

HOME FORWARD
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2024



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**HOME FORWARD
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YEAR ENDED DECEMBER 31, 2024**

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**HOME FORWARD
BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL
YEAR ENDED DECEMBER 31, 2024**

BOARD OF COMMISSIONERS

Matthew Gebhardt Chair	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Jenny Kim Vice Chair	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Jessy Ledesma Treasurer	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Damien Hall Chair Emeritus	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Tomi Rene Hettman Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Breann Preston Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Shannon Olive Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204

ADMINISTRATIVE OFFICER

Ivory Matthews Chief Financial Officer	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
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GENERAL COUNSEL

Juhi Aggarwal	135 S.W. Ash Street, 6 th Floor Portland, Oregon 97204
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Home Forward
Portland, Oregon

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 Home Forward, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Home Forward's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Home Forward as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of 1115 SW 11th Avenue Limited Partnership, Beech Street Limited Partnership, East Group Limited Partnership, Lloyd Housing Limited Partnership, North Group Limited Partnership, Square Manor Limited Partnership, Stephens Creek Crossing North Limited Partnership, Stephens Creek Crossing South Limited Partnership, Wests Limited Partnership, Woods East Limited Partnership, FP2 Limited Partnership, 3000 Powell Limited Partnership, Baldwin PSH Limited Partnership, Central Group Limited Partnership, Dekum 2 Limited Partnership, GPT Limited Partnership, Fairfield PSH Limited Partnership, Troutdale Limited Partnership, and Killingsworth Limited Partnership, which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units as of December 31, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for 1115 SW 11th Avenue Limited Partnership, Beech Street Limited Partnership, East Group Limited Partnership, Lloyd Housing Limited Partnership, North Group Limited Partnership, Square Manor Limited Partnership, Stephens Creek Crossing North Limited Partnership, Stephens Creek Crossing South Limited Partnership, Wests Limited Partnership, Woods East Limited Partnership, FP2 Limited Partnership, 3000 Powell Limited Partnership, Baldwin PSH Limited Partnership, Central Group Limited Partnership, Dekum 2 Limited Partnership, GPT Limited Partnership, Fairfield PSH Limited Partnership, Troutdale Limited Partnership, and Killingsworth Limited Partnership are 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 Home Forward 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 the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Forward'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 Home Forward'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 Home Forward'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, and the schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in net OPEB asset and related ratios, schedule of OPEB contributions, and schedule of changes in total OPEB liability and related ratios 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 Home Forward's basic financial statements. The combining schedule of net position – Affordable Housing, combining schedule of revenues, expenses, and changes in net position – Affordable Housing, combining schedule of net position – Special Needs Housing, and combining schedule of revenues, expenses, and changes in net position – Special Needs Housing (supplementary information) 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of the Board of Commissioners, management, and general counsel but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025 on our consideration of Home Forward'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 Home Forward'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 Home Forward's internal control over financial reporting and compliance.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations* we have also issued our report dated June 20, 2025 on our consideration of Home Forward's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



Mandy L. Merchant
CliftonLarsonAllen LLP

Portland, Oregon
June 20, 2025

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

This section includes a Management's Discussion and Analysis of Home Forward's financial performance during the period of January 1, 2024 to December 31, 2024. Please read it in conjunction with Home Forward's basic financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: 1. Management's Discussion and Analysis (this section), 2. The basic financial statements, and 3. Supplementary information (required and other).

Home Forward is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of Home Forward. Agency-wide statements report information about Home Forward as a whole using accounting methods similar to those used by private sector companies. While detailed sub-fund information is not presented, separate accounts are maintained for each program to control and manage money for particular purposes or to demonstrate that Home Forward is properly using specific appropriations and grants. The financial statements also include a "Notes to Financial Statements" section that explains the information in the basic financial statements and provides more detailed data. The Notes to Financial Statements are followed by a "Supplementary Information" section, which presents the required supplementary information and other financial schedules of Home Forward's operating units and its individual properties.

As required by the Governmental Accounting Standards Board (GASB) Statement No. 61, as amended, the basic financial statements include its blended component units - Home Forward Development Enterprises, St. Francis LLC, Gateway Park Limited Partnership, Cecelia Limited Partnership, Woolsey Limited Partnership, Trouton Limited Partnership, Humboldt Limited Partnership, New Market West Management Services, Haven Limited Partnership, Home Forward Community Partnerships, Home Forward Insurance Group - and its 19 discretely presented component units. These discretely presented component units represent multi-family properties structured as limited partnerships, which have Home Forward as the general partner with minimal ownership interest. The Statement of Net Position includes all of Home Forward's assets and deferred outflows and liabilities and deferred inflows. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position, regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Significant Developments for the period of January 1, 2024 to December 31, 2024

Killingsworth - In 2024, Home Forward transferred this affordable housing property located on NE Killingsworth and 42nd Avenue to Killingsworth Housing Limited Partnership. This partnership will utilize 4% low-income housing tax credits to renovate this 84-unit affordable housing property.

Troutdale – In 2024, Home Forward transferred this affordable housing property located near the corner of SW 257th Avenue and E. Historic Columbia River Highway to Troutdale Housing Limited Partnership. This partnership will utilize 9% low-income housing tax credits to renovate this 85-unit affordable housing property.

The Morrison (Civic Redevelopment) – In 2024, Home Forward acquired the remaining interest in The Morrison to become the sole owner of these affordable housing properties.

HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Compensated Absences Standard - During 2024, Home Forward implemented new accounting standard GASB Statement No. 101, *Compensated Absences*, resulting in an increase to the liability of approximately \$2.4 million.

Financial Highlights

Home Forward's Statement of Net Position reflects growth in net position during the period of January 1, 2024 to December 31, 2024. Specifically:

- Total assets and deferred outflows of resources increased \$72.6 million from \$763.1 million at January 1, 2024 to \$835.7 million at December 31, 2024, primarily due to a \$19.7 million increase in notes receivable from partnerships, a \$15.1 million increase in accounts receivable, a \$28.1 million increase in notes and accrued interest receivable, and a \$17.4 million increase in net capital assets.
- Total liabilities and deferred inflows of resources increased \$37.2 million from \$321.2 million at January 1, 2024 to \$358.4 million at December 31, 2024, mainly due to an increase in bonds payable to partnerships of \$19.8 million, an increase in notes payable of \$8.7 million, an increase in bonds payable of \$5.9 million, and an increase in the PERS liability of \$6.5 million, offset by various miscellaneous decreases.
- Total operating revenues for the period January 1, 2024 to December 31, 2024 were \$300.8 million and total operating expenses were \$303.2 million. Operating results for this period resulted in an operating loss of \$2.4 million. Nonoperating revenues/(expenses) were \$4.1 million. Overall, net position increased \$35.5 million.

HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Condensed Statement of Net Position

The following tables show a summary of net position by type at December 31:

(In Thousands of Dollars)	2024	2023	Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current Assets	\$ 265,793	\$ 194,170	\$ 71,623
Noncurrent Assets	336,609	356,939	(20,330)
Capital Assets	215,909	198,508	17,401
Total Assets	818,311	749,617	68,694
Deferred Outflows of Resources	17,410	13,466	3,944
Total Assets and Deferred Outflows of Resources	<u>\$ 835,721</u>	<u>\$ 763,083</u>	<u>\$ 72,638</u>
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$ 133,264	\$ 65,524	\$ 67,740
Noncurrent Liabilities	199,935	227,766	(27,831)
Total Liabilities	333,199	293,290	39,909
Deferred Inflows of Resources	25,195	27,931	(2,736)
Total Liabilities and Deferred Inflows of Resources	358,394	321,221	37,173
Net Position			
Net Investment in Capital Assets	93,547	91,541	2,006
Restricted	40,890	44,848	(3,958)
Unrestricted	342,890	305,473	37,417
Total Net Position	477,327	441,862	35,465
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 835,721</u>	<u>\$ 763,083</u>	<u>\$ 72,638</u>

Year-End Financial Position

Current assets increased \$71.6 million during the period ending December 31, 2024. This increase was due to an increase in accounts receivable, driven by an increase in amounts due from HUD and predevelopment costs receivable, and an increase in the current portion of notes receivable due from partnerships, consistent with the increase in bonds payable—partnerships.

Noncurrent assets (other than capital assets) decreased by \$20.3 million mainly due to a decrease in the noncurrent portion of notes receivable from partnerships, offset by an increase in notes and accrued interest receivable.

Net capital assets increased \$17.4 million mainly driven by capital asset additions of \$22.2 million, offset by disposals of \$5.2 million, component unit transfers of \$2.5 million related to the acquisition of limited partner interest in the Morrison to Home Forward, and current year adjustments for capital asset cleanup.

HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Year-End Financial Position (Continued)

Current liabilities increased \$67.7 million during the year, mainly due to an increase in Current Portion Bonds Payable - Partnership of \$67.9 million for the payoff of Hazel Ying Lee (Powell), Dekum, and Grace Peck Terrace bonds.

Noncurrent liabilities decreased \$27.8 million during the year, mainly due to an increase in Notes Payable due to new notes issued for Cesar Apartments and Killingsworth, an increase in bonds payable as a result of the ownership transfer of the Morrison, and an increase in the PERS liability.

Net position at December 31, 2024 was \$477.3 million, an increase of \$35.5 million from the balance at December 31, 2023.

Capital Assets

At December 31, 2024, Home Forward had \$215.9 million of capital assets, an increase \$17.4 million since December 31, 2023. More detailed information about Home Forward's capital assets is presented in Note 9 to the financial statements.

(In Thousands of Dollars)	2024	2023	Increase (Decrease)
Land	\$ 44,972	\$ 43,714	\$ 1,258
Construction in Progress	11,284	10,558	726
Total Capital Assets Not Being Depreciated/Amortized	56,256	54,272	1,984
Buildings and Improvements	283,486	346,046	(62,560)
Right to Use Assets - Buildings	608	22	586
Equipment	13,962	16,965	(3,003)
Right to Use Assets - Equipment	190	308	(118)
Accumulated Depreciation/Amortization	(138,593)	(219,105)	80,512
Total Capital Assets Being Depreciated/Amortized	159,653	144,236	15,417
Total Capital Assets, Net	<u>\$ 215,909</u>	<u>\$ 198,508</u>	<u>\$ 17,401</u>

Notes and Bonds Payable

At December 31, 2024, Home Forward had \$122.7 million of notes and bonds payable outstanding (*excluding bonds payable-partnerships*), an increase of \$14.7 million over the prior year. More detailed information about Home Forward's capital debt is presented in Notes 11 and 12 to the financial statements.

(In Thousands of Dollars)	2024	2023	Increase (Decrease)
Current Portion of Notes and Bonds Payable	\$ 5,962	\$ 8,048	\$ (2,086)
Notes Payable - Long-Term	88,188	77,052	11,136
Bonds Payable - Long-Term	28,511	22,899	5,612
Total Notes and Bonds Payable	<u>\$ 122,661</u>	<u>\$ 107,999</u>	<u>\$ 14,662</u>

There were no changes in Home Forward's credit rating during the year.

HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Results of Operations

Statement of Revenues, Expenses, and Changes in Net Position

(In Thousands of Dollars)	2024	2023	Change
Operating Revenues			
Rental Revenue	\$ 29,728	\$ 27,369	\$ 2,359
HUD Subsidies and Grants	205,207	194,939	10,268
Development Fee Revenue	16,247	10,878	5,369
State, Local, and Other Grants	37,788	49,576	(11,788)
Other	11,837	7,231	4,606
Total Operating Revenues	<u>300,807</u>	<u>289,993</u>	<u>10,814</u>
Operating Expenses			
Housing Assistance Payments	183,702	176,154	7,548
Administration	33,050	25,857	7,193
Tenant Services	14,307	12,807	1,500
Program Expenses	23,726	18,876	4,850
Utilities	8,669	7,543	1,126
Maintenance	23,511	18,416	5,095
Depreciation/Amortization	9,127	12,127	(3,000)
Other	7,097	4,723	2,374
Total Operating Expenses	<u>303,189</u>	<u>276,503</u>	<u>26,686</u>
Operating Income (Loss)	(2,382)	13,490	(15,872)
Nonoperating Revenues (Expenses)			
Investment Income	5,730	4,702	1,028
Interest Expense	(2,846)	(2,674)	(172)
Investment in Partnership Valuation Charge	1,051	508	543
Financing Costs	(52)	(25)	(27)
Loss on Sale of Capital Assets	(607)	(221)	(386)
Gain on Sale of Capital Assets	791	16,920	(16,129)
Total Nonoperating Revenues	<u>4,067</u>	<u>19,210</u>	<u>(15,143)</u>
Income before Capital Contributions	1,685	32,700	(31,015)
Capital Contributions			
HUD Nonoperating Contributions	2,302	3,129	(827)
Other Nonoperating Contributions	31,814	374	31,440
Partner Contributions	(336)	-	(336)
Total Capital Contributions	<u>33,780</u>	<u>3,503</u>	<u>30,277</u>
Increase in Net Position	35,465	36,203	(738)
Net Position - Beginning of Year	<u>441,862</u>	<u>405,659</u>	<u>36,203</u>
Net Position - End of Year	<u><u>\$ 477,327</u></u>	<u><u>\$ 441,862</u></u>	<u><u>\$ 35,465</u></u>

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Results of Operations (Continued)

Fiscal year 2024 had an operating loss of \$2.4 million, compared to operating income of \$13.5 million in fiscal year 2023. Total operating revenues were \$10.8 million higher while operating expenses increased by \$26.7 million.

Operating revenues of \$300.8 million increased \$10.8 million from fiscal year 2023. This is mainly due to a \$10.3 million increase in HUD subsidies and grants.

Total operating expenses were \$303.2 million, an increase of \$26.7 million from the prior year. This increase is primarily due to a \$7.5 million increase in housing assistance payments and a combined \$17.1 million increase in administrative, program, and maintenance expense during the year as a result of cost-of-living adjustments, increased program costs, and continued delayed routine maintenance caused by the COVID-19 pandemic.

Nonoperating revenues/(expenses) were \$4.1 in net revenue, a decrease of \$15.1 million from the prior year. The decrease is primarily due to the decrease in the gain on sale of capital assets of \$16.2 million as a result of fewer sales in 2024.

During 2024, other nonoperating contributions totaled \$31.8 million with funds supporting small capital improvement projects throughout the portfolio. This is a \$31.4 million increase.

The impact of the above activity was an increase in net position during fiscal year 2024 of \$35.5 million

FORWARD LOOKING INFORMATION

Significant economic factors affecting Home Forward are as follows:

RAD/Section 18

Home Forward anticipates continuing to convert its remaining public housing properties under the Department of Housing and Urban Development's Section 18 and Rental Assistance Demonstration (RAD) programs. Under these programs, the public housing units will convert into project-based voucher funded units and will utilize the low-income housing tax credit program with Home Forward as the general partner. The final RAD/Section 18 closing is anticipated for the fall of 2026.

Transfer of Tax Credit Limited Partnership Interest

Home Forward acquired the limited partner's interest in 1115 SW 11th Avenue Limited Partnership in January of 2025. This tax credit partnership was originally formed by Home Forward under Section 42 of the Internal Revenue Code.

**HOME FORWARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

CONTACT INFORMATION

This annual financial report is designed to provide Oregon citizens and taxpayers, and our customers, clients, investors and creditors, with a general overview of Home Forward's finances, and to demonstrate Home Forward's accountability for the appropriations and grants that it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, Home Forward, 135 S.W. Ash Street, Portland, Oregon 97204 or emailed to info@homeforward.org.

**HOME FORWARD
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Home Forward	Discretely Presented Component Units
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 90,214,952	\$ 12,212,175
Cash and Cash Equivalents - Restricted	42,718,368	16,814,480
Investments - Restricted	1,887,455	-
Accounts Receivable, Net	38,272,069	1,735,549
Due from Partnerships, Net	7,575,721	103,229
Prepaid Expenses	1,465,253	18,747,551
Current Portion of Lease Receivable	767,615	-
Current Portion of Notes Receivable - Partnerships, Net	82,891,413	-
Total Current Assets	<u>265,792,846</u>	<u>49,612,984</u>
NONCURRENT ASSETS		
Notes and Accrued Interest Receivable	278,975,560	-
Notes Receivable - Partnerships, Net	38,940,513	-
Lease Receivable	7,000,402	-
Other Assets	105,690	9,608,331
Investments in Partnerships	10,894,817	-
Net OPEB Asset - RHIA	691,959	-
Capital Assets not being Depreciated	56,256,901	103,585,372
Capital Assets being Depreciated, Net	159,652,065	617,960,222
Total Noncurrent Assets	<u>552,517,907</u>	<u>731,153,925</u>
Total Assets	818,310,753	780,766,909
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	17,252,164	-
OPEB RHIA Related	57,793	-
OPEB HBRP Related	100,062	-
Total Deferred Outflows of Resources	<u>17,410,019</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 835,720,772</u></u>	<u><u>\$ 780,766,909</u></u>

See accompanying Notes to Financial Statements.

