interest rate of 5.13% with a term of at least 17 years with a mandatory prepayment date of March 1, 2035 and a maturity date of July 1, 2048. The loan also provides for monthly deposits for reserve for replacements and monthly principal and interest payments of \$35,911 commencing August 1, 2018 based on a 35-year amortization period with a balloon payment of the remaining principal balance at maturity.</p>	<p>\$ 6,614,586</p>
<p>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 percent per annum. Monthly principal and interest payments in the amount of \$22,572 are due until maturity on July 1, 2032. As of December 31, 2021 accrued interest was \$18,007. 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.</p>	<p>3,559,930</p>
<p>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.</p>	<p>3,073,223</p>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description</u>	<u>Amount</u>
<p>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.</p>	\$ 23,110,000
<p>The Fossil Ridge II, LP entered into a loan agreement with Community Bank of Texas, N.A. in an amount not to exceed \$15,000,000. The terms of the loan required monthly payments of interest only at a WSJP floating rate with a floor of 3.5 percent 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 percent per annum and requires monthly payments of principal and interest in the amount of \$30,272 through the scheduled maturity date of December 10, 2030.</p>	4,742,000
<p>On April 1, 2019, FW Patriot Pointe, LP entered into a subordinate promissory note with LDG Development, LLC in the amount of \$1,000,000. Interest on this Note shall accrue at two and twenty-five hundredths percent (2.25%) per annum, compounded annually. The note matures on April 1, 2061. Required payments under this Note prior to the Maturity Date shall consist of annual payments of Cash Flow.</p>	669,919
<p>On April 1, 2019, FW Patriot Pointe, LP entered into a subordinate promissory note with Trinity River Public Facility Corporation in the amount of \$1,000,000. Interest on this Note shall accrue at two and twenty-five hundredths percent (2.25%) per annum, compounded annually. The note matures on April 1, 2061. Required payments under this Note prior to the Maturity Date shall consist of annual payments of Cash Flow.</p>	669,919

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description</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 2.25% 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 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>23,490,000</u>
Total	235,939,309
Less: Current Portion	<u>(2,923,602)</u>
Total Discretely Presented Component Units - Debt - Noncurrent	<u>\$ 233,015,707</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 217,962	\$ -	\$ 217,962
2024	217,962	-	217,962
2025	217,962	-	217,962
2026	217,962	-	217,962
2027	217,962	-	217,962
2028-2032	1,089,808	-	1,089,808
2033-2037	1,089,808	-	1,089,808
2038-2043	1,162,462	-	1,162,462
Total	<u>\$ 4,431,888</u>	<u>\$ -</u>	<u>\$ 4,431,888</u>

Fort Worth Affordability 2	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 158,330	\$ -	\$ 158,330
2024	158,330	-	158,330
2025	158,330	-	158,330
2026	158,330	-	158,330
2027	158,330	-	158,330
2028-2032	791,651	-	791,651
2033-2037	791,651	-	791,651
2038-2042	804,846	-	804,846
Total	<u>\$ 3,179,798</u>	<u>\$ -</u>	<u>\$ 3,179,798</u>

FW Casa de Esperanza, LP	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ -	\$ -
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028-2032	-	-	-
2033-2037	-	-	-
2038-2040	9,234,945	-	9,234,945
Total	<u>\$ 9,234,945</u>	<u>\$ -</u>	<u>\$ 9,234,945</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Eastwood Public Facility Corporation	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 141,977	\$ 292,253	\$ 434,230
2024	146,983	287,233	434,216
2025	152,165	282,036	434,201
2026	157,530	276,655	434,185
2027	163,084	271,085	434,169
2028-2032	905,831	1,264,752	2,170,583
2033-2037	1,077,181	1,092,907	2,170,088
2038-2042	1,280,944	888,555	2,169,499
2043-2047	1,523,251	645,548	2,168,799
2048-2052	1,811,393	356,572	2,167,965
2053-2055	1,138,435	53,533	1,191,968
Total	<u>\$ 8,498,774</u>	<u>\$ 5,711,129</u>	<u>\$ 14,209,903</u>

Overton Square, L.P.	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 249,167	\$ 402,078	\$ 651,245
2024	256,874	394,371	651,245
2025	264,819	386,426	651,245
2026	273,010	378,235	651,245
2027	281,454	369,791	651,245
2028-2032	1,543,364	1,712,863	3,256,227
2033-2037	1,797,273	1,458,954	3,256,227
2038-2042	2,092,956	1,163,271	3,256,227
2043-2047	2,437,283	818,944	3,256,227
2048-2052	2,838,257	417,970	3,256,227
2053-2055	1,282,272	40,485	1,322,757
Total	<u>\$ 13,316,729</u>	<u>\$ 7,543,389</u>	<u>\$ 20,860,118</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Hillside Partners	Principal	Interest	Total
2023	\$ 235,374	\$ 314,730	\$ 550,104
2024	244,964	305,140	550,104
2025	7,529,210	124,219	7,653,429
Total	<u>\$ 8,009,548</u>	<u>\$ 744,089</u>	<u>\$ 8,753,637</u>
Lincoln Terrace, LP	Principal	Interest	Total
2023	\$ 36,360	\$ 83,688	\$ 120,048
2024	38,603	81,445	120,048
2025	40,984	79,064	120,048
2026	43,511	76,537	120,048
2027	46,195	73,853	120,048
2028	1,229,598	279,124	1,508,722
Total	<u>\$ 1,435,251</u>	<u>\$ 673,711</u>	<u>\$ 2,108,962</u>
Lincoln Terrace, LP	Principal	Interest	Total
2023	\$ 197,371	\$ -	\$ 197,371
2024	197,371	-	197,371
2025	197,371	-	197,371
2026	197,371	-	197,371
2027	197,371	-	197,371
2028-2032	929,542	-	929,542
Total	<u>\$ 1,916,397</u>	<u>\$ -</u>	<u>\$ 1,916,397</u>
Aventine Tarrant Parkway Apts, LP	Principal	Interest	Total
2023	\$ 388,624	\$ 670,886	\$ 1,059,510
2024	402,045	657,465	1,059,510
2025	415,929	643,580	1,059,509
2026	430,293	629,216	1,059,509
2027	445,154	614,357	1,059,511
2028-2032	2,467,231	2,830,289	5,297,520
2033-2037	2,923,718	2,373,802	5,297,520
2038-2042	3,464,664	1,832,856	5,297,520
2043-2047	4,105,696	1,191,824	5,297,520
2048-2052	4,865,575	432,188	5,297,763
Total	<u>\$ 19,908,930</u>	<u>\$ 11,876,462</u>	<u>\$ 31,785,392</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Post Oak East Apartments, LP	Principal	Interest	Total
2023	\$ 501,453	\$ 560,883	\$ 1,062,336
2024	513,007	549,330	1,062,337
2025	524,826	537,510	1,062,336
2026	536,918	525,418	1,062,336
2027	549,289	513,048	1,062,337
2028-2032	2,942,208	2,369,474	5,311,682
2033-3037	3,297,130	2,014,553	5,311,683
2038-2042	3,694,866	1,616,817	5,311,683
2043-2047	4,140,581	1,171,102	5,311,683
2048-2052	4,640,062	671,620	5,311,682
2053-2057	3,488,688	140,960	3,629,648
Total	<u>\$ 24,829,028</u>	<u>\$ 10,670,715</u>	<u>\$ 35,499,743</u>
Total - Enterprise Fund	Principal	Interest	Total
2023	\$ 2,126,618	\$ 2,324,518	\$ 4,451,136
2024	2,176,139	2,274,984	4,451,122
2025	9,501,596	2,052,835	11,554,432
2026	2,014,925	1,886,062	3,900,988
2027	2,058,839	1,842,134	3,900,973
2027-2031	11,899,232	8,456,503	20,355,735
2032-2036	10,976,761	6,940,215	17,916,977
2037-2041	21,735,683	5,501,499	27,237,182
2042-2046	12,206,811	3,827,417	16,034,228
2047-2051	14,155,288	1,878,349	16,033,637
2052	5,909,395	12,111,439	18,020,834
Total	<u>\$ 94,761,287</u>	<u>\$ 49,095,956</u>	<u>\$ 143,857,244</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 Enterprise Fund
TDHCA FWAI 1	\$ 4,668,013	\$ -	\$ (236,125)	\$ -	\$ 4,431,888	\$ 217,962	\$ 4,213,926	\$ 4,431,888
TDHCA FWAI 2	3,338,129	-	(158,331)	-	3,179,798	158,330	3,021,468	3,179,798
Fair Oaks	1,533,566	-	(1,533,566)	-	-	-	-	-
Fair Park	1,602,655	-	(1,602,655)	-	-	-	-	-
Eastwood Public Facility Corp	8,635,916	-	(137,142)	-	8,498,774	141,977	8,356,797	8,498,774
New 172 Hillside Partners, LLC	8,229,782	-	(220,234)	-	8,009,548	235,374	7,774,174	8,009,548
Overton Square, LP 4	13,557,963	-	(241,234)	-	13,316,729	249,167	13,067,562	13,316,729
Pennsylvania Place	6,122,366	-	(6,122,366)	-	-	-	-	-
Aventine Tarrant Pkwy Apts, LP	20,284,580	-	(375,650)	-	19,908,930	388,624	19,520,306	19,908,930
Cobb Park Townhomes, LP Lease*	2,991,648	-	(158,333)	-	2,833,315	158,333	2,674,982	2,833,315
Cobb Park Townhomes, LP Note*	881,981	-	(59,628)	-	822,353	59,628	762,725	822,353
Lincoln Terrace, LP Mortgage	1,467,380	-	(32,129)	-	1,435,251	36,360	1,398,891	1,435,251
Lincoln Terrace, LP Exchange Grant	2,442,720	-	(526,323)	-	1,916,397	197,371	1,719,026	1,916,397
Hillside PFC (Knights of Pythias)*	1,417,596	-	-	-	1,417,596	-	1,417,596	1,417,596
FW Casa De Esperanza, LP	9,250,000	-	-	(15,055)	9,234,945	-	9,234,945	9,234,945
Post Oak East	25,319,187	-	(490,160)	-	24,829,027	501,453	24,327,574	24,829,027
Elimination	(5,291,225)	-	-	217,961	(5,073,264)	(217,961)	(4,855,303)	(5,073,264)
Total	<u>\$ 106,452,257</u>	<u>\$ -</u>	<u>\$ (11,893,876)</u>	<u>\$ 202,906</u>	<u>\$ 94,761,287</u>	<u>\$ 2,126,618</u>	<u>\$ 92,634,669</u>	<u>\$ 94,761,287</u>