HOME FORWARD
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2024

	Home Forward	Discretely Presented Component Units
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 10,517,968	\$ 19,013,285
Line of Credit	11,352,052	-
Accrued Interest Payable, Payable from Restricted Assets	2,330,364	15,646,828
Other Accrued Liabilities	9,253,881	43,895,599
Unearned Revenue	7,261,070	731,514
Deposits, Payable from Restricted Assets	3,590,171	312,142
Current Portion of Notes Payable	3,785,835	1,787,260
Current Portion of Bonds Payable	2,176,416	82,891,413
Current Portion of Bonds Payable - Partnerships	82,891,413	-
Current Portion of Lease Liability	104,691	33,582
Total Current Liabilities	<u>133,263,861</u>	<u>164,311,623</u>
NONCURRENT LIABILITIES		
Notes Payable - Long-Term	88,188,197	420,250,458
Bonds Payable - Long-Term	28,510,879	38,940,513
Bonds Payable - Partnerships	38,940,513	-
Accrued Interest - Long-Term	1,048,527	-
Net Pension Liability	41,816,167	-
Total OPEB Liability - HBRP	867,233	-
Lease Liability - Long-Term	563,245	33,502,534
Total Noncurrent Liabilities	<u>199,934,761</u>	<u>492,693,505</u>
Total Liabilities	333,198,622	657,005,128
DEFERRED INFLOWS OF RESOURCES		
Pension Related	1,927,930	-
OPEB RHIA Related	82,576	-
OPEB HBRP Related	568,561	-
Prepaid Ground Leases	15,487,356	-
Lease Related	7,128,457	-
Total Deferred Inflows of Resources	<u>25,194,880</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	358,393,502	657,005,128
NET POSITION		
Net Investment in Capital Assets	93,546,915	144,142,427
Restricted:		
Net OPEB Asset	691,959	-
Real Estate Proceeds	234,543	-
Residual Receipts	8,300,242	-
Funds Held in Trust	30,421,720	15,755,788
Program Reserves	1,241,640	746,552
Total Restricted	<u>40,890,104</u>	<u>16,502,340</u>
Unrestricted	<u>342,890,251</u>	<u>(36,882,986)</u>
Total Net Position	<u>477,327,270</u>	<u>123,761,781</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 835,720,772</u>	<u>\$ 780,766,909</u>

See accompanying Notes to Financial Statements.

HOME FORWARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024

	Home Forward	Discretely Presented Component Units
OPERATING REVENUES		
Dwelling Rental	\$ 26,498,506	\$ 28,983,891
Nondwelling Rental	3,229,657	87,365
HUD Operating Subsidies	196,876,640	2,384,353
HUD Grants	8,329,916	-
Development Fee Revenue	16,247,295	-
State, Local, and Other Grants	37,788,098	639,168
Other	11,837,627	1,107,323
Total Operating Revenues	<u>300,807,739</u>	<u>33,202,100</u>
OPERATING EXPENSES		
Housing Assistance Payments	183,701,623	-
Administration	33,049,837	5,138,569
Tenant Services	14,306,961	2,043,141
Program Expense	23,726,066	3,632,856
Utilities	8,669,393	6,267,034
Maintenance	23,510,990	8,835,749
Depreciation and Amortization	9,126,623	21,045,398
General and Other	7,096,938	6,667,997
Total Operating Expenses	<u>303,188,431</u>	<u>53,630,744</u>
OPERATING LOSS	(2,380,692)	(20,428,644)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	5,729,659	360,340
Interest Expense	(2,846,300)	(11,261,023)
Investment in Partnership Valuation Charge	1,050,892	4,149,144
Financing Costs	(52,223)	(10,897)
Loss on Disposal of Capital Assets	(606,581)	(55,050)
Gain/Loss on Sale of Capital Assets	790,691	-
Total Nonoperating Revenues (Expenses), Net	<u>4,066,138</u>	<u>(6,817,486)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	1,685,446	(27,246,130)
CAPITAL CONTRIBUTIONS		
HUD Nonoperating Contributions	2,301,565	-
Other Nonoperating Contributions	31,814,347	-
Partner Contributions	(335,544)	35,519,745
Total Capital Contributions	<u>33,780,368</u>	<u>35,519,745</u>
INCREASE IN NET POSITION	35,465,814	8,273,615
Net Position - Beginning of Year	<u>441,861,456</u>	<u>115,488,166</u>
NET POSITION - END OF YEAR	<u><u>\$ 477,327,270</u></u>	<u><u>\$ 123,761,781</u></u>

See accompanying Notes to Financial Statements.

**HOME FORWARD
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024**

	Home Forward
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from HUD Grants	\$ 192,847,900
Receipts from State, Local, and Other Grants	37,525,821
Receipts from Tenants and Landlords	34,260,945
Receipts from Developer Fees	7,099,326
Receipts from Others	4,049,176
Receipt of Cash Restricted for Deposits Payable	(947,284)
Payments to Landlords	(170,138,124)
Payments to and on Behalf of Employees	(95,403,826)
Payments to Vendors, Contractors, and Others	(18,491,230)
Net Cash Used by Operating Activities	(9,197,296)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Line of Credit	15,558,506
Payments on Line of Credit	(18,574,295)
Net Cash Used by Noncapital Financing Activities	(3,015,789)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Line of Credit	22,700,000
Payments on Line of Credit	(22,700,000)
Proceeds from Issuance of Notes Payable	14,362,309
Proceeds from Issuance of Bonds Payable	13,445,000
Proceeds from Issuance of Bonds Payable - Partnerships	43,416,863
Interest Paid on Notes and Bonds Payable	(4,629,492)
Principal Payments on Notes Payable	(5,658,344)
Principal Payments on Bonds Payable	(7,486,030)
Principal Payments on Bonds Payable - Partnerships	(23,667,476)
Principal Payments on Lease Liability	513,598
HUD Capital Contributions	2,034,671
Other Nonoperating Contributions, Net	31,478,803
Acquisition and Construction of Capital Assets	(24,906,395)
Proceeds from the Sale of Capital Assets	1,080,145
Payments on Right to Use Asset	(66,807)
Purchase of Limited Partnership Interest	(1,399,632)
Net Cash Provided by Capital and Related Financing Activities	38,517,213
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	2,662,734
Financing Fees Paid	(202,013)
Issuance of Notes Receivable	(33,873,473)
Issuance of Notes Receivable - Partnerships	(43,416,863)
Collections on Notes Receivable	11,537,240
Collections on Notes Receivable - Partnerships	23,667,476
Change in Due from Partnerships, Net	359,126
Change in Investments in Partnerships, Net	(867,478)
Investment Income Received	5,729,659
Net Cash Used by Investing Activities	(34,403,592)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,099,464)
Cash and Cash Equivalents - Beginning of Year	141,032,784
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 132,933,320</u></u>

See accompanying Notes to Financial Statements.

HOME FORWARD
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

**RECONCILIATION OF OPERATING LOSS TO NET CASH
FROM OPERATING ACTIVITIES**

Operating Loss	\$ (2,380,692)
Adjustments to Reconcile Operating Loss to Cash Flows Used by Operating Activities:	
Depreciation and Amortization	9,126,623
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Accounts Receivable, Net	(14,860,726)
Developer Fee Receivable	(5,784,004)
Prepaid Expenses	110,566
Other Assets	(105,690)
Accounts Payable	2,913,541
Other Accrued Liabilities	120,686
Unearned Revenue	1,076,571
Deposits, Payable from Restricted Assets	(946,618)
Deferred Outflows of Resources - Pensions	(3,956,227)
Deferred Outflows of Resources - OPEB	12,216
Deferred Inflows of Resources - Pensions	(849,310)
Deferred Inflows of Resources - OPEB	61,770
Net Pension Liability	6,525,816
Net OPEB Asset and Net OPEB Liability	(261,818)
Net Cash Used by Operating Activities	<u><u>\$ (9,197,296)</u></u>

SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS

Change in Investment in Partnerships	<u>\$ 1,050,892</u>
Total Noncash Transactions	<u><u>\$ 1,050,892</u></u>

See accompanying Notes to Financial Statements.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Federal Housing Act of 1937 authorized public housing authorities. Utilizing the 1937 Federal Housing Act, the Portland City Council established the Housing Authority of Portland as a municipal corporation under the Oregon Revised Statutes in December 1941. On May 18, 2011, Home Forward changed its legal name from Housing Authority of Portland to Home Forward. Housing Authority of Portland is now a registered name of Home Forward. Home Forward is a municipal corporation located in Portland, Oregon.

Home Forward is governed by a nine-member Board of Commissioners; four appointments are recommended by the City of Portland, two by the City of Gresham, two by Multnomah County, and one representative from participants of Home Forward's housing programs. Home Forward is not financially dependent on the City of Portland and is not considered a component unit of the City. The Executive Director is appointed by the Board and is responsible for the daily functioning of Home Forward.

The governmental reporting entity consists of Home Forward, the primary government, and its blended and discretely presented component units.

Component units are legally separate organizations for which the Board of Commissioners is financially accountable or other organizations whose nature and significant relationship with Home Forward are such that exclusion would cause the Home Forward's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Home Forward's ability to impose its will on the organization, or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on Home Forward. The basic financial statements include both blended and discretely presented component units. The blended component units are legally separate entities, and are considered, in substance, part of Home Forward's operations, and so data from these units is combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the primary government.

Blended Component Units

Home Forward's operations include 11 blended component units, which are included in the basic financial statements and consists of legally separate entities for which Home Forward is financially accountable.

Home Forward Development Enterprises (HFDE), formerly known as New Columbia Community Campus Corporation (N4C), was formed in 2005 to support the New Columbia Community. On April 16, 2013, N4C changed its name to Home Forward Development Enterprises and was repurposed to support all of Home Forward's development and housing operations efforts.

Home Forward Community Partnerships (HFCP), formerly known as Evergreen Housing was formed in 1988 to support Home Forward for charitable purposes as permitted by Section 501(c)(3) of the Internal Revenue Code. On December 2, 2015, Evergreen Housing changed its name to Home Forward Community Partnerships.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

St. Francis, LLC was formed September 17, 2015, as a result of the purchase of St. Francis Limited Partnership due to a HUD debt refinancing requirement.

Gateway Park Apartments Limited Partnership (Gateway Park LP) was formed as a Tax Credit Limited Partnership on November 7, 2002 to purchase and rehabilitate a 144-unit apartment complex located on NE 100th Avenue. On March 1, 2018, Key Community Development Corporation transferred their interest as the Limited Partner to HFDE.

Cecelia Limited Partnership (Cecelia LP) was formed as a Tax Credit Limited Partnership on December 31, 2003 to construct a 131-unit apartment complex located in Portland, Oregon. On June 30, 2022, Banc of America-Alliant Tax Credit Fund XXVIII, Ltd. and Alliant ALP I-30, LLC transferred their interests as Investor Limited Partner and Administrated Limited Partner, respectively, to HFDE.

Civic Redevelopment Limited Partnership (Morrison LP) was formed as a Tax Credit Limited Partnership on June 1, 2005 to construct a 140-unit apartment complex located in Portland, Oregon. On October 17, 2024, Nationwide Affordable Housing Fund XXV,-Apollo Tax Credit Fund-XLVII, LLC and RBC Community Investments Manager II, Inc transferred their interests as Investor Limited Partner and Special Limited Partner, respectively, to HFDE.

Trouton Limited Partnership (Trouton LP) was formed as a Tax Credit Limited Partnership on December 31, 2003 to construct a 250-unit apartment complex located in Portland, Oregon. On December 28, 2022, MMA Trouton, LLC and BFIM Special Limited Partner, Inc. transferred their interests as Investor Limited Partner and Special Limited Partner, respectively, to HFDE.

Woolsey Limited Partnership (Woolsey LP) was formed as a Tax Credit Limited Partnership on June 26, 2003 to construct a 131-unit apartment complex located in Portland, Oregon. On March 31, 2023, Enterprise Housing Partners III Series II Limited Partnership transferred their interests as Investor Limited Partner to HFDE.

Humboldt Gardens Limited Partnership (Humboldt Gardens LP) was formed as a Tax Credit Limited Partnership on June 1, 2007 to construct a 130-unit apartment complex located Portland, Oregon. On November 30, 2023 EHP XV Investor, LP transferred their interest as the Limited Partner to HFDE.

Home Forward Insurance Group LLC (HFIG) was formed December 14, 2022 to support Home Forward in long term risk management program savings through use of a formalized self-insurance program.

New Market West Management Services LLC (NMWMS) was formed on October 26, 2017 to support Home Forward by providing management services for housing projects, as defined in the Housing Authorities Law, which are owned by Home Forward and/or located within the area of Home Forward's operation, and by engaging or assisting in the development of operation of such public housing.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

Home Forward is legally entitled to or can otherwise access the resources of HFDE, HFDP, HFIG, NMWMS, St. Francis, LLC, Gateway Park LP, Cecelia LP, Woolsey LP, Humboldt Gardens LP, Civic Commons and Trouton LP at the discretion of Home Forward management. Because HFDE, HFDP, HFIG, NMWMS, St. Francis, LLC, Gateway Park LP, Cecelia LP, Woolsey LP, Humboldt LP, Civic Commons and Trouton LP and Home Forward have this financial and operational relationship, generally accepted accounting principles requires that the financial statements of these entities be blended into the Home Forward financial statements.

Discretely Presented Component Units

Home Forward follows the guidance provided by the Governmental Accounting Standards Board (GASB) for the relationship of housing authorities as general partners of limited low-income tax credit partnerships whereby the limited partners have majority ownership but have delegated the majority of their rights regarding the operations of the partnership to the housing authority. For these entities, Home Forward exercises the majority of control over day-to-day operations.

Home Forward is the general partner and owns a 0.01% to 1% investment in each of the following discretely presented component unit limited partnerships:

- 1115 SW 11th Avenue Limited Partnership
- Beech Street Limited Partnership
- East Group Limited Partnership
- Lloyd Housing Limited Partnership
- North Group Limited Partnership
- Square Manor Limited Partnership
- Stephens Creek Crossing North Limited Partnership
- Stephens Creek Crossing South Limited Partnership
- Wests Limited Partnership
- Woods East Limited Partnership
- FP2 Limited Partnership
- 3000 Powell Limited Partnership
- Baldwin PSH Limited Partnership
- Central Group Limited Partnership
- Dekum 2 Limited Partnership
- GPT Limited Partnership
- Fairfield PSH Limited Partnership
- Troutdale Limited Partnership
- Killingsworth Limited Partnership

As a general practice, Home Forward's liability is not limited to initial investment and/or any future funding requirements. The limited partnerships have a December 31 year-end and complete financial statements may be obtained by contacting the Chief Financial Officer, Home Forward, 135 S.W. Ash Street, Portland, Oregon 97204.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Programs Administered by Home Forward

Rent Assistance

Section 8 of the U.S. Housing and Community Development Act of 1974 provides Housing Assistance Payments on behalf of lower-income families to participating housing owners. Under this program, the landlord-tenant relationship is between a rental-housing owner and a family, rather than Home Forward and a family as in the Public Housing program. For approved housing, HUD contracts with Home Forward to enter into contracts with owners to make assistance payments for the difference between the approved contract rent and the actual rent paid by the lower-income families, between 28.5% and 31% of adjusted household gross income. Housing Assistance Payments made to landlords and some participants are funded through Annual Contributions Contracts. At December 31, 2024, Home Forward administered approximately 12,291 vouchers through several programs authorized by Section 8. Additionally, Home Forward administers the Short-Term Rent Assistance program on behalf of the City of Portland, the City of Gresham, and Multnomah County.

Affordable Housing and Special Needs Housing

Home Forward owns or is a partner in 7,739 units of housing. The Affordable Housing portfolio consists of 80 multifamily properties representing 6,960 units, of which 3,910 are owned through tax credit partnerships. The Special Needs portfolio consists of 29 properties representing 488 units. The Special Needs properties were developed using grant funds received from the state of Oregon and federal programs combined with contributions from Home Forward and other local agencies.

Resident Services

Home Forward coordinates and provides social and economic development programs for families and administers a variety of community housing and service partnerships throughout Multnomah County. Funding for these programs comes from HUD, Medicare, participant fees, charitable organizations, and private donations.

Development

Home Forward pursues development projects that augment the supply of low-cost housing, provides essential services to residents, and revitalizes overall communities. These projects include renovation of older/existing housing, new construction, and pilot projects.

Basis of Accounting

Home Forward operates as an enterprise activity. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Home Forward distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses are derived from providing services in connection with Home Forward's ongoing operations. Operating revenues generally include rental income, operating subsidies, operating grant revenue, and development fee income. Operating expenses generally include housing assistance payments, occupancy charges, development services, tenant services, administrative expenses, and depreciation on capital assets. All other revenue and expenses not meeting this definition are classified as nonoperating revenues and expenses.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance 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, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Use of Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is Home Forward's policy to use restricted resources first and the unrestricted resources as they are needed.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is classified in the following three components:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted

This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation reduced by liabilities relating to those restricted assets.