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

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

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

	Beginning Debt	Loan Proceeds	Principal Payments	Ending Debt	Current Portion	Long-Term Portion
Western Hills Affordable Housing, L.P.	\$ 5,239,057	\$ -	\$ -	\$ 5,239,057	\$ -	\$ 5,239,057
Samuels Avenue, L.P. - Pacific Life	1,280,916	-	-	1,280,916	41,417	1,239,499
Samuels Avenue, L.P. - City of Fort Worth	126,500	-	-	126,500	-	126,500
South Hulen, L.P. - Greystone	7,768,068	37	-	7,768,105	136,600	7,631,505
Wind River Apartments	3,261,324	50	-	3,261,374	161,801	3,099,573
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	9,885,421	-	(2,814)	9,882,607	243,726	9,638,881
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.	24,436,277	32,613	-	24,468,890	409,781	24,059,109
LDG Stallion Pointe, L.P. - Trinity River PFC	2,000,000	-	-	2,000,000	-	2,000,000
Woodmont - TDHCA Bonds	12,855,850	-	(1,128)	12,854,722	289,699	12,565,023
Woodmont - TDHCA TCAP	1,883,593	-	(66,154)	1,817,439	-	1,817,439
Woodmont - TDHCA HOME 1	387,458	25,932	-	413,390	25,932	387,458
Woodmont - TDHCA HOME 2	266,167	17,814	-	283,981	17,814	266,167
Woodmont - City of Fort Worth HOME	1,500,000	-	-	1,500,000	-	1,500,000
Hometowne at MR LP - Dwight Capital	9,721,398	-	-	9,721,398	132,198	9,589,200
Hometowne at MR LP - City of Fort Worth	650,000	-	-	650,000	-	650,000
FW Alton Park, LP - Citibank 1	18,910,828	-	-	18,910,828	268,026	18,642,802
FW Alton Park, LP - Trinity River PFC	3,219,037	-	(72,086)	3,146,951	-	3,146,951
FW Campus Apartments, LP	19,170,993	-	(18,225)	19,152,768	235,466	18,917,302
FW Campus Apartments, LP - Trinity River PFC	1,916,451	-	-	1,916,451	-	1,916,451
Standard at Boswell Marketplace, LP, Capital One	8,437,000	-	-	8,437,000	-	8,437,000
Standard at Boswell Marketplace, LP - FWAI	1,000,000	-	-	1,000,000	-	1,000,000
Amtex Avondale, LP - Comm Bank of Texas, NA	8,634,112	-	(8,634,112)	-	-	-
Amtex Avondale, LP - Comm Bank of Texas, NA	-	9,000,000	(80,045)	8,919,955	124,904	8,795,051
Palladium Fort Worth, Ltd - Bridge Loan	12,557,367	-	-	12,557,367	138,513	12,418,854
FW Steele Prince Hall, LLC - Trinity River PFC	6,820,033	-	-	6,820,033	93,580	6,726,453
FW Steele Sabine Place, LLC - Trinity River PFC	6,614,586	-	-	6,614,586	93,784	6,520,802
Reserve at McAlister Senior Living, LLC	3,559,930	-	-	3,559,930	64,319	3,495,611
Western Center Reserve, LLC	3,073,223	-	-	3,073,223	61,042	3,012,181
FW Stallion Ridge, LP - Subordinate Loans	1,500,000	-	-	1,500,000	-	1,500,000
FW Stallion Ridge, LP - Bonds	23,110,000	-	-	23,110,000	185,000	22,925,000
FW Patriot Pointe, LP - Notes	2,000,000	-	(660,162)	1,339,838	200,000	1,139,838
FW Patriot Pointe, LP - Bonds	23,490,000	-	-	23,490,000	-	23,490,000
Fossil Ridge II, LP - Colliers Mortgage, LLC	4,742,000	-	-	4,742,000	-	4,742,000
Fossil Ridge II, LP - Comm Bank of Texas, NA	-	-	-	-	-	-
Total	\$ 236,397,589	\$ 9,076,446	\$ (9,534,726)	\$ 235,939,309	\$ 2,923,602	\$ 233,015,707

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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:

<u>Year Ending December 31,</u>	<u>Western/ Cambridge Apartments</u>	<u>Samuels Apartments</u>	<u>Samuels Apartments</u>	<u>South Hulen/ Candletree Apts</u>	<u>Trinity WR Apartments</u>	<u>Hunter Plaza</u>	<u>Hunter Plaza</u>	<u>Hunter Plaza</u>	<u>Hunter Plaza</u>
2023	\$ -	\$ 41,417	\$ -	\$ 136,600	\$ 161,801	\$ -	\$ 243,726	\$ -	\$ -
2024	-	44,407	-	142,024	162,612	-	253,656	-	-
2025	-	47,612	-	147,663	163,427	-	263,990	-	-
2026	-	51,049	-	153,526	164,246	-	274,745	-	-
2027	-	1,096,431	-	159,621	165,069	-	285,939	-	-
Thereafter	5,239,057	-	126,500	7,028,671	2,444,219	1,800,000	8,560,551	2,830,000	1,750,000
Total Mortgage Payable	<u>\$ 5,239,057</u>	<u>\$ 1,280,916</u>	<u>\$ 126,500</u>	<u>\$ 7,768,105</u>	<u>\$ 3,261,374</u>	<u>\$ 1,800,000</u>	<u>\$ 9,882,607</u>	<u>\$ 2,830,000</u>	<u>\$ 1,750,000</u>

<u>Year Ending December 31,</u>	<u>Stallion Pointe</u>	<u>Stallion Pointe</u>	<u>Woodmont Apts, Ltd</u>	<u>Woodmont Apts, Ltd</u>	<u>Woodmont Apts, Ltd</u>	<u>Woodmont Apts, Ltd</u>	<u>Woodmont Apts, Ltd</u>	<u>Hometowne at Matador Ranch LP</u>	<u>Hometowne at Matador Ranch LP</u>
2023	\$ 409,781	\$ -	\$ 289,699	\$ -	\$ 25,932	\$ 17,814	\$ -	\$ 132,198	\$ -
2024	615,678	-	281,238	-	25,932	17,814	-	137,446	-
2025	647,191	-	296,650	-	25,932	17,814	-	142,904	-
2026	669,345	-	312,906	-	25,932	17,814	-	148,578	-
2027	702,164	-	330,054	-	25,932	17,814	-	154,477	-
Thereafter	21,424,731	2,000,000	11,344,175	1,817,439	283,730	194,911	1,500,000	9,005,796	650,000
Total Mortgage Payable	<u>\$ 24,468,890</u>	<u>\$ 2,000,000</u>	<u>\$ 12,854,722</u>	<u>\$ 1,817,439</u>	<u>\$ 413,390</u>	<u>\$ 283,981</u>	<u>\$ 1,500,000</u>	<u>\$ 9,721,399</u>	<u>\$ 650,000</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

	FW Alton Park, LP	FW Alton Park, LP	FW Alton Park, LP	FW Campus Apartments, LP	FW Campus Apartments, LP	FW Campus Apartments, LP	Standard at Boswell Marketplace, LP	Standard at Boswell Marketplace, LP	Amtex Avondale, LP	Fossil Ridge II, LP
<u>Year Ending December 31,</u>										
2023	\$ 268,026	\$ -	\$ -	\$ 235,466	\$ -	\$ -	\$ -	\$ -	\$ 124,904	\$ -
2024	280,200	-	-	247,686	-	-	-	-	128,806	-
2025	292,926	-	-	260,540	-	-	-	-	134,747	-
2026	306,231	-	-	274,060	-	-	-	-	139,974	-
2027	320,139	-	-	288,283	-	-	-	-	145,405	43,643
Thereafter	17,443,306	-	3,146,951	17,846,733	1,916,451	-	8,437,000	1,000,000	8,246,119	4,698,357
Total Mortgage Payable	<u>\$ 18,910,828</u>	<u>\$ -</u>	<u>\$ 3,146,951</u>	<u>\$ 19,152,768</u>	<u>\$ 1,916,451</u>	<u>\$ -</u>	<u>\$ 8,437,000</u>	<u>\$ 1,000,000</u>	<u>\$ 8,919,955</u>	<u>\$ 4,742,000</u>
	Palladium Fort Worth, Ltd	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC	Reserve at McAlister Senior Living, LLC	Western Center Reserve, LLC	FW Stallion Ridge, LP	FW Stallion Ridge, LP	FW Patriot Pointe, LP	FW Patriot Pointe, LP	Grand Total
<u>Year Ending December 31,</u>										
2023	\$ 138,513	\$ 93,580	\$ 93,784	\$ 64,319	\$ 61,042	\$ 185,000	\$ -	\$ -	\$ 200,000	\$ 2,923,602
2024	144,220	98,554	98,710	68,184	65,000	190,000	-	-	210,000	3,212,167
2025	154,026	103,793	103,894	72,282	69,216	205,000	-	-	220,000	3,369,607
2026	162,477	109,310	109,351	76,625	73,705	210,000	-	-	235,000	3,514,874
2027	171,391	115,120	115,095	81,230	78,484	225,000	-	-	245,000	4,766,291
Thereafter	11,786,740	6,299,676	6,093,752	3,197,290	2,725,776	22,095,000	1,500,000	1,339,838	22,380,000	218,152,769
Total Mortgage Payable	<u>\$ 12,557,367</u>	<u>\$ 6,820,033</u>	<u>\$ 6,614,586</u>	<u>\$ 3,559,930</u>	<u>\$ 3,073,223</u>	<u>\$ 23,110,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,339,838</u>	<u>\$ 23,490,000</u>	<u>\$ 235,939,310</u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022 were \$1,779,146 for FWHS' Low-Rent Public Housing Program.

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

HUD contributions for the Housing Choice Voucher Program for the year ended December 31, 2022 were as follows:

Rental Vouchers	\$ 55,221,164
Moderate Rehabilitation	498,494
Mainstream	4,028,823
Total	<u>\$ 59,748,481</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, 2022, FWHS' required 5% contributions and 5% matching amounted to \$518,450. The total eligible payroll totaled \$6,259,000.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022. 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, 2022 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, 2022 was \$26,968,763, 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, 2022**

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	0.01%
650 South Main Tenant, LP (High Point)	5/10/2019	Special Limited Partner	0.01%
Standard River District, LP	1/9/2019	Special Limited Partner	0.01%
AmCal Alliance, LP (the Holston)	5/7/2018	Special Limited Partner	0.005%
FW Springs SLP, LLC	7/20/2015	Special Limited Partner	0.01%
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	0.01%
Skyline Prairie Homes	8/10/2021	Special Limited Partner	0.01%
250 Penn Ave Tenant, LP (Siddons)	11/10/2022	Special Limited Partner	0.01%
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	0.01%
Crestwood Apartments Tenant, LP	10/28/2022	Special Limited Partner	0.01%

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 2020. 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. 21 of the agreements required prepaid ground lease rent, totaling \$114,552,467 (of which \$1,070,343 is eliminated between FW Casa de Esperanza, LP and FWHS). As of December 31, 2022, \$109,562,061 remains deferred and reported as deferred inflows in the statement of net position. Total rent of \$1,089,082 was earned for the year ended December 31, 2022.

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, 2022, there were no liabilities to be reported.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 15 COMMITMENTS AND CONTINGENCIES

FWHS is subject to examination by federal regulators to determine compliance with terms, conditions, laws, and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by FWHS to federal grantors and/or program beneficiaries. As of the date that the financial statements were available to be issued, FWHS had outstanding litigation cases that had not yet been resolved. FWHS has assessed the likelihood of such cases resulting in monetary settlement to be minimal and as such has not recorded an associated liability at fiscal year-end. Management believes the resolution of these matters will not have a material impact on FWHS' operations or will result in dismissal.

NOTE 16 CONDUIT DEBT OBLIGATIONS

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

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

On March 1, 2018, FW Steele Sabine Place, LLC. entered into a financing agreement with the Trinity River Public Facility Corporation to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on March 1, 2048.

On July 1, 2018, FW Steele Prince Hall, LLC. entered into a financing agreement with the Trinity River Public Facility Corporation to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on July 1, 2048.

On April 1, 2019, FW Patriot Pointe, L.P. entered into a financing agreement with the Trinity River Public Facility Corporation to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on April 1, 2059.

On June 1, 2019, FW Stallion Ridge, L.P. entered into a financing agreement with the Trinity River Public Facility Corporation to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on June 1, 2059.

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

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

Condensed combining information for FWHS' blended component units is of and for the year ended December 31, 2022 and is provided as follows:

	Fort Worth Affordability, Inc.						
	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
ASSETS							
Cash	\$ 3,300,035	\$ 878,620	\$ 1,923,126	\$ -	\$ 82,179	\$ 85,952	\$ 505,288
Restricted Cash	-	-	-	-	79,456	600,477	2,298,935
Interprogram Assets	9,680,442	341,555	-	-	-	-	-
Other - Current Assets	82	6,981,994	-	60,000	43,029	115,639	206,313
Noncurrent Assets	-	9,802,539	-	-	10,715	452,395	584,020
Capital Assets, Net	-	1,979,047	-	-	3,626,373	6,196,230	9,064,246
Total Assets	<u>12,980,559</u>	<u>19,983,755</u>	<u>1,923,126</u>	<u>60,000</u>	<u>3,841,752</u>	<u>7,450,693</u>	<u>12,658,802</u>
LIABILITIES							
Current Liabilities	-	43,207	-	-	295,791	544,192	477,199
Interprogram Liabilities	-	-	-	61,000	115,681	89,354	206,074
Notes and Mortgage Payable	-	4,431,888	-	-	3,179,798	3,655,668	24,829,027
Noncurrent Liabilities	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>4,475,095</u>	<u>-</u>	<u>61,000</u>	<u>3,591,270</u>	<u>4,289,214</u>	<u>25,512,300</u>
DEFERRED OUTFLOWS							
Ground Leases	-	-	-	-	-	-	-
NET POSITION							
Net Investment in Capital Assets	-	(2,452,841)	-	-	446,575	2,540,562	(15,764,781)
Restricted	-	-	-	-	79,456	600,477	2,298,935
Unrestricted	12,980,559	17,961,501	1,923,126	(1,000)	(275,549)	20,440	612,348
Total Net Position	<u>12,980,559</u>	<u>15,508,660</u>	<u>1,923,126</u>	<u>(1,000)</u>	<u>250,482</u>	<u>3,161,479</u>	<u>(12,853,498)</u>
Total Liabilities and Net Position	<u>\$ 12,980,559</u>	<u>\$ 19,983,755</u>	<u>\$ 1,923,126</u>	<u>\$ 60,000</u>	<u>\$ 3,841,752</u>	<u>\$ 7,450,693</u>	<u>\$ 12,658,802</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