Unrestricted

This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts deposited in checking, money market accounts and the Oregon Local Government Investment Pool (LGIP) or investments with original maturities of 90 days or less. The LGIP is managed by the Oregon State Treasurer as an alternative to commercial money market accounts. Deposits are subject to collateral requirements. Deposits in the LGIP are recorded at fair value, which is the same as the value of the pool shares. Investments in the LGIP are included in the Oregon Short-Term Fund, which is not registered with the U.S. Securities and Exchange Commission as an investment company. Investments in the Oregon Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board.

Cash and Cash Equivalents – Restricted and Investments – Restricted

This consists of funds set aside for:

Family Self-Sufficiency Funds consist of amounts deposited under the Family Self-Sufficiency (FSS) program. Under the FSS program, if the income of a tenant enrolled in the program increases, instead of decreasing the subsidy amount, the original subsidy continues to be paid and the difference between the original and new subsidy amount is deposited into an escrow account. If the tenant enrolled in the program attains certain target goals related to self-sufficiency, the tenant is awarded money from the escrow account to use for various purposes stated in the tenant's self-sufficiency plan such as college tuition or a down payment for the purchase of a home.

Tenant Security Deposits represent the refundable deposits received from tenants and held in trust to secure the performance of a rental agreement. Tenant security deposits in excess of any outstanding damage or rent charges must be returned to the departing tenants within 31 days after the termination of the tenancy. The funds are typically held in segregated bank accounts since these funds may not be used for operations. Effective March 1, 2020, the City of Portland released the Portland FAIR Ordinance which established new requirements for landlords related to interest earnings and reporting requirements for security deposits. Home Forward ceased collection of security deposits as of January 1, 2020; however, deposits collected before that date were grandfathered and continue to be allowed to earn interest that may be retained for operations.

Rental Assistance Demonstration Acquisition Proceeds are externally restricted funds which consist of net proceeds received from the sale of 2,320 public housing units to various limited partnerships. These proceeds are used to fund the development of new affordable housing multi-family properties or for large-scale rehabilitation projects to existing affordable housing properties. These balances are reported in Real Estate Sale Proceeds.

Section 18 Acquisition Proceeds are externally restricted funds which consist of net proceeds received from the sale of 1,199 public housing units to various limited partnerships. These proceeds are used to fund the development of new affordable housing multi-family properties or for large-scale rehabilitation projects to existing affordable housing properties. These balances are reported in Real Estate Sale Proceeds.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – Restricted and Investments – Restricted (Continued)

Funds Held in Trust consist primarily of replacement reserves held in trust and by Home Forward for Affordable Housing properties owned and operated by Home Forward. In addition, the balance includes performance guarantee and other funds held in trust and by Home Forward under various agreements. The reserves are invested in interest-bearing bank accounts and are externally restricted for the purposes of maintaining required reserve funds or purchasing or constructing capital assets or other noncurrent assets. As such, the amounts are classified as restricted, noncurrent assets. During the year ended December 31, 2024, the reserves were funded as required under the various agreements.

Program Reserves represents unspent funds that are held for future program use.

PILOT Funds are maintained to fund Payments in Lieu of Taxes (PILOT) on certain rental properties owned by Home Forward. Under an agreement with the City of Portland, Home Forward is required to make an annual payment equal to \$200,000. Home Forward also makes annual payments to the city of Fairview. Total payment to city of Fairview for the year ended December 31, 2024 was \$31,706.

In August 2020, the Board of Commissioners approved Resolution 20-08-02 authorizing Home Forward to establish a pure captive insurance limited liability company domiciled in the state of Hawaii. On December 24, 2020, HFIG was formed and licensed. The Captive is a Class 2 limited liability company managed by Home Forward as the sole member and will insure the risks of Home Forward and its affiliates. Pursuant to Hawaii Revised Statutes 431:19-104, HFIG's minimum required capital and surplus of \$500,000 was on deposit in the corporation's name at First Hawaiian Bank on December 24, 2020.

Concentration of Risk

Federal regulations require that public funds on deposit with financial institutions be secured at a rate of 100% of amounts in excess of deposit insurance coverage. Home Forward maintains cash balances at several financial institutions, some in excess of the federally insured amount of \$250,000 per Employer Identification Number. Financial institutions insure these excess balances either via the Oregon state treasurer's office by designating these balances as Public Funds per ORS 295 or via other collateral agreements. At December 31, 2024, all of Home Forward's funds were collateralized.

Investments

Pursuant to Home Forward's Moving to Work Agreement with the Department of Housing and Urban Development (HUD), Home Forward's Investment Policy dated September 2013 is written in conformance with ORS Chapter 456 – Housing. Home Forward's investment program shall be operated in conformance with Oregon Revised Statutes and Applicable Federal Law. Specifically, Home Forward's investment policy is written in conformance with ORS Chapter 294 – County and Municipal Financial Administrations, which allows for federal funds to be invested in securities permitted under Oregon state law.

HF Insurance Group, LLC deposits cash and makes investment purchases in accordance with its Cash and Investment Policy. The policy defines how the funds are to be managed and invested by HFIG. The policy applies to activities of HFIG with regard to maintaining and investing the financial assets of operating funds, loss reserves, and other financial sources.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due from Partnerships, Net

Consists primarily of development and management fees earned by Home Forward through its involvement as the General Partner in tax credit partnerships and partnership project costs paid by Home Forward on behalf of the partnerships (see Note 5). The fees are typically paid based on the availability of net cash flow of the partnerships or from the proceeds of capital contributions to the partnerships. Management reviews the balance for likelihood of collection and records an allowance for doubtful accounts based on the type and age of the individual receivables.

Notes Receivable (Noncurrent)

Consists primarily of loans to tax credit partnerships for the development of affordable housing. These loans have a maturity date greater than one year in duration. Management reviews the balance for likelihood of collection and records an allowance for doubtful accounts based on the type and age of the individual receivables (see Note 6).

Notes Receivable – Partnerships, Net

Consists of required payments to be made by the Partnerships to Home Forward to pay required debt service payments on the Multi-Family Housing Revenue Bonds in which Home Forward has an ownership interest.

Investments in Partnerships

Represents Home Forward's equity interest in 19 limited partnerships, which are reported as Home Forward's discretely presented component units (see Note 8). These investments are accounted for under the equity method because Home Forward either holds a controlling interest or has "significant influence" over the operations of the partnerships.

Under the equity method, the initial investment is recorded at cost and is increased or decreased by Home Forward's share of income or losses and is increased by contributions and decreased by distributions. Management reviews the investment in partnerships for possible impairment in value whenever events or circumstances indicate the carrying value of the investment may not be recoverable.

Leases (Lessor)

The Authority determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position (see Note 7).

Lease receivables represent the Authority's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Lessor) (Continued)

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

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. The Authority has recognized payments received for tenant and short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statement of net position.

Where the individual lease contracts do not provide information about the discount rate implicit in the lease, the Authority has elected to use their incremental borrowing rate of 2.50% to calculate the present value of expected lease payments.

Leases (Lessee/Right-to-Use Assets)

The Authority is a lessee for noncancelable leases of office space and office equipment. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the statement of net position. The Authority recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Lessor) (Continued)

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease and option years that the Authority is reasonably certain to exercise.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors change in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported as current and noncurrent on the statement of net position.

Capital Assets

Capital Assets include land, construction in progress, buildings and improvements, and equipment. All capital assets are recorded at cost except for donated capital assets which are recorded at acquisition value at the time of donation. Depreciation is computed on the straight-line method based on the estimated useful lives of the individual assets: 15 to 40 years for buildings and improvements and 3 to 20 years for equipment. When debt is issued for construction of capital assets, interest is capitalized during construction up to the placed-in-service date. Maintenance and repairs are charged to expense when incurred. Assets with costs in excess of \$5,000 are capitalized and depreciated from the respective placed-in-service date.

Management reviews land, buildings and improvements, equipment, and construction in progress for possible impairment whenever events or circumstances cause a material and unanticipated decline in the service utility of an asset. Impairment is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources (expense) until then. Home Forward has three items that qualify for reporting in this category. The deferred amount related to pensions is recognized as an outflow of resources in the period when Home Forward recognizes pension expense. The deferred amount related to OPEB is recognized as an outflow of resources in the period when Home Forward recognizes OPEB expense.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources (Continued)

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenue) until that time. Home Forward has three types of items that qualify for reporting in this category. The deferred amount related to pensions is recognized as an inflow of resources in the period Home Forward recognizes a reduction of pension expense. The deferred amount related to OPEB is recognized as an inflow of resources in the period Home Forward recognizes a reduction of OPEB expense. The deferred inflow related to leases is recognized as revenue over the life of the leases.

Net OPEB (Asset)/Liability

Home Forward has two other post-employment benefits (OPEB) plans: 1) Retirement Health Insurance Account (RHIA), and 2) Home Forward Health Benefit Retiree Program (HBRP). For purposes of measuring the net OPEB RHIA asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see Note 16). For purposes of measuring the total OPEB HBRP liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been actuarially determined using assumptions regarding the future cost of the retiree health plan and that it will retain its current relationship to the cost of the active plan, and that the active plan cost will maintain a reasonable relationship to direct compensation (see Note 16).

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see Note 15).

Unearned Revenue

Unearned revenue consists primarily of land lease prepayments, advanced grant payments received from HUD programs and payments received from non-HUD sources that have not been earned as of December 31, 2024. As of December 31, 2024, unearned revenue consisted of the following:

Prepaid Annual Contributions	\$ 3,354,255
Prepaid Rent Revenue	3,906,815
Total Unearned Revenue	<u>\$ 7,261,070</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Accrued Liabilities – Current

Represents the current liabilities due and payable to the General Partner for operating expenses paid on behalf of the Limited Partnership. These include wages and purchase card transactions.

Revenue Recognition

Operating subsidies are recognized in the period funds are received. Revenues from grants are recognized in the periods designated by the grantor as the associated costs are incurred. Revenues from contracts and rental revenues are recognized when the associated services are provided.

Compensated Absences

The liability for compensated absences consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. Total accrued compensated absences as of the year ended December 31, 2024 were \$5,696,753 and are a component of other accrued liabilities.

Income Taxes

Home Forward adopted the provisions of FASB ASC *Topic 740-10, Accounting for Uncertainty in Income Taxes* on April 1, 2009, as applicable to the tax credit limited partnerships presented as discretely presented component units in the basic financial statements. These Oregon tax credit limited partnerships were formed in conformity with the provisions of Section 42 of the Internal Revenue Code, thus no provision has been made for income taxes. There was no effect on net position in the current year as a result of adopting this topic. No expense for interest or penalties is recognized in the financial statements. Management believes the tax credit limited partnerships have not taken any uncertain tax positions, as defined in the topic.

Effect of New Pronouncements

Effective December 31, 2024, Home Forward implemented GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, the implementation of this standard had no impact on Home Forward. Home Forward also implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability increased by \$2.4 million as of December 31, 2024.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 LOW INCOME HOUSING TAX CREDIT LIMITED PARTNERSHIPS

The low-income housing tax credit program is the result of federal legislation that allows investors certain tax incentives for investing in low-income housing. Under terms of the federal tax code and extended use agreements with the state of Oregon, the buildings must continue to serve the targeted population for 30 years; after 15 years, Home Forward has the option to purchase the property from the partnership.

Tax Credit Limited Partnerships are created to finance and own affordable housing. Home Forward acts as Managing General Partner of each partnership. Although each Tax Credit Limited Partnership is structured differently, they are generally financed via loans to the partnership, contributions of equity by the general and limited partners, and other sources. In some transactions, Home Forward issues bonds and loans the proceeds to the Tax Credit Limited Partnership. Tax-exempt bond issuances are secured by the underlying partnership real estate and, in some cases, by the general revenues of Home Forward. The bonds and notes payable are offset by notes receivable from the partnerships. The partnerships make payments to Home Forward for debt service. Home Forward may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects. Because of limitations posed by the Internal Revenue Service, all such funds are received by Home Forward and lent to the partnerships. These funds are accounted for as notes receivable from the partnerships if the proceeds are used for developing the property. Other advances are included in amounts due from partnerships and are reflected in Note 5. Notes payable related to the partnerships are reflected in Note 11. A summary of Home Forward's long-term debt, including debt pertaining to the tax credit partnerships, is reflected in Note 12. A summary of notes receivable from the partnerships is reflected in Note 6.

Home Forward typically earns a developer's fee for its role in bringing the project to fruition. These fees are earned based on certain events or dates relative to the development of the project. Developer fees are paid primarily from development proceeds and available cash flows. Under the various partnership agreements, the balance of developer fees not paid during the construction phase are generally required to be paid within 10 to 15 years of the project having been placed in service and may accrue interest on unpaid balances. For the year ended December 31, 2024, Home Forward earned \$16,247,295 in developer fees and was paid \$6,459,004.

At December 31, 2024, the balance of the development fees owed to Home Forward is \$35.1 million. The fees are included within notes receivable on the statement of net position. Some tax credit projects also pay a General Partner's management fee and/or a tenant services fee; these fees are reflected in other operating revenues and totaled \$500,295 for the year ended December 31, 2024.

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Pursuant to Home Forward's Moving to Work Agreement with HUD, Home Forward's Investment Policy dated September 2013 is written in conformance with ORS Chapter 456—Housing. Home Forward's investment program shall be operated in conformance with Oregon Revised Statutes and applicable federal law.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Specifically, Home Forward's investment policy is written in conformance with ORS Chapter 294 – County and Municipal Financial Administration, which allows for federal funds to be invested in securities permitted under Oregon state law.

As of the year ended December 31, 2024, cash and investments consisted of the following:

Cash and Cash Equivalents	\$ 90,214,952
Cash and Cash Equivalents - Restricted	42,718,368
Total Cash and Cash Equivalents	<u>\$ 132,933,320</u>
Investments - Restricted	\$ 1,887,455
Total Investments	<u>\$ 1,887,455</u>

At December 31, 2024, all of Home Forward's bank balances were insured first by federal depository insurance of \$250,000 per institution and any balances in excess of that amount were collateralized by either a Tri-Party agreement or by the Oregon State Public Funds Collateral Pool.

Investment Risk Disclosures

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, Home Forward will not be able to recover the value of the investment securities that are in the possession of the outside party. As of the year ended December 31, 2024, all investments were insured or registered, and held by Home Forward or its agent in Home Forward's name, or uninsured and unregistered, with securities held by the counterparty's trust department or agent in Home Forward's name and were not exposed to custodial credit risk.

Credit risk of investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This credit risk is measured by the credit quality rating of investments in debt securities as described by a nationally recognized statistical rating organization such as Standard and Poor's (S&P).

To minimize credit risk, Home Forward's policies provide that investments in corporate indebtedness are rated a minimum of A1, P1, 3a3 and investments in municipal debt obligations of the state of Oregon that are A or better. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Concentration of credit risk is the risk of loss attributed to the magnitude of Home Forward's investment in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools). To minimize concentration of credit risk, Home Forward's investments are made from a selection of diverse issuers. As of December 31, 2024, Home Forward is not exposed to concentration risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Home Forward selects investments of varied maturities to mitigate this risk.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investment Risk Disclosures (Continued)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. In accordance with Home Forward's investment policy, Home Forward does not invest in securities associated with exchange rates and therefore is not exposed to foreign currency risk.

As of the year ended December 31, 2024, Home Forward's restricted investments consist of a certificate of deposit of \$318,174, a money market fund of \$500,000, a U.S. Government Security of \$110,097, and a guaranteed investment contract and a repurchase agreement with Bayerische with a S&P rating of AAA and a weighted average maturity more than three years in the amount of \$472,680 and \$486,504, respectively.

Investments restricted at December 31, 2024 mature between January 2027 and May 2029 and the interest rate on the investments ranges from 4.39% to 4.57%.

Fair Value of Financial Instruments

Investments held by Home Forward are stated at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Home Forward determines the fair value of these investments on a monthly basis, based on quoted market prices. Outside trustees provide monthly statements to report the fair value and pricing of the assets held by them, which are also based on quoted market prices. During Fiscal Year 2017, Home Forward adopted GASB 72, *Fair Value Measurement and Application*. GASB 72 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under GASB 72 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Home Forward has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Fair Value of Financial Instruments (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 as compared to December 31, 2023. Investments in derivatives are valued based upon quoted prices for similar assets in active markets.

Certificates of Deposit, Guaranteed Investment Contracts, Money Market Funds, and U.S. Treasury Bills are carried at amortized cost, thus are not included in the fair value hierarchy.

Investments Not Subject to Fair Value Levels:

Certificate of Deposit	\$ 318,174
Guaranteed Investment Contract	472,680
Money Market Fund	500,000

The following table sets forth by level, within the fair value hierarchy, Home Forward's assets and liabilities at fair value as of December 31, 2024:

	Total	Level 1	Level 2
Repurchase Agreement	\$ 486,504	\$ -	\$ 486,504
U.S. Government Securities	110,097	110,097	-

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of the year ended December 31, 2024:

HUD Grants	\$ 19,053,882
State, Local, and Other Grants	3,907,586
Tenants and Landlords	8,312,304
Development	6,521,097
Capital	30,673
Other	4,549,021
Total Accounts Receivable	42,374,563
Less: Allowances for Doubtful Accounts	(4,102,494)
Accounts Receivable, Net	<u>\$ 38,272,069</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 DUE FROM PARTNERSHIPS

Due from Partnerships consists of the following as of the year ended December 31, 2024:

Stephen's Creek Crossing North (4%)	\$ 48,153
West's Limited Partnership	238,571
Stephen's Creek Crossing South (9%)	40,432
Woods Limited Partnership	(72,858)
Square Manor Limited Partnership	608,665
Lloyd Housing Limited Partnership	1,233,261
North Group Limited Partnership	367,393
East Group Limited Partnership	122,406
Central Group Limited Partnership	545,671
3000 Powell Limited Partnership	163,514
Baldwin PSH Limited Partnership	100,819
Fairfield PSH Limited Partnership	197,432
GPT Limited Partnership	1,807,163
Killingsworth Limited Partnership	133,206
Troudale Housing Limited Partnership	23,739
All Other Partnerships	<u>2,822,095</u>
Total Due from Partnerships	8,379,662
Less: Allowances for Doubtful Accounts	<u>(803,941)</u>
Due from Partnerships, Net	<u><u>\$ 7,575,721</u></u>

NOTE 6 NOTES RECEIVABLE AND ACCRUED INTEREST

Notes and accrued interest receivable consist of the following as of December 31, 2024:

Partnerships Notes	\$ 400,189,953
Homeowners Notes	<u>208,300</u>
Total Notes Receivable	400,398,253
Accrued Interest Receivable	14,407,825
Less: Allowances for Doubtful Accounts	<u>(13,998,591)</u>
Total Notes and Accrued Interest Receivables, Net	<u><u>\$ 400,807,486</u></u>

Partnership notes have been issued to the limited partnerships invested in by Home Forward. These notes are used for the purpose of acquiring, constructing, and/or remodeling buildings for housing and other housing related purposes. These notes have an interest range of 0% to 6% with various maturity dates through 2074. As described in each note agreement, payments will be made from available cash flows.

Homeowners' notes are secured by deed of trust and no longer accrue interest. Deferred interest was forgiven if the owner completed required homeowner education classes and remained in the house for five years. Principal is payable upon sale of property or various dates between 2033 through 2037.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 LEASE RECEIVABLE

The Authority, acting as lessor, leases land and buildings under long-term, noncancelable lease agreements. The leases expire at various dates through 2084 and provide for various renewal options.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 767,615	\$ 210,864	\$ 978,479
2026	708,062	189,556	897,618
2027	695,677	169,284	864,961
2028	586,681	150,514	737,195
2029	474,959	135,603	610,562
2030 - 2034	1,221,507	564,359	1,785,866
2035 - 2039	490,707	454,445	945,152
2040 - 2044	263,694	413,076	676,770
2045 - 2049	432,620	367,740	800,360
2050 - 2054	292,532	318,085	610,617
2055 - 2059	467,298	266,320	733,618
2060 - 2064	711,038	186,376	897,414
2065 - 2069	423,682	90,704	514,386
2070 - 2074	80,987	59,768	140,755
2075 - 2079	110,497	30,258	140,755
2080 - 2084	40,461	1,807	42,268
Total Minimum Lease Payments	<u>\$ 7,768,017</u>	<u>\$ 3,608,759</u>	<u>\$ 11,376,776</u>

NOTE 8 INVESTMENTS IN PARTNERSHIPS

Investments in partnerships consist of the following as of December 31, 2024:

<u>Investments in Limited Liability Partnerships</u>	
Development	\$ 219,250
St Francis Park Limited Partnership	442,811
Square Manor Limited Partnership	291,358
Powell Limited Partnership	71
Lloyd Housing Limited Partnership	7,851,297
Dekum Court Limited Partnership	2,089,766
Fairfield Limited Partnership	52
GPT Limited Partnership	12
Killingsworth	100
Troutdale Housing LP	100
Total Investments in Partnerships	<u>\$ 10,894,817</u>

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 CAPITAL ASSETS AND LEASES

Land, structures, and equipment activity of Home Forward was as follows for the year ended December 31, 2024:

	Balance January 1, 2024	Restatements	Additions	Disposals	Transfers	Component Unit Transfer	Balance, December 31, 2024
Land	\$ 43,714,370	\$ -	\$ 1,275,120	\$ (26,195)	\$ -	\$ 9,108	\$ 44,972,403
Construction in Progress	10,558,246	-	8,504,900	-	(1,125,395)	(6,653,253)	11,284,498
Total Capital Assets Not Being Depreciated/Amortized	54,272,616	-	9,780,020	(26,195)	(1,125,395)	(6,644,145)	56,256,901
Buildings and Improvements	346,045,898	(78,549,617)	11,356,019	(5,227,551)	886,767	8,974,324	283,485,840
Right to Use Assets - Buildings	22,215	-	608,290	(22,216)	-	-	608,289
Equipment	16,927,911	(3,419,248)	349,825	(107,916)	90,780	120,345	13,961,697
Right to Use Assets - Equipment	308,470	-	66,807	(186,389)	-	-	188,888
	363,304,494	(81,968,865)	12,380,941	(5,544,072)	977,547	9,094,669	298,244,714
Less Accumulated Depreciation/ Amortization:							
Buildings and Improvements	(204,653,853)	81,389,082	(8,255,681)	4,358,461	147,848	-	(127,014,143)
Right to Use Assets - Buildings	(19,438)	-	(68,538)	22,216	-	-	(65,760)
Equipment	(14,236,965)	3,391,627	(692,485)	107,165	-	-	(11,430,658)
Right to Use Assets - Equipment	(158,559)	-	(109,919)	186,390	-	-	(82,088)
	(219,068,815)	84,780,709	(9,126,623)	4,674,232	147,848	-	(138,592,649)
Total Capital Assets Being Depreciated/Amortized, Net	144,235,679	2,811,844	3,254,318	(869,840)	1,125,395	9,094,669	159,652,065
Total Capital Assets	\$ 198,508,295	\$ 2,811,844	\$ 13,034,338	\$ (896,035)	\$ -	\$ 2,450,524	\$ 215,908,966

NOTE 10 LINES OF CREDIT

Home Forward has an \$8,000,000 operating revolving line of credit. The line of credit is used for short-term funding needs. The line of credit is collateralized by the general revenues of Home Forward, maturing December 1, 2024. Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2024, gross draws, including initial draws and draws after repayments, on the line of credit were \$27,000,000 which represents both principal and accrued interest. The remaining outstanding line of credit balance for December 31, 2024 was \$0-.

A summary of activity for Home Forward's line of credit for year ended December 31, 2024 is as follows:

	Balance January 1, 2024	Draws	Repayments	Balance December 31, 2024
Line of Credit	\$ -	\$ 22,700,000	\$ (22,700,000)	\$ -

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 LINES OF CREDIT (CONTINUED)

Home Forward has a 10-year, \$18,300,000 real estate revolving line of credit, maturing December 20, 2028. The line of credit will be used to provide capital for real estate development activities. Collateral requirements include first deed of trust (and assignment of rents, if applicable) on a real estate collateral pool with a 75% maximum commitment to collateral value (75% LTV). Home Forward has identified that the two properties Rosenbaum Plaza and Unthank will serve as the properties for the collateral pool. As borrower, Home Forward has the option to replace the properties identified as collateral provided other covenants are in compliance of the new collateral. Additional requirements are that for accounts which are wholly owned and/or controlled by Home Forward. Home Forward will aggregately maintain a minimum of \$12,500,000 in deposit balances at Beneficial State bank during the term of the credit facility and Home Forward will maintain a certificate of deposit of \$275,000 with Beneficial State Bank.

Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2024, gross draws, including initial draws and draws after repayments, on the line of credit were \$15,558,506 which represents both closing costs and accrued interest. The remaining outstanding line of credit balance for the year ended December 31, 2024 was \$11,352,052.

A summary of activity for Home Forward's line of credit for the year ended December 31, 2024 is as follows:

	Balance January 1, 2024	Draws	Repayments	Balance December 31, 2024
Line of Credit	<u>\$ 14,367,841</u>	<u>\$ 15,558,506</u>	<u>\$ (18,574,295)</u>	<u>\$ 11,352,052</u>

HOME FORWARD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 11 NOTES PAYABLE

Notes payable of Home Forward consist of the following as of December 31, 2024:

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Schiller Way	1.50 %	2030	Monthly	Deed of Trust	Borrower fails to pay principal and interest and doesn't cure within 15 days after due date and Lender may declare all sums owed	If Borrower becomes insolvent all principal and interest become automatically due	N/A	\$ 212,808
Richmond Place	3.00	Sale of Property	Cash Flow	Deed of Trust	Beneficiary may declare all principal balance and accrued interest due immediately if loan payments are not paid by due date; beneficiary may take possession of property and collect all rents	Failure to disclose (any misrepresentation), beneficiary has the option to declare all principal balance and interest immediately due	N/A	862,042
Turning Point	7.49	2032	Monthly	Secured by Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing and a Pledge and Security Agreement	Borrower fails to pay any amount within 10 days of due date and Lender may declare entire loan due and payable; Borrower fails to perform or comply with any other covenant or condition under agreement, Borrower fails to show evidence of full or substantial compliance with governmental authority over property and not cured in 30 day period, if property is seized by any governmental agency, material adverse change in financial condition of borrower and not remedied within 30 days	Not applicable	N/A	229,873
Willow Tree	4.42	2036	Monthly	Secured by Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing and a Pledge and Security Agreement	Borrower fails to pay any amount within 10 days of due date and Lender may declare entire loan due and payable; Borrower fails to perform or comply with any other covenant or condition under agreement, Borrower fails to show evidence of full or substantial compliance with governmental authority over property and not cured in 30 day period, if property is seized by any governmental agency, material adverse change in financial condition of borrower and not remedied within 30 days	Not applicable	N/A	410,536
Cambridge Court	1.00	2032	Monthly	Lender has a lien on the land and all improvements and a security interest in personal property	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclosure of property	Not applicable	N/A	258,552
Cambridge Court	-	2032	Cash Flow	Lender has a lien on the land and all improvements and a security interest in personal property	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclosure of property	Not applicable	N/A	395,388

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Fenwick Apts	3.77 %	2025	Monthly	Trust deed, security agreement, assignment of leases and rents, and fixture filing	Borrower fails to make payment of any amount payable under this loan entire indebtedness becomes immediately due	Not applicable	N/A	\$ 769,200
Fenwick Apts	-	Sale of Property	Cash Flow	Security agreement in property including accessories, additions, replacements and accession now and hereinafter affixed connected to property	Failure to pay sum due under this agreement within 10 days, failure to pay general debts when due, failure to comply with covenants under agreement and not cured within 30 days, failure to obtain lender's consent to transaction (sale, transfer of proceeds from agreement), failure to disclose material facts, default under other loans, default by guarantor or failure to replace guarantor within 90 days. Lender may declare the entire remaining balance of principal and interest due immediately. Lender can place a lien on the land and all buildings and improvements. Lender may take action to recover monetary damages caused by violation or attempted violation of any covenant, condition, agreement or obligation. Damages can include but not be limited to all costs, expenses, including but not limited to staff and administrative expenses, fees including legal	Not applicable	N/A	1,137,073
Fenwick Apts	3.00	2034	Monthly	Trust Deed, Security interest in personal property collateral	Failure to pay sum due under this agreement within 10 days, failure to pay general debts when due, failure to comply with covenants under agreement and not cured within 30 days, failure to obtain lender's consent to transaction (sale, transfer of proceeds from agreement), failure to disclose material facts, default under other loans, default by guarantor or failure to replace guarantor within 90 days. Lender may declare the entire remaining balance of principal and interest due immediately. The Trustee at Lender's direction shall have the right to foreclose by notice and sale of property. Upon any occurrence of any Event of Default interest shall accrue on the unpaid principal balance at a rate equal to the less of four percentage points above the current rate.	Not applicable	N/A	89,882
Helen Swindells	-	2083	Cash Flow	Trust Deed in the property and all tenements along with leases and rents of the property	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, title is free of encumbrance, pay liens, taxes and assessments, abide by loan agreement covenants, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	1,113,664

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Helen Swindells	- %	2083	Cash Flow	Trust Deed in the property and all tenements along with leases and rents of the property	Failure to abide by any covenants of trust deed (payment of all amounts under trust deed, maintain property, maintain insurance, title is free of encumbrance, pay liens, taxes and assessments, abide by loan agreement covenants, senior liens are kept current, further encumbrances need prior written consent of Lender) will make entire principal balance due immediately. Failure to disclose any fact material to the making of the loan Lender has the option to declare unpaid principal balance due in entirety.	Not applicable	N/A	\$ 2,720,007
Kelly Place	4.80	2028	Monthly	Trust Deed covering the real property and other collateral	Borrower fails to perform any obligation to pay principal or interest and doesn't cure within 15 days when due	If Borrower becomes insolvent, all sums of principal and interest under the Note become automatically due and payable	N/A	114,738
James Hawthorne	-	Sale of Property	Cash Flow	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or place a lien on the property	Not applicable	N/A	5,728,950
North Interstate	-	Sale of Property	Cash Flow	Trust Deed	Not applicable	Not applicable	N/A	912,948
Yards at Union Station	1.00	2027	Monthly	Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents	Borrower fails to pay obligations under note when due, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale. Upon the event of default, interest can be increased of 4 percentage points above the current interest rate.	Not applicable	N/A	329,787
Pearl Court	3.00	2027	Monthly	Trust Deed, Security Agreement, UCC1	An event of default is constituted as the following: failure to make any payment when due any loan documents and not cured within 10 days, failure to perform any covenant, agreement or obligation under any of the Loan Documents if not cured within 60 days will lead to the declaration any or all indebtedness secured by the Trust to be due and payable immediately, foreclose the trust deed as a mortgage, cause any or all of the property to be sold under the power of sale, elect to exercise its right with respect to Leases & Rents	Not applicable	Acceleration of the entire unpaid principal balance of the Note and other indebtedness secured by the Trust Deed securing this note upon any sale or transfer is automatic	142,293

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Schiller Way	- %	Sale of Property	Cash Flow	Not applicable	Events of default are constituted as follows: failure to pay any sum due under agreement within 10 days of due date, failure to comply with covenants, failure to obtain Loan provider's consent in sale, transfer or assignment of proceeds, failure to comply with agreement, failure to pay general debts when due, failure to disclose material facts, default under other grants, default by guarantor or failure to replace guarantor will cause the entire remaining unpaid balance immediately due and loan will become lien on the property	Not applicable	N/A	\$ 505,351
SW 45th (Carriage Hill Apts)	-	Sale of Property	Cash Flow	Line of credit trust deed, security agreement, fixture and filing and assignment or leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property	Not applicable	N/A	175,885
Willow Tree	-	2035	Cash Flow	Line of credit trust deed, security agreement, fixture and filing and assignment or leases and rents	Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, failure by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property.	Not applicable	N/A	116,642
Fairview Oaks & Woods	3.05	2047	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	Events of default include: borrower fails to pay or deposits amounts when due under the note, fraud or material misrepresentation or material omission by borrower or any of its officers, directors, members, commencement of a forfeiture action or proceeding, any material failure by Borrower to comply obligations under Security Instrument, failure by borrower to perform obligations under regulatory agreement will be cured.	Not applicable	If a monetary event of default occurs for a period of 30 days, the entire unpaid principal balance and any accrued interest and all other amounts payable to becomes due and payable	9,383,993
Rockwood Station	3.58	2047	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	Events of default include: borrower fails to pay or deposit amounts when due under the note, fraud or material misrepresentation or material omission by borrower or any of its officers, directors, members, commencement of a forfeiture action or proceeding, any material failure by Borrower to comply obligations under Security Instrument, failure by borrower to perform obligations under regulatory agreement will be cured	Not applicable	If a monetary event of default occurs for a period of 30 days, the entire unpaid principal balance and any accrued interest and all other amounts payable to becomes due and payable	3,791,173

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Rockwood Station (Mpower)	6.00 %	2025	Monthly	Security interest in the Efficiency Measures, Memo of ESA	Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable.	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approve by Lender, Borrower's failure to make any payment within 10 days of due date, and other default or breach of any term in the Note or other Loan documents	\$ 3,812
Hawthorne Home	6.00	2029	Monthly	Trust Deed	Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender that proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.	Not applicable	N/A	21,932
Madison Home	6.00	2029	Monthly	Deed of Trust	If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender hat proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender	Not applicable	N/A	21,592