	Aventine Tarrant Parkway Apartments, LP	Hillside Public Facility Corporation/ Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	QuadCo Management Solutions, LLC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Eastwood Public Facility Corporation	Overton Square, L.P.
ASSETS									
Cash	\$ 1,928,850	\$ 152,683	\$ 3,154,850	\$ 1,016,080	\$ -	\$ 131,184	\$ 26,804	\$ 1,211,817	\$ 1,220,880
Restricted Cash	1,175,208	-	288,527	-	-	-	100,902	679,607	1,121,604
Interprogram Assets	-	-	230,000	2,888,295	-	-	-	-	2,886
Other - Current Assets	83,407	30,587	57,419	4,443,406	-	311,136	539,498	53,479	143,634
Noncurrent Assets	440,824	-	(31,025)	11,237,907	-	334,886	-	125,860	400,144
Capital Assets, Net	9,894,739	2,459,965	8,981,534	-	-	1,599,837	1,550,394	3,919,804	6,983,873
Total Assets	<u>13,523,028</u>	<u>2,643,235</u>	<u>12,681,305</u>	<u>19,585,688</u>	<u>-</u>	<u>2,377,043</u>	<u>2,217,598</u>	<u>5,990,567</u>	<u>9,873,021</u>
LIABILITIES									
Current Liabilities	252,826	150,148	225,506	19,833	395	-	682,051	119,880	277,741
Interprogram Liabilities	156,122	676,434	86,051	-	-	1,938,559	1,899,909	3,182	13,397
Notes and Mortgage Payable	19,908,931	1,417,596	8,009,549	-	-	-	-	8,498,774	13,316,729
Noncurrent Liabilities	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>20,317,879</u>	<u>2,244,178</u>	<u>8,321,106</u>	<u>19,833</u>	<u>395</u>	<u>1,938,559</u>	<u>2,581,960</u>	<u>8,621,836</u>	<u>13,607,867</u>
LIABILITIES									
Ground Leases	-	-	-	-	-	-	-	-	-
NET POSITION									
Net Investment in Capital Assets	(10,014,192)	1,042,369	971,985	-	-	1,599,837	1,550,394	(4,578,970)	(6,332,856)
Restricted	1,175,208	-	288,527	-	-	-	100,902	679,607	1,121,604
Unrestricted	2,044,133	(643,312)	3,099,687	19,565,855	(395)	(1,161,353)	(2,015,658)	1,268,094	1,476,406
Total Net Position	<u>(6,794,851)</u>	<u>399,057</u>	<u>4,360,199</u>	<u>19,565,855</u>	<u>(395)</u>	<u>438,484</u>	<u>(364,362)</u>	<u>(2,631,269)</u>	<u>(3,734,846)</u>
Total Liabilities and Net Position	<u>\$ 13,523,028</u>	<u>\$ 2,643,235</u>	<u>\$ 12,681,305</u>	<u>\$ 19,585,688</u>	<u>\$ -</u>	<u>\$ 2,377,043</u>	<u>\$ 2,217,598</u>	<u>\$ 5,990,567</u>	<u>\$ 9,873,021</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

	Pennsylvania Place Apartments, LP	Cavile Public Facility Corporation	Iron Wood Crossing Public Facility Corporation	Lincoln Terrace, LP	FW Casa De Esperanza, LP	Huntley Public Facility Corporation	Other Projects	Total Blended Component Units
ASSETS								
Cash	\$ 2,948,007	\$ -	\$ -	\$ 193,753	\$ 947,589	\$ -	\$ 487,866	\$ 20,195,563
Restricted Cash	-	-	-	632,049	37,627	-	123,823	7,138,215
Interprogram Assets	-	-	924,874	-	-	-	85,546	14,153,598
Other - Current Assets	82,326	550,837	25,000	53,087	459,930	-	279,887	14,520,690
Noncurrent Assets	-	-	-	161,578	1,070,343	-	-	24,590,186
Capital Assets, Net	-	5,543,490	88,112,519	5,846,176	8,380,696	1,646,559	-	165,785,482
Total Assets	<u>3,030,333</u>	<u>6,094,327</u>	<u>89,062,393</u>	<u>6,886,643</u>	<u>10,896,185</u>	<u>1,646,559</u>	<u>977,122</u>	<u>246,383,734</u>
LIABILITIES								
Current Liabilities	78,410	45,643	-	3,815,614	40,918	-	1,622	7,070,976
Interprogram Liabilities	-	3,177,729	-	13,054	1,232,352	102	22,912	9,691,912
Notes and Mortgage Payable	-	-	-	3,351,648	9,234,945	-	-	99,834,553
Noncurrent Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	<u>78,410</u>	<u>3,223,372</u>	<u>-</u>	<u>7,180,316</u>	<u>10,508,215</u>	<u>102</u>	<u>24,534</u>	<u>116,597,441</u>
LIABILITIES								
Ground Leases	-	-	91,032,044	-	-	-	-	91,032,044
NET POSITION								
Net Investment in Capital Assets	-	5,543,490	88,112,519	2,494,528	(854,249)	1,646,559	-	65,950,929
Restricted	-	-	-	632,049	37,627	-	123,823	7,138,215
Unrestricted	2,951,923	(2,672,535)	(90,082,170)	(3,420,250)	1,204,592	(102)	828,765	(34,334,895)
Total Net Position	<u>2,951,923</u>	<u>2,870,955</u>	<u>(1,969,651)</u>	<u>(293,673)</u>	<u>387,970</u>	<u>1,646,457</u>	<u>952,588</u>	<u>38,754,249</u>
Total Liabilities and Net Position	<u>\$ 3,030,333</u>	<u>\$ 6,094,327</u>	<u>\$ 89,062,393</u>	<u>\$ 6,886,643</u>	<u>\$ 10,896,185</u>	<u>\$ 1,646,559</u>	<u>\$ 977,122</u>	<u>\$ 246,383,734</u>

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

	Fort Worth Affordability, Inc.							Aventine Tarrant Parkway Apartments, LP
	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	
OPERATING REVENUES								
Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ 1,221,467	\$ 1,506,177	\$ 1,732,314	\$ 2,857,568
Other Revenues	-	115,841	-	-	158,508	346,527	1,756,671	454,522
Total Operating Revenues	-	115,841	-	-	1,379,975	1,852,704	3,488,985	3,312,090
OPERATING EXPENSES								
Administrative	-	12,495	-	1,000	249,008	309,919	354,816	373,661
Tenant Services	-	-	-	-	2,720	2,861	30,159	31,854
Utilities	-	-	-	-	87,557	277,543	319,130	237,096
Ordinary Maintenance and Operations	-	-	-	-	608,196	975,819	1,109,865	643,914
Protective Services	-	-	-	-	57,063	150,563	67,348	80,935
General Expenses	87	271,948	-	-	145,284	38,590	428,782	193,011
Housing Assistance Payments	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	155,986	104,789	394,581	430,128
Total Operating Expenses	87	284,443	-	1,000	1,305,814	1,860,084	2,704,681	1,990,599
OPERATING INCOME (LOSS)	(87)	(168,602)	-	(1,000)	74,161	(7,380)	784,304	1,321,491
Total Nonoperating Revenues (Expenses)	4,774	13,086	6,675	-	154	(9,170)	(585,208)	(691,519)
INCOME (LOSS) BEFORE TRANSFERS	4,687	(155,516)	6,675	(1,000)	74,315	(16,550)	199,096	629,972
Operating Transfers	(1,764,034)	-	-	-	-	-	-	-
CHANGE IN NET POSITION	(1,759,347)	(155,516)	6,675	(1,000)	74,315	(16,550)	199,096	629,972
Total Net Position - Beginning of Year	14,739,906	15,664,176	1,916,451	-	176,167	3,178,029	(13,052,594)	(7,424,823)
Equity Transfer	-	-	-	-	-	-	-	-
TOTAL NET POSITION - END OF YEAR	<u>\$ 12,980,559</u>	<u>\$ 15,508,660</u>	<u>\$ 1,923,126</u>	<u>\$ (1,000)</u>	<u>\$ 250,482</u>	<u>\$ 3,161,479</u>	<u>\$ (12,853,498)</u>	<u>\$ (6,794,851)</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

	Hillside Public Facility Corporation/ Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	QuadCo Management Solutions, LLC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Eastwood Public Facility Corporation	Overton Square, L.P.
OPERATING REVENUES								
Tenant Revenue	\$ 147,799	\$ 2,072,762	\$ -	\$ -	\$ 593,813	\$ 565,804	\$ 1,606,130	\$ 2,114,677
Other Revenues	112,549	3,010	300,505	41,550	834,057	9,177	132,373	428,201
Total Operating Revenues	<u>260,348</u>	<u>2,075,772</u>	<u>300,505</u>	<u>41,550</u>	<u>1,427,870</u>	<u>574,981</u>	<u>1,738,503</u>	<u>2,542,878</u>
OPERATING EXPENSES								
Administrative	19,218	555,829	78,366	8,363	194,574	167,314	235,821	401,242
Tenant Services	2,165	1,597	-	-	1,439	783	-	8,369
Utilities	30,039	113,418	(15)	-	170,523	173,588	147,017	151,833
Ordinary Maintenance and Operations	8,794	291,487	-	-	366,858	322,028	426,275	489,133
Protective Services	-	-	-	-	49,892	-	9,130	660
General Expenses	30,456	127,370	459,999	-	42,360	69,546	47,451	100,749
Housing Assistance Payments	-	-	-	-	-	-	-	-
Depreciation	588	256,082	-	3,442	149,732	82,925	495,481	374,231
Total Operating Expenses	<u>91,260</u>	<u>1,345,783</u>	<u>538,350</u>	<u>11,805</u>	<u>975,378</u>	<u>816,184</u>	<u>1,361,175</u>	<u>1,526,217</u>
OPERATING INCOME (LOSS)	169,088	729,989	(237,845)	29,745	452,492	(241,203)	377,328	1,016,661
Total Nonoperating Revenues (Expenses)	<u>(43,237)</u>	<u>(298,885)</u>	<u>78,241</u>	<u>-</u>	<u>(103,534)</u>	<u>(104,374)</u>	<u>(307,626)</u>	<u>(443,069)</u>
INCOME (LOSS) BEFORE TRANSFERS	125,851	431,104	(159,604)	29,745	348,958	(345,577)	69,702	573,592
Operating Transfers	-	-	-	169,125	-	-	-	-
CHANGE IN NET POSITION	125,851	431,104	(159,604)	198,870	348,958	(345,577)	69,702	573,592
Total Net Position - Beginning of Year	273,206	3,929,095	19,725,459	(199,265)	89,526	(18,785)	(2,700,971)	(4,308,438)
Equity Transfer	-	-	-	-	-	-	-	-
TOTAL NET POSITION - END OF YEAR	<u>\$ 399,057</u>	<u>\$ 4,360,199</u>	<u>\$ 19,565,855</u>	<u>\$ (395)</u>	<u>\$ 438,484</u>	<u>\$ (364,362)</u>	<u>\$ (2,631,269)</u>	<u>\$ (3,734,846)</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