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					<p>If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender hat proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.</p>			
North Interstate	6.00 %	2033	Monthly	Deed of Trust		Not applicable	N/A	\$ 266,297
					<p>If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender hat proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.</p>			
Project Open Door	1.00	2027	Monthly	Trust Deed		Not applicable	N/A	52,206

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Taylor Home	7.00 %	2029	Monthly	Deed of Trust	<p>If default occurs in payment of any installment and is not cured before next installment date the unpaid balance of principal and interest become due and payable without notice. Payment among default must include the sums required to be paid in the event of any prepayment of debt. All costs of collection during default including attorney fees will be added to the principal balance of the note. Events of default that can potentially lead to all sums due immediately: Borrower defaults in the performance on any of its covenants or agreements in the loan or trust deed, any representation made to the Lender hat proves to be incorrect in any material respect when made, any authorization to comply with its obligation fails to be timely issued which interferes with compliance, borrower petitions for bankruptcy, reorganization, Borrower liquidates or dissolves, borrower effects a change of ownership or transfers interest in properties, borrower fails to terminate management agreement after request by Lender.</p>	Not applicable	N/A	\$ 21,120
Ainsworth Court	-	2052	Cash Flow	Subordination agreement to be secured by certain liens and encumbrances against the property, Lien on the land	<p>Borrower fails to pay obligations under note when due within 10 days of due date, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with note, loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, may lead to Lender declaring all unpaid balance due immediately or foreclose by notice and sale on the property</p>	Not applicable	N/A	914,699
Ainsworth Court	4.77 %	2034	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	<p>If an event of default has occurred, the entire unpaid principal balance of the mortgage loan, any accrued interest, interest accruing at the default rate, the prepayment premium (if applicable) at the option of Lender shall be immediately due and payable without notice to Borrower. In addition Lender shall have rights and remediate including foreclosure on and/or the power of sale of the property. The following events are events of default: failure by Borrower to pay or deposit when due amounts required the Note or any other Loan document, failure of Borrower to maintain insurance coverage, failure by Borrower to maintain property as single asset status, any warranty or representation is false or inaccurate, fraud, gross negligence or will misconduct or material misrepresentation (including on financial statements, rent rolls or other report information, request from Lender in regards to disbursements from Replacement Account Funds), occurrence of any transfer not permitted by Loan Document, occurrence of a bankruptcy event, commencement of forfeiture action (whether civil or criminal) which could lead to forfeiture of the property or impair the lien on the property, any failure by Borrower to compete any repair related to fire, life or safety issues within terms of Loan agreement, and any exercise by the holder of any debt instrument secured by mortgage or deed on the property of a right to declare all amounts due immediately.</p>	Not applicable	<p>If an event of default has occurred and is continuing the entire unpaid principal balance of the loan, any accrued interest, interest accruing at the default rate or prepayment premium (if applicable) and all other indebtedness at the option of Lender is immediately due and payable without prior written consent to Borrower.</p>	1,505,437

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Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Madrona Apartments	5.31 %	2034	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	<p>If default has occurred, the unpaid principal balance of the mortgage loan, accrued int, int accruing at the default rate, prepayment premium (if applicable) at the option of Lender shall be immediately due & payable without notice. Lender shall have rights and remediate including foreclosure on and/or the power of sale of the property. The events of default are: failure by Borrower to pay or deposit when due amounts required the Note or any other Loan document, failure of Borrower to maintain insurance coverage, failure by Borrower to maintain property as single asset status, any warranty or representation is false or inaccurate, fraud, gross negligence or will misconduct or material misrepresentation (including on financial statements, rent rolls or other report information, request from Lender in regards to disbursements from Replacement Account Funds), occurrence of any transfer not permitted by Loan Document, occurrence of a bankruptcy event, commencement of forfeiture action (civil or criminal) leading to forfeiture of the property or impair the lien on the property, any failure by Borrower to complete any repair related to fire, life or safety issues within terms of Loan agreement, a right to declare all amounts due immediately.</p>	Not applicable	<p>If an event of default has occurred and is continuing the entire unpaid principal balance of the loan, any accrued interest, interest accruing at the default rate or prepayment premium (if applicable) and all other indebtedness at the option of Lender is immediately due and payable without prior written consent to Borrower.</p>	\$ 898,908
Kelly Place (Multnomah)	-	2046	Maturity Date	Trust deed	<p>Failure to perform the covenants and conditions in trust deed shall give the option to declare the unpaid balance due on the Note immediately. If any material fact is not disclosed all indebtedness can be due and payable and the trust deed may be foreclosed on including the recouping of reasonable expenses such as attorney fees.</p>	Not applicable	N/A	350,456
Rockwood Landing	-	2058	Maturity Date	Trust deed, security agreement, and fixture filing	<p>Events of default include: failure to pay any of the obligations of the loan before due date, the occurrence of a breach of covenant, agreement, condition, provision, representation or warranty contained in Trust Deed or any Loan documents, or a writ of execution or any similar process shall be issued against or any part or interest in the estate or any judgement involving monetary damages that become a lien on the property. In the case of these acceleration of all debt occurs and is immediately due and payable, lender can take possession of all or any part of the property, lender can foreclose the property and sale under applicable law. Lender can take over management, rents and revenues of the property</p>	Not applicable	N/A	150,000

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Gretchen Kafoury	3.00 %	2031	Maturity Date	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	\$ 2,664,000
Hamilton West	3.00	2031	Monthly	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans , default by guarantors or failure to replace guarantor may lead to Lender declaring all unpaid balance due immediately	Not applicable	N/A	329,375
Hamilton West	-	Sale of Property	Cash Flow	Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rent	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan, agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans , default by guarantors or failure to replace guarantor may lead to Lender declaring all unpaid balance due immediately	Not applicable	N/A	2,039,641

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Rockwood Landing (Mpower)	6.00 %	2025	Monthly	Security interest in the Efficiency Measures, Memo of ESA	Events of default constitute: Non payment of debt payment, other non compliance of any other covenant under agreement or other loan documents (30 days to satisfy covenant), non compliance with governmental regulations, (30 days to cure), untruth of representations and warranties, default under other financing, bankruptcy, reorganization or dissolution, attachment (levied against all or part of the property), transfer of the project property without written consent of Lender can lead to Lender declaring all sums of note and other loan documents due and payable.	Not applicable	Lender may declare note due and payable in full if the following occur: sale or transfer by Borrower not approved by Lender, Borrower's failure to make any payment within 10 days of due date of payment, and other default or breach of any term in the Note or other Loan documents	\$ 3,069
Rockwood Landing	3.05	2029	Monthly	Deed of Trust, Security Agreement and Fixture Filing, Assignment of Leases and Rents	In any event representation or warranty shall be found untrue or performance of any obligation, term, covenant or warranty shall constitute default under the Note and Deed of Trust can declare all sums secured immediately due and payable	Not applicable	N/A	167,539
St. Francis LLC	3.38	2050	Monthly	Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing	Events of default: Monetary Default (failure to pay sums when due required under the Note), fraud or material misrepresentation in regards to i) loan application, ii) financial statement or rent, iii) the commencement of a forfeiture action or proceeding, iv) any material failure to perform or comply with any of its obligation under Security Instrument, v) failure to perform any HUD obligations under the Regulatory Agreement can lead to the immediate payment of unpaid principal and accrued interest	Not applicable	If a Monetary Event of Default occurs (and continues for 30 days) the entire unpaid principal balance, any accrued interest will become due & payable.	3,279,371
St Francis LLC	-	Sale of Property	Cash Flow	Trust Deed and Assignment of Leases	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	5,194,028

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Sequoia Square	8.08 %	2031	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	\$ 401,852
Sequoia Square	3.99	2031	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	241,582
Sequoia Square	-	Sale of Property	Cash Flow	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	514,486
Lovejoy Station	3.00	2032	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Borrower fails to pay obligations under note when due within 10 days, failure to comply with covenants (cure within 30 days), fails to obtain lender's consent to transaction, failure to comply with loan agreement or trust deed, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor or to replace guarantor, filing of bankruptcy, commencement of action against Borrower in regards to insolvency, bankruptcy, reorganization or liquidation results may lead to Lender declaring all unpaid balance due immediately or foreclose on the property	Not applicable	N/A	1,176,465

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The Alexis	2.78 %	2040	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Events of default include: failure to pay principal or interest on debt when (within 5 days of due date), the trust estate or any portion is transferred in violation of sale or increase in interest rate on sale, failure to perform or comply with any other covenant in Deed of Trust (fails to cure within 30 days) , writ of execution or attachment is levied against the property or any judgement involving monetary damages against property and a lien is placed on the property, event of default within the Loan agreement occurs, breach or default under any mortgage, trust deed or lien on the property that is either senior or subordinate to the Trust Deed can lead to entire indebtedness becoming immediately due and payable or the right to foreclose by judicial foreclosure on the property or a trustee will be designated to sell property.	Not applicable	N/A	\$ 4,766,668
Gateway Park	5.10	2033	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Default include: Default in the performance of any of its covenants or agreements in any loan document, any representation to current or historical information in regards to certificate, notice report or financial statement that is incorrect in any material respect, any authorization now or hereafter necessary to enable Borrower to comply with obligations under the Trust Deed or Note fails to be timely issued or granted, Borrower becomes bankrupt, insolvent, winding up or reorganization, Borrower receives a proceeding in court for liquidation, dissolution or the readjustment of debts, Borrower effects a change of ownership or transfers any interest without prior written consent, Borrower fails to terminate Property management agreement after request of Lender or makes new satisfactory arrangements for a new management agent which allows Lender to declare all or any portion of debt immediately due and payable, the Lender can take possession of the property and collect rents, the Lender will be empowered to foreclose on Property and sell the Property.	Not applicable	N/A	3,588,441
4720 North Maryland	-	2026	Monthly	Deed of trust	Event of default: maker fails to pay all or any other portion due within 10 days after written notice, makers fails to pay the outstanding balance on maturity date, event of default defined under deed of trust.	Not applicable	N/A	3,547,685

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4720 North Maryland	5.25 %	2023	Monthly	Deed of trust	Events of default include: Non Payment- Failure to pay any installment, other non-compliance (failure to comply with any other covenant of Agreement or other Loan Documents, non compliance with governmental regulations, other material breach, seizure of collateral, untruth of representations and warranties, changed financial condition, bankruptcy, reorganization or dissolution, attachment, transfer, failure to comply with timeline). Under the occurrence of default, entire loan many due or exercise of any other remedy permitted in agreement.	Not applicable	N/A	\$ 495,000
Haven	3.93	2036	Monthly	Deed of Trust with assignment of leases and rents, security agreement, and fixture filing	Events of default include: failure to pay any amount within 15 days of due date, other non-compliance (failure to comply with any other covenant of Agreement or other Loan Documents, non compliance with governmental regulations, other material breach, material portion of the property is condemned or seized). Default may result in the lender declaring the note immediately due and payable.	Not applicable	N/A	665,472
Cecelia	3.00	2059	Maturity Date	Trust Deed	Events of default include but are not limited to: failure to pay any sum of money in accordance with the Note, failure to comply with any covenants, executing an assignment for the benefit of credits or take any action in furtherance thereof or admit in writing an inability to pay debts generally as they become due, default under or acceleration of any indebtedness secured by any other trust deed, security interest, or assignment which covers or affects any part of the property. A levy which is not permanently dismissed or discharged within thirty days, discovery that any representation or warranty made in any of the loan documents is false, misleading, erroneous, or breached in any material respect, and failure to commence construction within ninety days of the loan agreement. Default may result in the lender declaring the note immediately due and payable.	Not applicable	N/A	527,726
Woolsey	2.75	2038	Monthly	Deed of Trust	Events of default include: failure to pay any obligations under note when due, failure to comply with covenants, all or any material portion of the property is condemned, seized, or appropriated by any governmental agency, or a material adverse change in the financial condition of the borrower or its general partner. Default may result in the lender declaring the note immediately due and payable.	Not applicable	N/A	550,516

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Woolsey	3.18 %	2038	Monthly	Deed of Trust	Events of default include: failure to pay any obligations under note when due, failure to comply with covenants, all or any material portion of the property is condemned, seized, or appropriated by any governmental agency, or a material adverse change in the financial condition of the borrower or its general partner. Default may result in the lender declaring the note immediately due and payable.	Not applicable	N/A	\$ 576,904
Woolsey	6.75	2038	Monthly	Deed of Trust	Events of default include: failure to pay any obligations under note when due, failure to comply with covenants, all or any material portion of the property is condemned, seized, or appropriated by any governmental agency, or a material adverse change in the financial condition of the borrower or its general partner. Default may result in the lender declaring the note immediately due and payable.	Not applicable	N/A	371,231
The Jeffrey	-	2068	Maturity Date	Trust Deed	Events of default include: failure to pay any obligations under note when due, failure to comply with covenants, failure to obtain lender's consent to transaction, failure to disclose material facts, default under other loans, or discontinued construction. Default may result in the lender declaring the note immediately due and payable, or in foreclosure.	Not applicable	N/A	8,601,712
New Market West	6.35	2038	Monthly	Deed of Trust	Events of default include: failure to make any payment when due, making false or misleading statements, default in favor of any third party which may materially affect ability to perform under this Deed of Trust, and insolvency. Default may result in the lender declaring the note immediately due and payable.	Not applicable	N/A	2,369,490

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Cesar Apartments	- %	2080	Maturity Date	Trust Deed	Events of default include: Failure to pay obligations within 15 days under loan documents, failure to comply with loan documents (if not cured within 30 days), failure to obtain lender consent to transaction, failure to comply with loan agreement, trust deed, note agreement or PHB Metro Bond regulatory agreement, failure to pay general debts when due, failure to disclose material facts (misrepresentations), default under PHB Bond regulatory agreement and/or land use restrictive covenants, and fault under other loans if applicable	Not applicable	Lender may declare remaining unpaid balance principal and interest due, eligible household and restricted unit rental rate increase, foreclosure, metro bond recapture, notification to obligors to pay rent directly to lender, fee to be paid upon default to lender (1% on unpaid principal balance), foreclosure, foreclosure of lessee's rights-subordination, payment of costs of collection (losing party will pay prevailing part for legal fees in the case of litigation)	\$ 8,997,090
The Morrison	3.00	2038	Maturity Date	Trust Deed	Events of default include: Failure to pay obligations within 10 days under loan documents, failure to comply with covenants (if not cured within 30 days), failure to obtain lender consent to transaction, failure to comply with loan agreement, trust deed, note agreement, default under other loans, failure to pay general debts when due, failure to disclose material facts (misrepresentations)	Not applicable	Lender may declare remaining unpaid balance principal and interest due, notification to obligors to pay rent directly to lender, interest on default rate , foreclosure, foreclosure of lessee's rights-subordination, payment of costs of collection (losing party will pay prevailing part for legal fees in the case of litigation)	500,000

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Killingsworth	- %	2056	Maturity Date	Trust Deed	Events of default include: monetary default (failure to pay interest or principal within 30 days of being due), nonmonetary default (default under any covenants, provisions terms or loan documents), termination of lease resulting from condemnation or conveyance in lieu of condemnation, conveyance of tile to the project, option to purchase defined in the lease is exercised by lender in and the owner fails to 1) subject its interest in the property to a condominium regime of comprised of two units of the lease, 2) close on the sale of the condominium unit consisting of the ELC space to lender or lender's affiliate within the time period required in the lease, failure of borrower to cause the senior debt to be released as a lien on the project prior to the date on which the option to purchase can be exercised by the lender under the terms of the lease. 30 days of borrower to cure nonmonetary default and notice of default is given to effect a cure prior to any exercise of remedies under the loan documents. If Borrower in good faith initiates correction action (if 30 days is not a reasonable timeline) the Borrower shall have such additional time as is reasonably necessary to cure the default prior to the exercise of any remedies by Lender	Not applicable	Following an event of default entire unpaid principal which shall bear interest of 5% (default rate), entire principal (associated fees, interest) will become due and payable immediately	\$ 1,413,702
Peter Paulson	-	2084	Maturity Date	Trust Deed	Events of default include: Failure to pay obligations within 15 days under loan documents, failure to comply with covenants (if not cured within 15 days), failure to obtain lender consent to transaction, failure to comply with loan agreement, trust deed, note agreement, default under other loans, failure to pay general debts when due, failure to disclose material facts (misrepresentations), default under PHB regulatory agreement	Not applicable	Lender may declare remaining unpaid balance principal and interest due, notification to obligors to pay rent directly to lender, interest on default rate (from the date first unpaid payment was due at a rate equal to the lesser of 1% point per month or 12% per year or the maximum interest which may be collected from the holder of the Note under applicable law), foreclosure, foreclosure of lessee's rights-subordination, payment of costs of collection (losing party will pay prevailing part for legal fees in the case of litigation). eligible households income and eligible restricted unit rental rate increase	4,107,346

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Final Maturity Date*	Payment Terms	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Ash Creek	6.25	2044	Monthly	Deed of Trust	Events of default include: payment default, other defaults (related to other agreement with lender and borrower, default in favor of 3rd parties, environmental default (any environmental agreement executed in connection with the loan), false statements, insolvency, credit or forfeiture proceedings, events after guarantor, change in ownership (change of 25% orore of the common stock of Borrower), adverse change (borrower's financial condition or lender believes that payment of note is impaired)	Not applicable	Lender may upon default declare the entire unpaid principal balance and all accrued unpaid interest due. Borrower will pay any attorney fees/expenses, for the lender associated with bankruptcy proceedings	\$ 1,276,397
Total								91,974,032
Less: Current Portion of Notes Payable								(3,785,835)
Total Notes Payable -								
Long-Term								<u>\$ 88,188,197</u>

(*) Note: Calendar Year of Final Maturity Date

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 NOTES PAYABLE (CONTINUED)

Notes payable includes those notes related to equity gap financing. Equity gap financing is utilized to fund the difference between project costs and sources of construction and permanent financing. These notes bear interest rates between 0.00% and 8.08% with maturities due up through 2059 except for certain equity gap notes, which are not payable unless the property is sold.

A summary of activity of Home Forward's notes payable for the year ended December 31, 2024 is as follows:

	Balance January 1, 2024	Increase	Decrease	Balance December 31, 2024
Notes Payable	<u>\$ 83,270,067</u>	<u>\$ 14,362,309</u>	<u>\$ (5,658,344)</u>	<u>\$ 91,974,032</u>

Minimum debt payments due over the next five years and thereafter in five-year increments are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 3,785,835	\$ 1,436,355
2026	5,520,496	1,340,012
2027	2,304,254	1,248,965
2028	2,287,760	1,157,499
2029	2,157,391	1,082,884
2030 - 2034	14,777,456	4,767,152
2035 - 2039	6,827,914	3,656,485
2040 - 2044	8,120,002	1,391,860
2045 - 2049	2,974,383	169,289
2050 - 2054	1,071,014	2,432
2055 - 2059	2,091,431	-
Total	51,917,936	16,252,933
Notes With No Set Maturity	40,056,096	-
Total	<u>\$ 91,974,032</u>	<u>\$ 16,252,933</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 BONDS PAYABLE

Bonds payable of Home Forward, which are secured by mortgages on the respective properties, consist of the following as of December 31, 2024:

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Dawson Park 2012	Fixed	3.37%	2027	Pledge of all legal available revenues of the Project, b) moneys on deposit in a loan reserve fund, c) moneys on deposit in a debt service reserve fund, d) general revenues of Home Forward not previously or subsequently pledge to a specific purpose and legally available. Deed of trust with a security interest in the land and improvement which encompasses the Project.	Events of default include: default in the due debt payment, failure of the Property to perform any other covenant, agreement or obligation under Loan agreement or regulatory agreement, event of default under the Deed of Trust, filing of a petition in voluntary bankruptcy or reorganization, insolvency, involuntary bankruptcy, dissolution or liquidation which can lead to the Authority to declare the entire balance due and payable immediately, the Authority may foreclose the Deed of Trust and Authority may recover monetary damages caused by such violation.	Not applicable	Not applicable	\$ 369,695
Pearl Court	Fixed	4.50	2037	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtedness secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	1,305,000
Gretchen Kafoury	Fixed	4.00	2035	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtedness secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	3,175,000

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 BONDS PAYABLE (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Hamilton West	Fixed	4.00%	2031	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtedness secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	\$ 2,730,000
Yards at Union Station	Fixed	4.85	2040	Leasehold Trust Deed, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtedness secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	2,050,000
Lovejoy Station	Fixed	1.45	2052	Leasehold Trust Deed, Assignment of Rents and Leases, Security Agreement and Fixture Filing	Events of default include: failure to make any payment when due under the Loan documents (10 days to cure), failure to perform any covenant, agreement or obligation under any of the Loan documents (not cured within 60 days), filing of the Borrower of a petition of bankruptcy can lead to the declaration any or all indebtedness secured by the Trust Deed to be due and payable immediately, bring court action to enforce the provisions of Trust Deed or any of the indebtedness or obligations secured by the Trust Deed, foreclose the Trust Deed as a mortgage, cause any or all of the property to be sold under power of sale, elect its rights with respect to Leases and Rents.	Not applicable	Not applicable	5,670,000

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 BONDS PAYABLE (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Cecelia	Variable	- %	2037	Line of Credit Commercial Deed of Trust, Assignment, Security Agreement and Fixture filing	Events of default include the following: default in the due and punctual payment of the principal or premium or interest on any Bond when due, failure to pay the purchase price of any variable rate bond tendered when such payment is due, default by the Authority in the observance of any other covenants, agreements (including ground lease and mixed finance amendment) or conditions in the indenture, loan agreement or the bonds (not cured within 60 days) can lead to the acceleration of the bonds including principal and interest accrued due immediately, foreclosure of the deed of trust and power sale.	Not applicable	If any Event of Default occurs the Trustee shall be entitled to upon written notice to the Authority, the Bank, the Remarketing agent and the partnership or the owners of a majority in aggregate principal of the bonds at the time outstanding is entitled to declare the principal of all of the bonds then outstanding and the interest accrued due payable and immediately.	\$ 2,770,000
Trouton	Variable	-	2035	Line of Credit Commercial Deed of Trust, Assignment, Security Agreement and Fixture filing	Events of default include the following: default in the due and punctual payment of the principal or premium or interest on any Bond when due, failure to pay the purchase price of any variable rate bond tendered when such payment is due, default by the Authority in the observance of any other covenants, agreements or conditions in the indenture, loan agreement or the bonds (not cured within 60 days) can lead to the acceleration of the bonds including principal and interest accrued due immediately.	Not applicable	If any Event of Default occurs the Trustee shall be entitled to upon written notice to the Authority, the Bank, the Remarketing agent and the partnership or the owners of a majority in aggregate principal of the bonds at the time outstanding is entitled to declare the principal of all of the bonds then outstanding and the interest accrued due payable and immediately.	4,010,000

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 BONDS PAYABLE (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Humboldt Gardens	Fixed	6.17%	2039	Trust Indenture	Events of default include the following: default in the due and punctual payment of the principal or premium or interest on any Bond when due, failure to pay the purchase price of any variable rate bond tendered when such payment is due, default by the Authority in the observance of any other covenants, agreements or conditions in the indenture, loan agreement or the bonds (not cured within 60 days) can lead to the acceleration of the bonds including principal and interest accrued due immediately.	Not applicable	If any Event of Default occurs the Issuer shall have the right to direct the Trustee to declare all outstanding bonds immediately due and payable.	\$ 705,000
The Morrison	Variable	-	2038	Trust Estate (deed of trust) and the security for the Bonds, the following: (a) the Bond Mortgage Note, (b) the Credit Facility providing credit enhancement for the Bond Mortgage Loan and liquidity support for the Bonds, (c) the amounts on deposit in the Bond Mortgage Loan Fund, to the extent not disbursed pursuant to the terms and conditions hereof, (d) the Revenues and any other moneys received by the Trustee for the payment of the principal of and interest on the Bonds, (e) amounts otherwise on deposit in the funds and accounts (other than moneys on deposit from time to time, in the Bond Purchase Fund, the Principal Reserve Fund, the Borrower's Contingency Fund, the Rebate Fund and the Cost of Issuance Fund) and (f) investment income (excluding Investment Income earned on amounts on deposit in the Rebate Fund and Investment Income earned on amounts on deposit in the Costs of Issuance Fund);	Event of defaults include: (a) failure to pay the principal or Purchase Price of, premium, if any, or interest on any Bond (other than Purchased Bonds) when due, whether at the stated maturity thereof, or on proceedings for redemption thereof, or on the maturity thereof by declaration; or (b) failure by the Credit Facility Provider to make when due a required payment under the Credit Facility; or (c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Authority (other than those set forth in Section 5.01 hereof) in this Indenture or in the Bonds and the continuance thereof for a period of thirty (30) days after written notice to the Authority from the Trustee or the Holders of not less than 51% of the aggregate principal amount of the Bonds then Outstanding at such time specifying such default and requiring the same to be remedied; provided that the Credit Facility Provider shall have directed in writing that the same shall have constituted an Event of Default; or (d) receipt by the Trustee of written notice from the Construction Phase Credit Facility Provider that the interest portion of the Letter of Credit will not be reinstated. The Trustee and the Authority agree that, notwithstanding the provisions hereof, no default under the terms of this Indenture shall be construed as resulting in a default under the Bond Mortgage Note, the Bond Mortgage, the Reimbursement Mortgage or any other Bond Mortgage Loan Document, unless such event also constitutes an event of default thereunder. The Trustee will immediately notify the Authority, the Servicer (from and after the Conversion Date) and the Credit Facility Provider after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.	Not applicable	Upon the occurrence of an Event of Default upon only receipt from the Credit Facility provider of a notice direction such acceleration by notice in writing to the borrower all principal and interest of bonds is due immediately (along with the trustee at the permission of bondholders),	\$ 7,800,000
<div> <div>Total</div> <div>Less: Current Portion of Bonds Payable</div> <div>Total</div> <div>Plus Unamortized Premiums</div> <div>Less: Unamortized Discounts</div> <div>Total Long-Term Bonds Payable</div> </div>								<div>30,584,695</div> <div>(2,176,416)</div> <div>28,408,279</div> <div>162,710</div> <div>(60,110)</div> <div><u>\$ 28,510,879</u></div>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 BONDS PAYABLE (CONTINUED)

A summary of activity of Home Forward's bonds payable for the year ended December 31, 2024 is as follows:

	Balance January 1, 2024	Draws	Repayments	Balance December 31, 2024
Bonds Payable	<u>\$ 24,613,654</u>	<u>\$ 13,445,000</u>	<u>\$ (7,473,959)</u>	<u>\$ 30,584,695</u>

Minimum debt payments due over the next five fiscal years and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,176,416	\$ 894,009
2026	2,269,909	785,120
2027	2,292,398	698,496
2028	1,850,463	615,955
2029	1,926,290	541,000
2030-2034	13,984,111	1,810,393
2035-2039	6,085,108	201,588
Total	<u>\$ 30,584,695</u>	<u>\$ 5,546,561</u>

NOTE 13 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS

Home Forward issued Multi-Family Housing Revenue Bonds, Tax-Exempt Tax Credit Notes Receivable, and Taxable Tax Credit Notes Receivable for the purpose of providing financing to Internal Revenue Service Section 42 Partnerships (see Note 8 and Note 19) in which Home Forward has an ownership interest. The Partnerships are required to make payments on the notes receivable to Home Forward, the General Partner of the Partnerships, sufficient to make required debt service payments on the bonds.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 13 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Bonds payable—partnerships and the corresponding notes receivable—partnerships consist of the following at December 31:

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Stephens Creek Crossing North LP	Fixed	456.00%	2031	Line of Credit Construction Leasehold Deed of Trust, Assignment, Security Agreement and Fixture Filing	Events of default: payment obligation failure, transfer of any or all part of property not included in the trust deed, failure to perform or comply with any obligations in trust deed (and not cured for 30 days), an event of default under the note or loan agreement, change in zoning or public restriction in regards to the use of the property if it would be in violation of zoning ordinance or regulation, default under any lease, default under any other mortgage, deed of trust or security agreement covering the property or an execution or attachment is levied against the property and is not discharged or stayed within 30 days of being levied can lead to acceleration of all obligations becoming due and payable without notice of default or acceleration, the property can be foreclosed upon and the power of sale can be enacted. A judicial action can be submitted for foreclosure of the Deed of Trust. In the event of default, collection of rents can be assumed by Lender.	In the event of default all obligations shall become due and payable without notice of default, notice of acceleration or intention to accelerate. The property can be foreclosed upon and the power of sale can be enacted. A judicial action can be submitted for foreclosure of the Deed of Trust and collection of rents can be assumed by Lender.	\$ 2,516,308
Westis Limited Partnership	Fixed	4.18%	2052	Revenues and receipts therefrom and the security therefore (including the Security Instrument) and the amounts on deposit from time to time in any and all funds established under the Funding Loan Agreement	Events of default: failure by the Borrower to pay any Borrower Loan Payment on the date such payment is due, failure by or behalf of Borrower to pay when due any amount required to be paid under any of the other funding loan documents, an Event of Default as defined by any other Funding Loan Document, any representation made by Borrower, the General Partner or Guarantor in any Funding Loan Document or in any report, certificate, financial statement or other instrument, agreement or document by the Borrower that is false or misleading in any material respect, the Borrower makes a general assignment for the benefit of credits or shall generally not be paying its debt as they become due, bankruptcy, any portion of the Borrower required equity to be made by the Equity investor is not received, failure to comply with ERISA, any material litigation or proceeding against the Borrower, the General Partner or the Guarantor or the property, if a final judgement is issued for monetary damages in excess of \$50,000 is not paid and discharged prior to completion date, a failure to pay when due any monetary obligation to any Person in excess of \$100,000 and such failure continues beyond the expiration of any grace period, a final and un-appealable and uninsured money judgment in favor of any other person other than a governmental authority in the aggregate sum of \$50,000 or more against Borrower, the general partner or the guarantor that is not paid prior to completion date, the inability of the Borrower to satisfy any condition for the receipt of a Disbursement and failure to resolve, construction or rehabilitation is abandoned or halter prior to the completion date (as long as not caused by unforeseeable conditions such as acts fire, strikes, disruption of shipping acts of terrorism), Borrower fails to keep in force and effect any material permit, license, consent or approval required under the loan agreement, failure to substantially complete the construction or rehab on or prior to the substantial completion date, , failure of Borrower to satisfy conditions to conversion or before the conversion date, failure by any subordinate lender to disburse the proceeds of its subordinate loan, an Event of Default occurs under any of subordinate loan documents, any failure by the Borrower to perform or comply with any of its obligations under the loan agreement (and continues for 30 days), a seizure or forfeiture of the property can lead to declaring the borrower payment obligations to be immediately due and payable including prepayment premium.	Event of default can make all borrower payment obligations immediately due and payable including the prepayment premium	11,987,980

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 13 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
					Events of default: failure by the Borrower to pay any Borrower Loan Payment on the date such payment is due, failure by or behalf of Borrower to pay when due any amount required to be paid by Borrower under any of the other funding loan documents, an Event of Default as defined by the Borrower note, the Security Instrument or any other Funding Loan Document, any representation made by Borrower, the General Partner or Guarantor in any Funding Loan Document or in any report, certificate, financial statement or other instrument, agreement or document by the Borrower that is false or misleading in any material respect, the Borrower makes a general assignment for the benefit of credits or shall generally not be paying its debt as they become due, bankruptcy, any portion of the Borrower required equity to be made by the Equity investor is not received, failure to comply with ERISA, any material litigation or proceeding against the Borrower, the General Partner or the Guarantor or the property, if a final judgement is issued for monetary damages in excess of \$50,000 is not paid and discharged prior to completion date, a failure to pay when due any monetary obligation to any Person in excess of \$100,000 and such failure continues beyond the expiration of any grace period, a final and unappealable and uninsured money judgment in favor of any other person other than a governmental authority in the aggregate sum of \$50,000 or more against Borrower, the general partner or the guarantor that is not paid prior to completion date, the inability of the Borrower to satisfy any condition for the receipt of a Disbursement and failure to resolve, construction or rehabilitation is abandoned or halted prior to the completion date (as long as not caused by unforeseeable conditions such as acts fire, strikes, disruption of shipping acts of terrorism), Borrower fails to keep in force and effect any material permit, license, consent or approval required under the loan agreement, failure to substantially complete the construction or rehab on or prior to the substantial completion date, , failure of Borrower to satisfy conditions to conversion or before the conversion date, failure by any subordinate lender to disburse the proceeds of its subordinate loan, an Event of Default occurs under any of subordinate loan documents, any failure by the Borrower to perform or comply with any of its obligations under the loan agreement (and continues for 30 days), a seizure or forfeiture of the property can lead to declaring the borrower payment obligations to be immediately due and payable including prepayment premium.		
Woods East Limited Partnership	Fixed	4.18%	2052	Revenues and receipts therefrom and the security therefore (including the Security Instrument) and the amounts on deposit from time to time in any and all funds established under the Funding Loan Agreement		Event of default can make all borrower payment obligations immediately due and payable including the prepayment premium	\$ 14,195,022

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 13 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