	Pennsylvania Place Apartments, LP	Cavile Public Facility Corporation	Iron Wood Crossing Public Facility Corporation	Lincoln Terrace, LP	FW Casa De Esperanza, LP	Huntley Public Facility Corporation	Other Projects	Total Blended Component Units
OPERATING REVENUES								
Tenant Revenue	\$ 1,437,755	\$ -	\$ -	\$ 732,584	\$ 1,447,275	\$ -	\$ -	\$ 18,036,125
Other Revenues	372,274	-	1,306,760	165,779	-	-	501,800	7,040,104
Total Operating Revenues	1,810,029	-	1,306,760	898,363	1,447,275	-	501,800	25,076,229
OPERATING EXPENSES								
Administrative	332,128	31,440	102	186,898	332,771	51	936,124	4,781,140
Tenant Services	1,540	-	-	1,663	-	-	-	85,150
Utilities	126,832	141	-	64,679	91,890	-	-	1,991,271
Ordinary Maintenance and Operations	329,408	49,745	-	160,240	186,755	-	-	5,968,517
Protective Services	-	-	-	51,854	111,349	-	-	578,794
General Expenses	1,498,146	28,626	-	52,800	108,541	51	119	3,643,916
Housing Assistance Payments	-	-	-	-	-	-	-	-
Depreciation	328,230	-	1,642,881	275,012	293,323	-	-	4,987,411
Total Operating Expenses	2,616,284	109,952	1,642,983	793,146	1,124,629	102	936,243	22,036,199
OPERATING INCOME (LOSS)	(806,255)	(109,952)	(336,223)	105,217	322,646	(102)	(434,443)	3,040,030
Total Nonoperating Revenues (Expenses)	4,292,908	-	24	81,728	-	-	13,520	1,904,488
INCOME (LOSS) BEFORE TRANSFERS	3,486,653	(109,952)	(336,199)	186,945	322,646	(102)	(420,923)	4,944,518
Operating Transfers	-	-	-	-	-	-	-	(1,594,909)
CHANGE IN NET POSITION	3,486,653	(109,952)	(336,199)	186,945	322,646	(102)	(420,923)	3,349,609
Total Net Position - Beginning of Year	(534,730)	2,980,907	(1,633,452)	(480,618)	65,324	1,646,559	1,373,511	35,404,640
Equity Transfer	-	-	-	-	-	-	-	-
TOTAL NET POSITION - END OF YEAR	<u>\$ 2,951,923</u>	<u>\$ 2,870,955</u>	<u>\$ (1,969,651)</u>	<u>\$ (293,673)</u>	<u>\$ 387,970</u>	<u>\$ 1,646,457</u>	<u>\$ 952,588</u>	<u>\$ 38,754,249</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

	Fort Worth Affordability, Inc.							Eastwood Public Facility Corporation
	Gateway Public Facility	Fort Worth Affordability, Inc.	Spring Hill Apartments	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Cobb Park Townhomes II, LP	
Net Cash Provided (Used) by:								
Operating Activities	\$ (10,018,399)	\$ 1,335,288	\$ -	\$ 1,923,126	\$ -	\$ (3,308,513)	\$ (432,911)	\$ 394,706
Capital and Related Financing Activities	(79,276)	(1,997,211)	-	-	-	3,179,798	840,374	(137,142)
Investing Activities	-	-	-	-	-	-	(425,072)	(142,205)
Net Increase (Decrease) in Cash	(10,097,675)	(661,923)	-	1,923,126	-	(128,715)	(17,609)	115,359
Cash and Cash Equivalents - Beginning of Year	13,397,710	1,540,543	-	-	-	290,350	628,267	1,633,860
Cash and Cash Equivalents - End of Year	\$ 3,300,035	\$ 878,620	\$ -	\$ 1,923,126	\$ -	\$ 161,635	\$ 610,658	\$ 1,749,219

	Aventine Tarrant Parkway Apartments,	Hillside Public Facility Corporation Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	QuadCo Management Solutions, LLC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Post Oak East Apartments,	Overton Square, L.P.	Pennsylvania Place Apartments, LP
	Net Cash Provided (Used) by:									
Operating Activities	\$ 820,574	\$ 60,816	\$ (7,280,021)	\$ (6,097,213)	\$ (24,259)	\$ 1,219,667	\$ (197,794)	\$ 300,279	\$ 526,853	\$ 64,946
Capital and Related Financing Activities	(375,650)	1	7,801,731	397,581	-	(1,508,414)	(32,427)	(490,160)	(241,234)	(6,122,366)
Investing Activities	(98,560)	-	-	-	-	-	-	(21,282)	(364,104)	7,910,288
Net Increase (Decrease) in Cash	346,364	60,817	521,710	(5,699,632)	(24,259)	(288,747)	(230,221)	(211,163)	(78,485)	1,852,868
Cash and Cash Equivalents - Beginning of Year	2,659,133	91,866	2,921,667	6,715,712	24,259	419,931	357,927	2,994,372	2,373,574	1,095,139
Cash and Cash Equivalents - End of Year	\$ 3,005,497	\$ 152,683	\$ 3,443,377	\$ 1,016,080	\$ -	\$ 131,184	\$ 127,706	\$ 2,783,209	\$ 2,295,089	\$ 2,948,007

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

	Cavile Public Facility Corporation	Iron Wood Crossing Public Facility Corporation	Lincoln Terrace, LP	FW Casa De Esperanza, LP	Huntley Facility Corporation	Other Projects	Total Blended Component Units
Net Cash Provided (Used) by:							
Operating Activities	\$ (2,650)	\$ -	\$ 137,204	\$ 2,112,014	\$ (102)	\$ (665,310)	\$ (19,131,699)
Capital and Related Financing Activities	2,650	-	(32,129)	(1,500,865)	-	19,070	(275,669)
Investing Activities	-	-	(92,654)	-	-	-	6,766,411
Net Increase (Decrease) in Cash	-	-	12,421	611,149	-	(646,240)	(12,640,957)
Cash and Cash Equivalents - Beginning of Year	-	-	813,381	374,067	-	1,257,929	39,589,687
Cash and Cash Equivalents - End of Year	\$ -	\$ -	\$ 825,802	\$ 985,216	\$ -	\$ 611,689	\$ 26,948,730

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 18 SUBSEQUENT EVENTS

In preparing the financial statements, FWHS has evaluated events and transactions for potential recognition or disclosure through September 24, 2023, the date the financial statements were available to be issued.

On March 6, 2023, Tarrant County Board of Commissioners voted to provide FWHS and Ojala Partners \$8,000,000 of Federal COVID-19 relief dollars to help fund Casa de Los Suenos, an affordable, multifamily housing project in the Las Vegas Trail.

Casa de Los Suenos's construction cost is estimated at \$ 11,900,000; the City of Fort Worth will contribute \$2,000,000 and Fort Worth Housing Solutions and Ojala Holdings will contribute \$1,900,000. FWHS and Ojala Partners are currently working with non for profits and foundations to fill in the gap with grants and donations.

As of August 29, 2023, the Agency has received \$350,000 in donations from the Lowes Foundation and a private donor.

On June 14, 2023 FWHS and City of Fort Worth broke ground on Hughes House, a 162-unit affordable mix-income, multi-family development in Stop Six which is part of a Choice Neighborhood Initiative (CNI), an effort launched in 2020, when the US Department of Housing and Urban Development awarded FWHS and the City of Fort Worth a \$35,000,000 Grant.

Construction costs are estimated at \$54,653,286; the project will be covered from multiple funding streams including an FHA Construction Loan (\$16.1 M), CNI Grant (\$12.2 M), Tax Credits (\$3.6 M), Home Loan (\$1 M), other loans and sources (\$ 21 M).