Property	Bond Type	Interest Rate	Final Maturity Year	Assets Pledged as Collateral	Events of Default with Finance Related Consequences	Subjective Acceleration Clauses	Balance
Square Manor Limited Partnership	Fixed	4.25%	2035	Leasehold Trust Deed, Security Agreement, Assignment of Leases and Rents and Fixture Filing	Events of default: borrower fails to make any payment within 10 days when due, borrower fails to comply with or perform when due any other term, obligation, covenant, or condition contained in the note, borrower makes representation that is false or misleading in any material way, borrower dissolves or becomes insolvent or bankrupt, any creditor tries to take any of property on or in which lender has a lien or security interest, any guarantor of the note seeks to limit/modify/ revoke such guarantor's guaranty with Lender cane can lead interest rate increase of 4% per annum in excess of the interest rate otherwise than in effect of 18% per annum whichever is greater and lead to the balance of unpaid principal and accrued interest immediately due and payable.	Not applicable	\$ 3,835,539
3000 Powell	Fixed	2.20	2025	Secured by leasehold interest in the property	Event of default of one or more of the following: failure to pay an installment of interest or principal within 30 days of due date; any of the covenants, provisions, terms and conditions of the loan document not fully cured within the period of time therein. In the event of default, the entire unpaid balance of principal shall bear the interest rate of 12% per annum until paid in full.	Not applicable	34,792,591
Dekum Court	Fixed	7.18	2026	Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing	Events of default include any representation made by the borrower is incorrect; failure to pay any amounts due; borrower fails to observe or perform any other term, covenant, condition or agreement set forth in the Project Loan Agreement. Default rate as applicable 5% per annum or the maximum interest rate allowable by law. If principal and accrued interest are not paid in full on maturity date, unpaid balances shall accrue at the default rate	Default may result in the lender declaring the Project Loans to be immediately due and payable.	27,895,500
GPT Limited Partnership	Variable*	-	2027	Security Instrument, the Pledged Security and other security provided by it for the Project Loans	Events of default include any representation made by the borrower is incorrect; failure to pay any amounts due; borrower fails to observe or perform any other term, covenant, condition or agreement set forth in the Project Loan Agreement.	Default may result in the lender declaring the Project Loans to be immediately due and payable.	26,608,986
Total							121,831,926
Less: Current Portion of Bonds Payable							(82,891,413)
Total Bonds Payable and Notes							
Receivable - Partnerships							<u>\$ 38,940,513</u>

*For the variable rate debt, the December 31, 2024, interest rate, as provided above, was used for the future interest calculation.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 13 BONDS PAYABLE AND NOTES RECEIVABLE – PARTNERSHIPS (CONTINUED)

A summary activity of Home Forward's bonds payable at December 31, 2024 is as follows:

	Balance January 1, 2024	Draws	Repayments	Balance December 31, 2024
Bonds Payable	<u>\$ 102,082,539</u>	<u>\$ 43,416,863</u>	<u>\$ (23,667,476)</u>	<u>\$ 121,831,926</u>

Minimum debt payments due over the next five fiscal years and thereafter are as follows:

<u>Year Ending December 31,</u>	Principal	Interest
2025	\$ 82,891,413	\$ 1,359,618
2026	760,113	1,640,327
2027	786,651	1,584,022
2028	820,467	1,550,205
2029	855,739	1,514,934
2030-2034	6,415,153	6,724,600
2035-2039	7,779,805	5,028,626
2040-2044	5,868,523	3,883,988
2045-2049	7,224,921	2,527,590
2050-2054	5,288,365	1,012,230
2055-2059	1,271,643	514,932
2060-2064	1,557,321	229,254
2065	311,812	6,190
Total	<u>\$ 121,831,926</u>	<u>\$ 27,576,516</u>

NOTE 14 RETIREMENT PLANS

Plan Descriptions

Home Forward is a participating employer in the state of Oregon Public Employees' Retirement System (PERS). PERS, a cost sharing multiple employer defined benefit plan and a fiduciary fund of the state of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, Oregon, 97281-3700, or by calling 1-888-320-7377.

As a member of PERS, Home Forward contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost sharing, multiple-employer defined benefit other post-employment benefit (OPEB) plan administered by PERS.

Actuarial Assumptions for the Calculation of Pension and OPEB Assets, Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension and OPEB

As both plans are administered by PERS, many of the actuarial assumptions were the same for the pension plan and OPEB-RHIA plan. Refer to Note 15 and Note 16 for pension or OPEB-RHIA specific assumptions, respectively.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions for the Calculation of Pension and OPEB Assets, Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension and OPEB (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of occurrence of events into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown below are based on the 2022 Experience Study, which reviewed experience for the four-year period ended on December 31, 2022.

The total pension and OPEB liabilities based on the December 31, 2022 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date:	December 31, 2022
Measurement Date:	June 30, 2024
Experience Study Report:	2022, published July 24, 2023
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation	2.40%
Long-term expected rate of return	6.90%
Discount Rate	6.90%
Projected Salary Increases	3.40%
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service
Mortality:	
	Health Retirees and Beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	Disabled Retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 14 RETIREMENT PLANS (CONTINUED)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annual Return (Geometric)</u>
Global Equity	27.50 %	7.07 %
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Fund of Funds - Multistrategy	1.25	6.27
Hedge Fund Equity - Hedge	0.63	6.48
Hedge Fund - Macro	5.62	4.83
Total	<u>100.00 %</u>	
Assumed Inflation - Mean		2.35 %

NOTE 15 PENSION

PERS Pension (Defined Benefits)

Home Forward is a participant of the PERS pension program. PERS benefits, as described by the PERS 2024 Comprehensive Annual Financial Report are as follows:

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 15 PENSION (CONTINUED)

PERS Pension (Defined Benefits) (Continued)

Pension Benefits (Continued)

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a nonretired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in an PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lump-sum and monthly payments, if eligible. The monthly payment must be a minimum of \$200 per month for deaths that occur after July 30, 2003.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a nonduty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a nonduty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in their variable equities investment account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The COLA is capped at 2.0%.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 15 PENSION (CONTINUED)

OPSRP Pension Programs

Home Forward is a participant of the pension programs, a hybrid defined benefit/defined contribution plan for those employees hired after August 29, 2003. OPSRP benefits, as described by the PERS 2022 Comprehensive Annual Financial Report are as follows:

OPSRP Pension Benefits (Defined Benefit)

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

General Service

1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 1/2 years.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

OPSRP Individual Account Program (Defined Contribution)

Pension Benefits: Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 15 PENSION (CONTINUED)

OPSRP Pension Programs (Continued)

Death Benefits

Upon the death of a nonretired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Risk Pooling

In 2001, the Oregon legislature amended ORS 238.227 allowing for local government entities to pool their PERS pension assets and liabilities with the state of Oregon and other organizations joining the pool. Contribution rates are actuarially determined based on the experience of the overall pool as opposed to the potentially more volatile experience of the individual member. On January 19, 2010, Home Forward's Board of Commissioners approved Home Forward's inclusion in the State & Local Government Rate Pool (SLGRP).

Funding Status

Employees who are OPSRP members are required by state statute to contribute 6.0% of their salary to OPSRP and employers may agree to pay this required contribution. Home Forward pays the employee's required contribution for all represented employees and nonrepresented employees hired before April 1, 2012. Additionally, employers are required to contribute actuarially computed amounts as determined by PERS on actuarial valuations performed at least every two years. Rates are subject to change as a result of subsequent actuarial valuations and legislative actions.

Employer contribution rates in effect July 1, 2021 to June 30, 2023 are:

	<u>Tier 1/Tier 2</u>	<u>OPSRP</u>
Pension Contribution Rate	21.06 %	17.54 %
Retiree Health Care Rate	0.05	-
Total Employer Contribution	<u>21.11 %</u>	<u>17.54 %</u>

Employer contribution rates in effect July 1, 2023 to June 30, 2025 are:

	<u>Tier 1/Tier 2</u>	<u>OPSRP</u>
Pension Contribution Rate	23.03 %	19.79 %
Retiree Health Care Rate	0.05	-
Total Employer Contribution	<u>23.08 %</u>	<u>19.79 %</u>

The amount contributed by Home Forward for the year ended December 31, 2024 was approximately \$8,134,906 which represents the required contributions for both the employee and the employer for the year presented.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 15 PENSION (CONTINUED)

Net Pension Assets and Liabilities

At December 31, 2024, Home Forward reported a liability of \$41,816,167 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to June 30, 2024. Home Forward's proportion of the net pension liability was based on a projection Home Forward's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, Home Forward's proportion was 0.18813025%, which increased from its proportion of 0.18840928% measured as of June 30, 2023.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2024, Home Forward recognized pension expense of \$8,123,725 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 4,122,083	\$ -
Net Differences Between Expected and Actual Experience	2,477,221	99,802
Changes in Assumptions	4,204,211	5,386
Net Differences Between Projected and Actual Earnings on Plan Investments	2,656,496	-
Changes in Proportion	3,117,983	35,997
Difference Between the Employer's Contributions and the Employer's Proportion Share of Contributions	674,170	1,786,745
Total	<u>\$ 17,252,164</u>	<u>\$ 1,927,930</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 15 PENSION (CONTINUED)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The amount of \$4,122,083 reported as of the year ended December 31, 2024 as deferred outflow of resources related to pensions resulting from Home Forward contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	\$ 1,113,204
2026	5,528,737
2027	2,850,594
2028	1,409,397
2029	300,219
Total	<u>\$ 11,202,151</u>

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Home Forward's Proportionate Share of the Net Pension Liability and Net Pension Asset to Changes in the Discount Rate

The following presents the Home Forward's proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.90%) or 1% higher (7.90%) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Net Pension Liability (Asset)	<u>\$ 65,963,305</u>	<u>\$ 41,816,167</u>	<u>\$ 21,591,759</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Payables to the Pension Plan

The balance of PERS payable as of the year ended December 31, 2024 was \$369,659. This balance is recorded in other accrued liabilities on the statement of net position.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Retirement Health Insurance Account (RHIA)

RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statutes (ORS) 238.420 established this trust fund. The Oregon legislature has the ability to establish and amend the benefit provisions of the RHIA. The plan closed to new entrants after August 29, 2003. The Schedule of Employer Allocations and OPEB Amounts by Employer along with PERS audited financial statements and the Schedule of OPEB Amounts under GASB Statement No. 75 prepared by PERS' third-party actuaries as of and for the year ended June 30, 2022 (the measurement period) may be obtained online at <https://www.oregon.gov/pers> or by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, Oregon, 97281-3700, or by calling 1-888-320-7377.

ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premium coverage, whichever is less, shall be paid from the RHIA, established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment the member must 1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, 2) receive both Medicare Parts A and B coverage, and 3) enroll in a PERS sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the benefit if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance funded on an actuarially determined basis and amounted to \$82,267 for the year ended December 31, 2024. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in health care costs. Participating employees are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.50% of annual covered PERS payroll and 0.00% of OPSRP payroll. The PERS board sets the employer contribution rate based on creditable compensation for active members reported by employers. Effective March 31, 2018, Home Forward adopted GASB Statement No. 75 where Home Forward recognizes a liability as the employees earn benefits by providing services. Changes to OPEB liability are recognized immediately as OPEB expenses or deferred outflows/inflows of resources.

Net OPEB Asset/Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2024, Home Forward reported an asset of \$691,959 for its proportionate share of the collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the collective net OPEB asset was determined by an actuarial valuation as of December 31, 2022, rolled forward to June 30, 2024. Home Forward's proportion of the collective net OPEB assets was based on a projection of Home Forward's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2024 measurement date, Home Forward's proportion was 0.17131567%, which increased from its proportion measured as of June 30, 2023 (0.13880812%).

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Net OPEB Asset/Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended December 31, 2024, Home Forward recognized a decrease in OPEB expense of \$139,385 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contribution Subsequent to Measurement Date	\$ 30,943	\$ -
Differences Between Expected and Actual Experience	-	13,534
Changes in Assumptions	-	8,753
Net Differences Between Projected and Actual Earning on Plan Investments	19,537	-
Changes in Proportionate Share	7,313	60,289
Total	<u>\$ 57,793</u>	<u>\$ 82,576</u>

The amount of \$30,943 reported for the year ended December 31, 2024 as deferred inflow of resources related to OPEB resulting from Home Forward contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended December 31, 2025. Other amounts reported as deferred outflow and inflow of resources related to OPEB will be recognized in Home Forward's OPEB expense as follows:

<u>Year Ending December 31.</u>	Deferred Outflows (Inflows) of Resources
2025	\$ (86,719)
2026	18,169
2027	10,570
2028	2,254
Total	<u>\$ (55,726)</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Sensitivity of Home Forward's Proportionate Share of the Collective Net OPEB Asset to Changes in the Discount Rates

The following presents Home Forward's proportionate share of the collective net OPEB asset, as well as what Home Forward's proportionate share of the collective net OPEB asset at the measurement date June 30, 2024 would be if it were calculated using a discount rate that is 1% lower (5.90%) or 1% higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Rate (6.90%)	1% Increase (7.90%)
Net OPEB Asset	<u>\$ (640,543)</u>	<u>\$ (691,959)</u>	<u>\$ (736,228)</u>

Home Forward Health Benefit Retiree Program (HBRP) (Implicit Benefit Subsidy)

The Health Benefit Retiree Program is a post-employment single employee benefit plan that provides health insurance to eligible Home Forward retirees. As a condition of participation in PERS, Home Forward is required to offer healthcare insurance coverage to retirees and their spouses until the retired employee reaches the age for obtaining Medicare coverage. Under this requirement, the employer is required to provide access to the same plan(s) available for current employees. Though Home Forward does not pay any portion of the retiree's healthcare insurance, the retired employee receives an implicit benefit of a lower healthcare premium which is subsidized among the premium cost of coverage for active employees.

As Home Forward pays none of the premiums of health insurance coverage for retirees from age 58 to 65, Home Forward has not established and does not intend to establish a trust fund to supplement the costs for other post-employment benefit obligation related to this implicit benefit. Home Forward's regular health care benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in lieu of payment to secure coverage under independent plans. At December 31, 2024 there 364 active employees, along with 2 retirees and surviving spouses insured.

Effective March 31, 2018, Home Forward adopted GASB Statement No. 75 where Home Forward recognizes a liability as the employees earn benefits by providing services. Changes to the OPEB liability are recognized immediately as OPEB expenses or deferred outflows/inflows of resources.

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of the year ended December 31, 2023, Home Forward reported a total OPEB liability of \$867,233 for its implicit benefit subsidy based on a measurement date of December 31, 2024.

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The following table shows the changes in the total OPEB liability for the year ended December 31, 2024:

	Total OPEB Liability
Balance - Beginning of Year	\$ 945,360
Benefit Payments	(51,499)
Service Cost	72,278
Interest on Total OPEB Liability	34,210
Change in Assumptions	(76,184)
Experience (Gain) Loss	(56,932)
Balance - End of Year	<u>\$ 867,233</u>

For the year ended December 31, 2024, Home Forward recognized OPEB revenue of \$48,465 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 29,728	\$ 154,402
Changes of Assumptions or Other Inputs	70,334	414,159
Total	<u>\$ 100,062</u>	<u>\$ 568,561</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in Home Forward's OPEB expenses as follows:

<u>Year Ending December 31,</u>	Deferred Inflows of Resources - OPEB HBRP
2025	\$ (103,448)
2026	(102,841)
2027	(73,386)
2028	(58,602)
2029	(24,118)
All Subsequent Years	(106,104)
Total	<u>\$ (468,499)</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions for Implicit Benefit Subsidy

Certain actuarial assumptions for the Implicit Benefit subsidy calculation are from the actuarial report as of December 31, 2024. Rates of mortality, retirement, and withdrawal are the same rates that were used in the December 31, 2024 actuarial valuation of the Oregon Public Employees Retirement System and are updated after each new PERS actuarial valuation is completed. For the other demographic assumptions such as entrance and persistence, the experience study was completed in December 2022.

Valuation Date:	December 31, 2024
Measurement Date:	December 31, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market value of assets
Interest Discount Rate:	4.08% per year
Kaiser Medical Cost Annual Trend Rate:	5% in all future years.
Providence Medical Cost Annual Trend Rate:	5% in all future years
Dental Cost Annual Trend Rate:	3% in all future years.
Mortality Rates:	Rates of mortality for active male employees are 75% of the male generational rates and rate of mortality for active female employees are 60% of the female generational rates.
Inflation Rate:	2.5% in all future years.
Salary Scale:	3.5% in all future years.

Long-Term Expected Rate of Return

The 4.08% discount rate assumption is the December 31, 2024 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. This discount rate represents the long-term investment yield on Home Forward's assets.