Hughes House will be located on a portion of the former Cavile Place Public Housing Site. McCormack Baron Salazar of St. Louis, Mo., is FWHS's development partner and Block Companies, of Houston and Baton Rouge, is the general contractor.

On August 24, 2023; FWHS's Board of Commissioners approved a resolution to accept a put option to acquire the interest from the Special Investment Limited Partner of Hunter Plaza LP (Hunter Plaza Investor LLC) for a consideration of \$1. By purchasing the limited partnership interests in the Partnership Fort Worth Affordability Inc., an instrumentality of FWHS, assumes its roles and responsibilities under the amended and restated agreement of limited partnership. The closing date of this transaction is expected to be September 24, 2024.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 18 SUBSEQUENT EVENTS (CONTINUED)

On August 24, 2023; FWHS's Board of Commissioners approved a resolution to replace the Agency's HVAC system located at 1407 Texas Street for an amount not to exceed \$1,031,700. The request consists of \$859,736 and a 20% contingency for unknown conditions to replace 5 VFR Systems, including indoor fan units, heat recovery boxes, temperature sensors, individual mini-split units, and ducts for an individual unit for the IT data center.

The estimate received was obtained from Texas Air Systems under contract number 22010601 of the Interlocal Purchasing System (TIPS). The cost of the replacement will be included in the Budget Revision that will be conducted during the Board of Commissioners meeting for the month of October 2023. Work will commence in September 2023.

SUPPLEMENTARY INFORMATION

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2022**

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	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				
CURRENT ASSETS																							
Cash:																							
111	Unrestricted	\$ 13,855,905	\$ 6,974	\$ -	\$ 1,126,520	\$ 290,076	\$ -	\$ 10,245,746	\$ 20,195,563	\$ 573,036	\$ 776,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,890,517	\$ -	\$ 53,961,160	\$ 6,256,665	\$ 60,217,825		
112	Restricted Modernization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
113	Other restricted	-	-	-	-	-	-	-	34,018	798,284	-	-	-	-	-	-	-	832,302	10,432,720	11,265,022			
114	Tenant security deposits	3,413	-	-	-	-	-	-	384,054	-	-	-	-	-	-	-	-	-	387,467	951,673	1,339,140		
115	Cash - restricted for current liabilities	-	-	-	-	-	-	-	6,720,143	-	-	-	-	-	-	-	-	-	6,720,143	6,199,288	12,919,431		
100	Total cash	13,859,318	6,974	-	1,126,520	290,076	-	10,245,746	27,333,778	1,371,320	776,823	-	-	-	-	-	6,890,517	-	61,901,072	23,840,346	85,741,418		
Accounts and notes receivable:																							
122	HUD other projects	25,985	186,729	33,317	756,600	13,518	-	-	-	977,720	370,104	5,579,134	-	-	-	-	-	-	7,943,107	-	7,943,107		
124	Other Government	-	-	-	-	-	190,438	-	-	-	-	-	-	545,113	-	-	-	-	735,551	-	735,551		
125	Miscellaneous	150,430	-	-	-	832	4,423	4,633,713	12,314,708	1,151,095	32,469	-	1,395,404	268	1,671,461	-	-	-	21,354,803	533,349	21,888,152		
126	Tenants	1,407	-	-	-	-	-	-	441,035	-	-	-	-	-	-	-	-	-	442,442	1,382,670	1,825,112		
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	(1,552)	-	-	(53,249)	-	-	-	-	-	-	-	-	-	(54,801)	(31,408)	(86,209)		
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	(447,845)	-	(460,438)	-	-	-	-	-	-	-	-	(908,283)	-	(908,283)		
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	217,961	-	-	-	-	-	-	-	-	-	-	-	-		
128.1	Allowance for Doubtful Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
129	Accrued interest receivable	-	-	-	-	-	-	614,249	-	-	-	-	-	-	-	-	-	-	-	(217,961)	-		
120	Total receivables, net of allowances for uncollectibles	177,822	186,729	33,317	756,600	12,798	194,861	4,800,117	14,155,384	1,668,377	402,573	5,579,134	1,395,404	545,381	1,671,461	(217,961)	-	-	31,361,997	1,884,611	33,246,608		
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
142	Prepaid expenses and other assets	34,898	-	-	-	-	-	11,442	365,306	-	-	-	-	-	-	-	-	-	164,230	575,876	3,009,331	3,585,207	
144	Interprogram - due from	3,991	-	-	-	-	339,559	12,471,617	14,153,596	-	-	-	-	-	-	-	-	-	-	(26,968,763)	-		
150	Total current assets	14,076,029	193,703	33,317	1,883,120	302,874	534,420	27,528,922	56,008,064	3,039,697	1,179,396	5,579,134	1,395,404	545,381	8,726,208	(27,186,724)	-	-	93,838,945	28,734,288	122,573,233		
NONCURRENT ASSETS																							
Capital assets:																							
161	Land	4,001,105	-	-	-	-	-	36,161,648	42,300,444	-	-	-	-	-	-	-	-	-	19,384	-	82,482,581		
162	Buildings	24,545,079	-	-	-	-	-	4,574,285	155,909,454	-	-	-	-	-	15,310,045	-	-	-	200,338,863	405,565,660	605,904,523		
163	Furniture, equipment & mach - dwellings	33,214	-	-	-	-	-	255	5,577,032	16,361	-	-	-	-	29,414	-	-	-	5,656,276	14,760,454	20,416,730		
164	Furniture, equipment & mach - admin.	641,308	3,000	-	-	-	-	-	1,871,429	533,999	-	-	-	-	1,526,163	-	-	-	4,575,899	6,925,367	11,501,266		
165	Leasehold Improvements	-	-	-	-	-	-	96,025	16,887,517	-	-	-	-	-	10	-	-	-	16,983,552	3,096,931	20,080,483		
166	Accumulated depreciation	(20,982,707)	(3,000)	-	-	-	-	(182)	(56,904,875)	(441,809)	-	-	-	-	(12,327,889)	-	-	-	(90,660,462)	(106,331,271)	(196,991,733)		
167	Construction in progress	-	-	-	-	-	-	96,110	144,477	-	-	6,733,736	-	-	-	-	-	-	6,974,323	-	6,974,323		
160	Total capital assets, net of accumulated depreciation	8,237,999	-	-	-	-	-	40,928,141	165,785,478	108,551	-	6,733,736	-	-	-	-	-	-	4,557,127	226,351,032	324,017,141	550,368,173	
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	-	-	-	2,830,000	21,332,267	-	-	-	-	-	-	-	-	-	-	(4,855,303)	19,306,964	19,306,964	
174	Other assets	-	-	-	-	(1)	-	-	3,257,919	-	-	-	-	-	-	-	-	-	33,537	(1,070,343)	2,221,112	34,176,778	
176	Investments in joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
180	Total noncurrent assets	8,237,999	-	-	-	(1)	-	43,758,141	190,375,664	108,551	-	6,733,736	-	-	-	-	-	-	4,590,664	(5,925,646)	247,879,108	355,972,807	603,851,915
290	Total Assets and Deferred Outflow of Resources	\$ 22,314,028	\$ 193,703	\$ 33,317	\$ 1,883,120	\$ 302,873	\$ 534,420	\$ 71,287,063	\$ 246,383,728	\$ 3,148,248	\$ 1,179,396	\$ 12,312,870	\$ 1,395,404	\$ 545,381	\$ 13,316,872	\$ (33,112,370)	\$ 341,718,053	\$ 384,707,095	\$ 726,425,148				

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2022**

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	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	
CURRENT LIABILITIES																				
313	Accounts Payable >90 days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	37,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	37,752	\$ -	37,752
312	Accounts payable <= 90 days	8,194	11,927	-	286,886	-	2,831	-	818,275	368,569	-	-	-	952	5,188	-	1,502,822	2,376,009	3,878,831	
321	Accrued wage/payroll taxes payable	2,798	19,946	14,776	329	935	497	-	-	102,203	2,070	6,229	5,972	5,615	204,982	-	366,352	18,730	385,082	
322	Accrued compensated absences - current portion	6,830	-	-	324	828	-	-	-	74,347	-	-	-	-	270,111	-	352,440	-	352,440	
325	Accrued interest payable	-	-	-	-	-	-	-	225,225	-	-	-	-	-	-	-	225,225	2,323,224	2,548,449	
331	Accounts payable - HUD	-	-	-	-	2,043	-	-	-	-	-	-	-	-	-	-	2,043	-	2,043	
332	Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
333	Accounts payable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
341	Tenant security deposits	3,413	-	-	-	-	-	-	384,053	-	-	-	-	-	-	-	387,466	927,607	1,315,073	
342	Deferred revenues	15,078	-	-	-	-	248,920	-	4,124,331	130,663	267,043	-	-	-	-	-	4,786,035	600,266	5,386,301	
343	Current portion of LT debt - capital projects/mortgage revenue	-	-	-	-	-	-	-	2,344,579	-	-	-	-	-	-	-	-	-	-	
345	Other current liabilities	89,265	-	-	19,069	-	-	2,892	1,481,340	214,472	9,684	1,638,380	-	-	369,981	-	3,825,083	5,626,213	9,451,296	
346	Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
347	Interprogram (due to)	3,910,154	246,657	18,541	1,415,287	127,429	193,386	180	9,691,912	852,972	419,133	3,934,890	1,389,432	538,814	4,229,976	(26,968,763)	-	-	-	
310	Total current liabilities	4,035,732	278,530	33,317	1,721,895	131,235	445,634	3,072	19,107,467	1,743,226	697,930	5,579,499	1,395,404	545,381	5,080,238	(27,186,724)	13,611,836	14,795,651	28,407,487	
NONCURRENT LIABILITIES																				
351	Long-term debt, net of current - capital projects/mortgage revenue	-	-	-	-	-	-	-	97,489,972	-	-	-	-	-	-	(4,855,303)	92,634,669	233,015,707	325,650,376	
352	Long-term debt, net of current - operating	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
353	Noncurrent liabilities - other	-	-	-	-	-	-	-	-	336,628	-	-	-	-	-	-	336,628	20,697,955	21,034,583	
354	Accrued compensated absences - noncurrent	-	-	-	40	-	-	-	-	12,960	-	-	-	-	54,914	-	67,914	-	67,914	
350	Total noncurrent liabilities	-	-	-	40	-	-	-	97,489,972	349,588	-	-	-	-	54,914	(4,855,303)	93,039,211	253,713,662	346,752,873	
300	Total liabilities	4,035,732	278,530	33,317	1,721,935	131,235	445,634	3,072	116,597,439	2,092,814	697,930	5,579,499	1,395,404	545,381	5,135,152	(32,042,027)	106,651,047	268,509,313	375,160,360	
NET POSITION																				
400	Deferred Inflows	-	-	-	-	-	-	18,530,017	91,032,044	-	-	-	-	-	-	(1,070,343)	108,491,718	-	108,491,718	
NET POSITION																				
508.4	Net investment in capital assets	8,237,999	-	-	-	-	-	40,928,141	65,950,927	108,551	-	6,733,736	-	-	4,557,127	-	126,516,481	88,077,832	214,594,313	
511.4	Restricted net position	-	-	-	-	-	-	-	7,138,215	330,993	-	-	-	-	-	-	7,469,208	16,656,074	24,125,282	
512.4	Unrestricted net position	10,040,297	(84,827)	-	161,185	171,638	88,786	11,825,833	(34,334,897)	615,890	481,466	(365)	-	-	3,624,593	-	(7,410,401)	11,483,876	4,053,475	
513	Total net position	18,278,296	(84,827)	-	161,185	171,638	88,786	52,753,974	38,754,245	1,055,434	481,466	6,733,371	-	-	8,181,720	-	126,575,288	116,197,782	242,773,070	
600	TOTAL DEFERRED INFLOW OF RESOURCES, LIABILITIES, AND NET POSITION	\$ 22,314,028	\$ 193,703	\$ 33,317	\$ 1,883,120	\$ 302,873	\$ 534,420	\$ 71,287,063	\$ 246,383,728	\$ 3,148,248	\$ 1,179,396	\$ 12,312,870	\$ 1,395,404	\$ 545,381	\$ 13,316,872	\$ (33,112,370)	\$ 341,718,053	\$ 384,707,095	\$ 726,425,148	

FORT WORTH HOUSING SOLUTIONS ENTITY-WIDE REVENUES AND EXPENSES YEAR ENDED DECEMBER 31, 2022

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	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	\$ 152,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,778,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,931,612	\$ 34,245,202	\$ 51,176,814
70400	Tenant revenue - other	-	-	-	-	-	1,080	-	1,257,393	-	-	-	-	-	-	-	1,258,473	1,151,383	2,409,856
70500	Total tenant revenue	152,880	-	-	-	-	1,080	-	18,036,125	-	-	-	-	-	-	-	18,190,085	35,396,585	53,586,670
70600	HUD PHA operating grants	1,841,334	2,606,915	360,000	4,028,823	498,494	-	-	-	55,221,164	1,315,762	926,352	-	679,066	-	-	67,477,910	-	67,477,910
70610	Capital grants	-	-	-	-	-	-	-	-	-	-	6,733,736	-	-	-	-	6,733,736	-	6,733,736
70710	Management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,097,297	(1,097,297)	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,324	(32,324)	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	451,298	(451,298)	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,580,919	(1,580,919)	-	-
70800	Other governmental grants	-	-	-	-	-	1,300,240	-	-	-	-	-	9,377,173	-	-	-	10,677,413	-	10,677,413
71100	Investment income - unrestricted	129,573	-	-	-	-	-	237,963	408,812	1,815	-	-	-	-	22,066	-	800,229	25,341	825,570
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	318	-	-	-	-	34,356	-	-	-	-	-	-	34,674	-	34,674
71500	Other revenue	4,733	-	-	-	-	15,500	7,447,245	7,040,104	37,639	-	-	-	-	-	277,558	14,822,779	12,391,674	27,214,453
71600	Gain or loss on sale of capital assets	(591,833)	-	-	-	-	-	4,476,932	(17,321)	-	-	-	-	-	-	16,780	3,884,558	-	3,884,558
70000	Total revenue	1,536,687	2,606,915	360,000	4,029,141	498,494	1,316,820	7,685,208	29,961,973	55,277,653	1,315,762	7,660,088	9,377,173	679,066	1,897,323	(1,580,919)	122,621,384	47,813,800	170,434,984
EXPENSES																			
Administrative:																			
91100	Administrative salaries	103,361	446,548	277,356	20,360	18,510	84,155	-	1,347,455	1,848,688	38,051	152,246	194,984	155,728	3,470,430	-	8,157,872	2,779,827	10,937,699
91200	Auditing fees	10,601	7,000	-	1,155	664	-	15,635	114,445	71,960	-	-	3,000	-	7,944	-	232,404	235,735	468,139
91300	Management fee	-	-	-	73,378	14,748	5,000	-	-	968,424	17,184	-	-	18,563	-	(1,097,297)	-	85,857	85,857
91310	Bookkeeping fee	-	-	-	26,543	5,325	-	-	-	409,365	10,065	-	-	-	-	(451,298)	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-	49,790	353	-	-	-	-	76,758	-	126,901	176,829	303,730
91500	Employee benefit contributions - administrative	49,875	139,561	77,385	4,332	6,974	29,973	-	234,209	661,143	15,231	43,007	73,606	42,994	992,361	-	2,370,651	379,742	2,750,393
91600	Legal expense	594,939	40,648	-	36,632	991	19,597	10,898	1,862,002	514,983	169	1,478	117,425	994	1,812,034	-	5,012,790	756,139	5,768,929
91700	Travel expense	-	-	-	-	-	-	-	65,347	-	-	-	-	-	150,543	-	215,890	139,171	355,061
91800	Travel	160	-	-	-	-	-	246	1,078	121	-	-	-	37,586	-	39,946	60,886	100,832	
91900	Other	66,454	9,200	-	-	-	14,094	-	1,074,490	2,029	-	720,013	-	-	400,890	-	2,287,170	2,700,575	4,987,745
	Total administrative	825,390	642,957	354,741	162,400	47,212	152,819	26,779	4,748,816	4,477,066	80,700	917,489	389,015	218,279	6,948,556	(1,548,595)	18,443,624	7,314,761	25,758,385
92000	Asset management fee	-	-	-	-	-	-	-	32,324	-	-	-	-	-	-	(32,324)	-	-	-
Tenant services:																			
92100	Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92400	Other	3,202	-	-	-	-	-	-	85,151	-	119,386	-	-	-	-	-	207,739	-	207,739
	Total tenant services	3,202	-	-	-	-	-	-	85,151	-	119,386	-	-	-	-	-	207,739	-	207,739
Utilities:																			
93100	Water	54,723	-	-	-	-	-	-	1,434,339	-	-	-	-	-	10,587	-	1,499,649	1,893,075	3,392,724
93200	Electricity	27,117	-	-	-	-	-	-	445,313	-	-	-	-	-	121,713	-	594,143	659,774	1,253,917
93300	Gas	1,382	-	-	-	-	-	-	57,250	-	-	-	-	-	17,631	-	76,263	106,529	182,792
93600	Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	54,370	-	-	-	-	-	125	-	54,495	16,816	71,311
	Total utilities	83,222	-	-	-	-	-	-	1,991,272	-	-	-	-	-	150,056	-	2,224,550	2,676,194	4,900,744
Ordinary maintenance & operations:																			
94100	Labor	66,213	-	-	-	-	-	-	1,408,326	-	-	-	-	-	-	-	1,474,539	1,895,249	3,369,788
94200	Materials and other	11,828	188	-	-	-	-	-	646,119	4,839	119	-	-	-	43,978	-	707,071	1,098,716	1,805,787
94300	Contracts	164,681	3,356	-	5	872	1,773	180	3,749,868	75,498	2,998	-	-	1,148	245,217	-	4,245,596	4,579,446	8,825,042
94500	Employee benefits contribution	-	-	-	-	-	-	-	164,204	-	-	-	-	-	-	-	164,204	232,340	396,544
	Total ordinary maintenance & operations	242,722	3,544	-	5	872	1,773	180	5,968,517	80,337	3,117	-	-	1,148	289,195	-	6,591,410	7,805,751	14,397,161
Protective services:																			
95200	Other contract costs	129,312	2,438	-	-	-	-	-	561,946	132,852	-	-	-	-	77,949	-	904,497	-	904,497
95300	Protective services - Other	-	-	-	-	-	-	-	16,848	-	-	-	-	-	-	-	16,848	-	16,848
95000	Total protective services	129,312	2,438	-	-	-	-	-	578,794	132,852	-	-	-	-	77,949	-	921,345	-	921,345
96110	Property insurance	38,474	3	-	-	-	-	3,814	605,740	-	-	-	-	-	33,766	-	681,797	2,122,329	2,804,126
96120	Liability insurance	677	187	-	-	-	-	72	65,189	-	-	-	-	-	768	-	66,893	-	66,893
96130	Workmen's compensation	903	230	-	328	211	49	-	27,566	22,241	20	5,006	118	90	42,175	-	98,937	74,906	173,843
96140	All other insurance	2,376	-	-	4	18	-	-	122,550	3,876	-	-	-	-	68,927	-	197,751	2,514	200,265
96100	Total insurance premiums	42,430	420	-	332	229	49	3,886	821,045	26,117	20	5,006	118	90	145,636	-	1,045,378	2,199,749	3,245,127

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

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	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)																			
General expenses:																			
96200	Other general expenses	\$ 304,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,404,089	\$ 19,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,728,078	\$ 2,619,107	\$ 5,347,185
96210	Compensated absences	-	4,574	5,259	-	-	-	-	-	20,779	-	4,222	3,376	-	-	-	60,224	98,434	98,434
96300	Payments in lieu of taxes	51	-	-	-	-	-	153	43,791	-	-	-	-	-	-	-	306	44,301	133,803
96400	Bad debt - tenant rents	26,754	-	-	-	-	-	-	374,996	-	-	-	-	-	-	-	-	401,750	576,592
96500	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,233	63,233
96000	Total general expenses	331,335	4,574	5,259	-	-	-	153	2,822,876	103,471	-	4,222	3,376	-	-	-	60,530	3,335,796	3,329,502
96710	Interest of mortgage payable	-	-	-	-	-	-	-	2,887,093	-	-	-	-	-	-	-	-	2,887,093	10,345,649
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	294,737	294,737
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	76,159	-	-	-	-	-	-	-	-	76,159	641,397
96700	Total interest expense and amortization cost	-	-	-	-	-	-	-	2,963,252	-	-	-	-	-	-	-	-	2,963,252	11,281,783
96900	Total operating expenses	1,657,613	653,933	360,000	162,737	48,313	154,641	30,998	20,012,047	4,819,843	203,223	926,717	392,509	219,517	7,671,922	(1,580,919)	35,733,094	34,607,740	70,340,834
97000	Excess of operating revenue over operating expenses	(120,926)	1,952,982	-	3,866,404	450,181	1,162,179	7,654,210	9,949,926	50,457,810	1,112,539	6,733,371	8,984,664	459,549	(5,774,599)	-	86,888,290	13,205,860	100,094,150
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	1,500	-	-	-	-	-	-	18,002	11,804	-	-	-	-	-	-	31,306	-	31,306
97300	Housing assistance payments	-	2,049,896	-	3,392,095	356,628	1,161,702	-	51,017,728	1,110,450	-	8,984,664	459,549	-	-	-	68,532,712	-	68,532,712
97350	HAP portability- IN	-	-	-	-	-	-	-	107,090	-	-	-	-	-	-	-	107,090	-	107,090
97400	Depreciation expense	39,620	-	-	-	-	-	-	4,987,411	9,371	-	-	-	-	-	-	414,702	5,451,104	15,169,174
90000	Total expenses	1,698,733	2,703,829	360,000	3,554,832	404,941	1,316,343	30,998	25,017,460	55,965,836	1,313,673	926,717	9,377,173	679,066	8,086,624	(1,580,919)	109,855,306	49,776,914	159,632,220
Other financing sources (uses):																			
10010	Operating transfer in	-	85,275	-	-	-	-	-	169,125	1,268	-	-	-	-	5,764,034	(6,019,702)	-	-	-
10020	Operating transfer out	-	-	-	-	-	-	(4,169,125)	(1,764,034)	(1,268)	-	-	-	-	(85,275)	6,019,702	-	-	-
10030	Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10040	Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	85,275	-	-	-	-	(4,169,125)	(1,594,909)	-	-	-	-	-	5,678,759	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (162,046)	\$ (11,639)	\$ -	\$ 474,309	\$ 93,553	\$ 477	\$ 3,485,085	\$ 3,349,604	\$ (688,183)	\$ 2,089	\$ 6,733,371	\$ -	\$ -	\$ (510,542)	\$ -	\$ 12,766,078	\$ (1,963,314)	\$ 10,802,764

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, 2022, and the related notes to the financial statements, which collectively comprise FWHS' basic financial statements, and have issued our report thereon dated September 24, 2023. 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, Pennsylvania Place Apartments, LP, Post Oak East Apartments, LP and Lincoln Terrace, LP (the blended component units) and South Hulen, LP, Samuels Avenue, LP, Trinity Quality Housing LP, Western Hills Affordable Housing, LP, FW Hunter Plaza, LP, LDG Stallion Pointe, LP, Hometowne at Matador Ranch, LP, Woodmont Apartments, LP, FW Alton Park, LP, FW Campus Apartments, LP, Palladium Fort Worth, Ltd., FW Steele Prince Hall LLC, FW Steele Sabine Place, LLC, Western Center Reserve, LLC, Reserve at McAlister Senior Living, LLC, Amtex Avondale, LP, The Standard at Boswell Marketplace, LP, FW Patriot Pointe, LP, FW Stallion Ridge, LP 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, Pennsylvania Place Apartments, LP, Samuels Avenue, LP, Trinity Quality Housing, LP, Western Hills Affordable Housing, LP, FW Hunter Plaza, LP, LDG Stallion Pointe, LP, Woodmont Apartments, Ltd, Palladium Fort Worth, Ltd, Western Center Reserve, LLC, FW Alton Park, LP, Amtex Avondale, LP, FW Campus Apartments, LP, FW Patriot Pointe, LP, FW Stallion Ridge, LP, Fossil Ridge II, LP, and Reserve and 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 24, 2023



**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, 2022. 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, 2022.

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, 2022. 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.

Report on Internal Control Over Compliance

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 24, 2023

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022**

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	-	-	\$ 1,779,146
Capital Fund Program	14.872	-	-	62,188
Resident Opportunity and Supportive Services	14.870	-	-	360,000
Continuum of Care	14.267	-	-	2,703,829
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	-	-	404,941
Hope VI Cluster:				
Choice Neighborhoods Implementation Grant	14.889	-	-	7,660,088
Housing Voucher Cluster:				
Mainstream Vouchers	14.879	-	-	3,554,832
Emergency Housing Vouchers	14.871	-	-	1,313,673
Housing Choice Vouchers	14.871	-	-	55,965,836
Section 8 Housing Choice Vouchers Subtotal				<u>57,279,509</u>
Total Housing Voucher Cluster				60,834,341
Passed through from the City of Fort Worth:				
Emergency Solutions Grant	14.231	756000528	-	<u>679,066</u>
Total U.S. Department of Housing and Urban Development (HUD)				<u>74,483,599</u>
U.S. Department of Treasury (DOT)				
Passed through from the City of Fort Worth:				
Emergency Rental Assistance	21.023	756000528	-	<u>9,377,173</u>
Total Expenditures of Federal Awards				<u><u>\$ 83,860,772</u></u>

See accompanying Notes to Schedule of Expenditures of State Awards.

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2022**

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	\$ 531,990
Total Expenditures of State Awards			<u>\$ 531,990</u>

See accompanying Notes to Schedule of Expenditures of State Awards.

FORT WORTH HOUSING SOLUTIONS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2022

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, 2022. 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, 2022.

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, 2022.

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

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? _____ yes x 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)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Numbers

14.871/14.879
21.023
14.889

Name of Federal Program or Cluster

Housing Voucher Cluster
Emergency Rental Assistance
Choice Neighborhood Implementation

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

\$2,515,823

Auditee qualified as low-risk auditee?

_____ yes x no

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

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

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).