Sensitivity of Total OPEB Liability to Changes in the Discount Rates

The following presents what Home Forward's total OPEB liability at December 31, 2024 would be if it were calculated using a discount rate that is 1% lower (3.08%) or 1% higher (5.08%) than the current rate:

	1% Decrease (3.08%)	Current Rate (4.08%)	1% Increase (5.08%)
OPEB Liability	\$ 941,264	\$ 867,233	\$ 798,896

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 16 OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents what Home Forward's total OPEB liability at December 31, 2024 would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current health care cost trend rates.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
OPEB Liability	<u>\$ 772,494</u>	<u>\$ 867,233</u>	<u>\$ 979,107</u>

NOTE 17 DEFERRED COMPENSATION PLAN

Home Forward offers employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Home Forward's employees, permits them to defer a portion of their salary to future years. Annual deferrals are limited to the lesser of \$20,500 or 100% of includable compensation. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. This plan is administered by a third party and is not included in Home Forward's basic financial statements.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 18 BLENDED COMPONENT UNITS

The condensed statements of net position of the blended component units are as follows as of December 31, 2024:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP	New Market West Management Services LLC	Haven	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Eliminations	Total
Assets														
Current Assets	\$ 3,175,741	\$ 1,100,409	\$ 627,726	\$ 1,280,527	\$ 1,132,990	\$ 4,700	\$ -	\$ 1,891,801	\$ 1,988,839	\$ 3,398,391	\$ 1,404,150	\$ 4,245,834	\$ (5,226,868)	\$ 15,024,240
Noncurrent Assets	37,030,272	1,000,000	-	-	-	-	-	-	-	-	32,320	-	-	38,062,592
Capital Assets	-	-	-	6,992,309	3,022,193	-	-	7,058,140	6,951,735	16,873,588	15,108,896	9,054,754	-	65,061,615
Total Assets	<u>\$ 40,206,013</u>	<u>\$ 2,100,409</u>	<u>\$ 627,726</u>	<u>\$ 8,272,836</u>	<u>\$ 4,155,183</u>	<u>\$ 4,700</u>	<u>\$ -</u>	<u>\$ 8,949,941</u>	<u>\$ 8,940,574</u>	<u>\$ 20,271,979</u>	<u>\$ 16,545,366</u>	<u>\$ 13,300,588</u>	<u>\$ (5,226,868)</u>	<u>\$ 118,148,447</u>
Liabilities														
Current Liabilities	\$ 739,244	\$ 483,542	\$ -	\$ 306,222	\$ 1,650,020	\$ 4,800	\$ -	\$ 644,561	\$ 228,448	\$ 627,316	\$ 920,868	\$ 650,035	\$ -	\$ 6,255,056
Noncurrent Liabilities	-	-	-	8,392,499	3,262,197	-	-	3,297,726	1,410,895	3,795,000	707,156	8,037,496	(1,649,893)	27,253,076
Total Liabilities	<u>739,244</u>	<u>483,542</u>	<u>-</u>	<u>8,698,721</u>	<u>4,912,217</u>	<u>4,800</u>	<u>-</u>	<u>3,942,287</u>	<u>1,639,343</u>	<u>4,422,316</u>	<u>1,628,024</u>	<u>8,687,531</u>	<u>(1,649,893)</u>	<u>33,508,132</u>
Net Position														
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	39,466,769	1,616,867	627,726	(425,885)	(757,034)	(100)	-	5,007,654	7,301,231	15,849,663	14,917,342	4,613,057	(3,576,975)	84,640,315
Total Net Position	<u>39,466,769</u>	<u>1,616,867</u>	<u>627,726</u>	<u>(425,885)</u>	<u>(757,034)</u>	<u>(100)</u>	<u>-</u>	<u>5,007,654</u>	<u>7,301,231</u>	<u>15,849,663</u>	<u>14,917,342</u>	<u>4,613,057</u>	<u>(3,576,975)</u>	<u>84,640,315</u>
Total Liabilities and Net Position	<u>\$ 40,206,013</u>	<u>\$ 2,100,409</u>	<u>\$ 627,726</u>	<u>\$ 8,272,836</u>	<u>\$ 4,155,183</u>	<u>\$ 4,700</u>	<u>\$ -</u>	<u>\$ 8,949,941</u>	<u>\$ 8,940,574</u>	<u>\$ 20,271,979</u>	<u>\$ 16,545,366</u>	<u>\$ 13,300,588</u>	<u>\$ (5,226,868)</u>	<u>\$ 118,148,447</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

The condensed statements of revenues, expenses, and changes in net position of the blended component units are as follows for the year ended December 31, 2024:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP	New Market West Management Services LLC	Haven	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Eliminations	Total
Operating Revenues														
Dwelling rental	\$ -	\$ -	\$ -	\$ 971,412	\$ 1,698,333	\$ -	\$ -	\$ 1,698,875	\$ 1,544,120	\$ 3,459,425	\$ 1,395,232	\$ 915,151	\$ -	\$ 11,682,548
Non-dwelling rental	-	-	-	124,959	1,920	-	-	-	-	525	7,580	23,332	-	158,316
Other	(1,867,409)	-	27,168	8,818	361,140	28,800	-	32,980	13,964	42,392	343,004	14,453	-	(994,690)
Total Operating Revenues	(1,867,409)	-	27,168	1,105,189	2,061,393	28,800	-	1,731,855	1,558,084	3,502,342	1,745,816	952,936	-	10,846,174
Operating Expenses														
Administration	1,428	389,286	18,082	139,527	187,651	-	-	(361,694)	(98,084)	(997,456)	30,420	137,160	-	(553,680)
Tenant Services	-	-	-	407	21,384	-	-	-	-	-	14,095	14,969	-	50,855
Program Expense	-	-	-	190,377	135,102	-	-	112,960	113,029	177,563	237,527	139,517	-	1,106,075
Utilities	-	-	-	174,299	443,648	-	-	397,837	363,578	817,570	411,610	167,637	-	2,776,179
Maintenance	-	2,238,027	-	239,381	549,163	-	-	355,222	302,729	616,231	1,195,462	363,613	-	5,859,828
Depreciation	-	-	-	189,012	348,971	-	-	188,568	181,643	410,483	336,085	49,024	-	1,703,786
General and Other	2,665	1,232	424	121,399	253,910	28,900	-	333,349	213,835	677,177	237,100	124,071	-	1,994,062
Total Operating Expenses	4,093	2,628,545	18,506	1,054,402	1,939,829	28,900	-	1,026,242	1,076,730	1,701,568	2,462,299	995,991	-	12,937,105
Operating Income (Loss)	(1,871,502)	(2,628,545)	8,662	50,787	121,564	(100)	-	705,613	481,354	1,800,774	(716,483)	(43,055)	-	(2,090,931)
Nonoperating Revenues (Expenses)														
Investment Income	96,566	2,026,372	22,460	3,046	3,399	-	-	40,574	14,951	76,488	57,753	89,170	(1,132,583)	1,298,196
Interest Expense	-	-	-	(120,693)	(198,342)	-	-	(15,831)	(59,763)	(171,868)	(44,332)	(157,391)	-	(768,220)
Investment in partnership valuation change	-	-	-	-	-	-	-	-	-	-	-	4,724,333	-	4,724,333
Loss on Disposal of Capital Assets	-	-	-	(11,622)	-	-	-	-	-	-	(45,781)	-	-	(57,403)
Total Nonoperating Revenues (Expenses)	96,566	2,026,372	22,460	(129,269)	(194,943)	-	-	24,743	(44,812)	(95,380)	(32,360)	4,656,112	(1,132,583)	5,196,906
Income/Loss Before Capital Contributions	(1,774,936)	(602,173)	31,122	(78,482)	(73,379)	(100)	-	730,356	436,542	1,705,394	(748,843)	4,613,057	(1,132,583)	3,105,975
Capital Contributions	-	-	-	-	-	-	-	-	-	-	449	-	-	449
HUD Nonoperating Contributions	-	-	-	514,377	-	-	-	-	-	-	-	-	-	514,377
Increase (Decrease) in Net Position	(1,774,936)	(602,173)	31,122	435,895	(73,379)	(100)	-	730,356	436,542	1,705,394	(748,394)	4,613,057	(1,132,583)	3,620,801
Net Position - Beginning of Year	41,241,705	2,219,040	596,604	(861,780)	(683,655)	-	-	4,277,298	6,864,689	14,144,269	15,665,736	-	(2,444,392)	81,019,514
Net Position - End of Year	<u>\$ 39,466,769</u>	<u>\$ 1,616,867</u>	<u>\$ 627,726</u>	<u>\$ (425,885)</u>	<u>\$ (757,034)</u>	<u>\$ (100)</u>	<u>\$ -</u>	<u>\$ 5,007,654</u>	<u>\$ 7,301,231</u>	<u>\$ 15,849,663</u>	<u>\$ 14,917,342</u>	<u>\$ 4,613,057</u>	<u>\$ (3,576,975)</u>	<u>\$ 84,640,315</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

The condensed statements of cash flows of the blended component units are as follow:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP	New Market West Management Services LLC	Haven	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Eliminations	Total
Cash Flows from														
Operating Activities														
Receipts from HUD Grants	\$ -	\$ -	\$ -	\$ 514,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 514,377
Receipts from Tenants														
and Landlords	-	-	-	969,212	1,699,748	-	-	1,673,422	1,522,671	3,447,440	1,320,027	908,808	(164,354)	11,376,974
Receipts from Others	(1,867,409)	1,942,031	49,628	133,777	363,060	28,800	-	32,980	13,964	42,917	388,837	37,784	(1,132,583)	33,786
Payments to and on Behalf of Employees	-	-	-	(319,582)	(241,712)	-	-	(255,098)	(255,098)	(443,570)	(492,958)	(154,531)	-	(2,162,549)
Payments to Vendors, Contractors, and Others	(4,092)	(3,579,252)	(18,506)	(573,589)	(1,444,384)	(28,900)	-	(1,387,337)	(1,060,224)	(2,418,728)	(1,698,654)	(668,490)	23,785	(12,858,371)
Total Cash Provided (Used) by Operating Activities	(1,871,501)	(1,637,221)	31,122	724,195	376,712	(100)	-	63,967	221,313	628,059	(482,748)	123,571	(1,273,152)	(3,095,783)
Cash Flows from														
Capital and Related														
Financing Activities														
Interest Paid on Notes and Bonds Payable	-	-	-	(112,282)	(191,642)	-	-	(1,843)	(60,274)	(175,530)	(44,486)	60,335	2	(525,720)
Principal Payments on Notes Payable	-	-	-	(78,215)	(310,056)	-	-	-	(84,535)	(200,000)	(30,000)	8,300,000	-	7,597,194
Acquisition and														
Construction of Capital Assets	-	-	-	(373,335)	(61,125)	-	-	-	-	-	(49,509)	(9,103,777)	2	(9,587,744)
Change in Investment in Partnership	-	-	-	-	-	-	(260,221)	-	-	-	-	4,724,333	-	4,464,111
Total Cash Provided (Used) by Capital and Related Financing Activities	-	-	-	(563,832)	(562,823)	-	(260,221)	(1,843)	(144,809)	(375,530)	(123,995)	3,980,891	4	1,947,841

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 18 BLENDED COMPONENT UNITS (CONTINUED)

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP	New Market West Management Services LLC	Haven	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Eliminations	Total
Cash Flows from														
Investing Activities														
Decrease in Notes Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(33,845)	\$ -	\$ -	(33,845)
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	(157,249)	-	(157,249)
Change in Due from Partnerships	(1,922,563)	-	500	26,548	347,765	100	-	100	100	100	177,227	22	(2,330,516)	(3,700,617)
Investment Income	96,566	78,453	-	3,046	3,399	-	-	40,574	14,951	76,488	57,753	89,170	-	460,400
Total Cash Provided (Used) by Investing Activities	(1,825,997)	78,453	500	29,594	351,164	100	-	40,674	15,051	76,588	201,135	(68,057)	(2,330,516)	(3,431,311)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,697,498)	(1,558,768)	31,622	189,957	165,053	-	(260,221)	102,798	91,555	329,117	(405,608)	4,036,405	(3,603,664)	(4,579,252)
Cash and Cash Equivalents - Beginning of Year	3,850,627	2,649,198	596,104	1,057,776	445,325	-	-	1,738,617	1,848,400	2,957,433	1,651,395	-	26,688	16,821,564
Cash and Cash Equivalents - End of Year	<u>\$ 153,129</u>	<u>\$ 1,090,430</u>	<u>\$ 627,726</u>	<u>\$ 1,247,733</u>	<u>\$ 610,378</u>	<u>\$ -</u>	<u>\$ (260,221)</u>	<u>\$ 1,841,415</u>	<u>\$ 1,939,955</u>	<u>\$ 3,286,550</u>	<u>\$ 1,245,787</u>	<u>\$ 4,036,405</u>	<u>\$ (3,576,976)</u>	<u>\$ 12,242,312</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION

Home Forward is the General Partner and holds a 0.01% to 1% interest in each of the following limited partnerships (see Note 2 and Note 7). Summarized partnership information as of and for the year ended December 31, 2024 is as follows:

	Central Group	North Group	East Group	1115 SW 11th Avenue	Stephens Creek Crossing South	Stephens Creek Crossing North	Beech Street	Westis
ASSETS								
Cash and Cash Equivalents	\$ 1,077,121	\$ 695,115	\$ 1,634,914	\$ 252,226	\$ 262,465	\$ 184,919	\$ 38,370	\$ 229,063
Cash and Cash Equivalents - Restricted	1,391,798	1,603,155	1,809,507	1,394,287	639,247	1,086,362	282,437	1,955,877
Accounts Receivables	4,926,839	112,109	5,876,436	43,835	22,858	29,548	8,178	259,964
Investments (Restricted)- Long Term	-	-	-	-	-	-	-	-
Other Assets	695,153	576,075	269,697	18,902	34,972	148,656	38,194	461,440
Capital Assets, Net	66,260,200	74,214,776	64,032,242	8,996,041	10,315,883	22,323,685	5,829,727	42,137,675
Total Assets	<u>\$ 74,351,111</u>	<u>\$ 77,201,230</u>	<u>\$ 73,622,796</u>	<u>\$ 10,705,291</u>	<u>\$ 11,275,425</u>	<u>\$ 23,773,170</u>	<u>\$ 6,196,906</u>	<u>\$ 45,044,019</u>
LIABILITIES AND NET POSITION								
LIABILITIES								
Current Liabilities	\$ 5,655,645	\$ 5,707,834	\$ 6,769,117	\$ 371,817	\$ 205,962	\$ 309,732	\$ 171,131	\$ 1,761,458
Long-Term Liabilities	48,966,421	62,518,629	53,560,264	10,714,953	7,602,148	26,176,955	1,181,131	35,663,232
NET POSITION								
Net Investment in Capital Assets	16,687,773	11,407,924	9,968,020	(1,718,912)	2,680,435	(3,931,181)	4,648,597	6,241,669
Funds Held in Trust	1,372,572	1,564,026	1,776,280	1,389,187	631,473	1,071,708	281,837	1,929,637
Unrestricted (Deficit)	1,668,700	(3,997,183)	1,549,115	(51,754)	155,407	145,956	(85,790)	(551,977)
Total Liabilities and Net Position	<u>\$ 74,351,111</u>	<u>\$ 77,201,230</u>	<u>\$ 73,622,796</u>	<u>\$ 10,705,291</u>	<u>\$ 11,275,425</u>	<u>\$ 23,773,170</u>	<u>\$ 6,196,906</u>	<u>\$ 45,044,019</u>
Operating Revenues	\$ 3,417,214	\$ 4,360,380	\$ 4,044,142	\$ 1,124,371	\$ 876,314	\$ 1,436,378	\$ 509,982	\$ 3,443,441
Operating Expenses	(5,353,688)	(6,783,040)	(7,049,290)	(1,720,825)	(1,418,561)	(2,707,131)	(953,911)	(4,624,007)
Operating Income (Loss)	(1,936,474)	(2,422,660)	(3,005,148)	(596,454)	(542,247)	(1,270,753)	(443,929)	(1,180,566)
Nonoperating Revenues	16,387	24,804	107,842	45,103	13,323	62,746	6,024	27,784
Nonoperating Expenses	(412,529)	(2,115,922)	(1,464,231)	(10,725)	(88,081)	(116,312)	(5,906)	(926,378)
Loss Before Capital Contributions	(2,332,616)	(4,513,778)	(4,361,537)	(562,076)	(617,005)	(1,324,319)	(443,811)	(2,079,160)
Capital Contributions	900	-	1,182,912	-	-	-	-	-
Transfer of Component Unit	-	-	-	-	-	-	-	-
Change in Net Position	(2,331,716)	(4,513,778)	(3,178,625)	(562,076)	(617,005)	(1,324,319)	(443,811)	(2,079,160)
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	-	-
Net Position - Beginning of Year	22,060,761	13,488,545	16,472,040	180,597	4,084,320	(1,389,198)	5,288,455	9,698,489
NET POSITION - END OF YEAR	<u>\$ 19,729,045</u>	<u>\$ 8,974,767</u>	<u>\$ 13,293,415</u>	<u>\$ (381,479)</u>	<u>\$ 3,467,315</u>	<u>\$ (2,713,517)</u>	<u>\$ 4,844,644</u>	<u>\$ 7,619,329</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

	Woods East	Square Manor	Lloyd Housing	FP2	3000 Powell	Dekum	Baldwin
ASSETS							
Cash and Cash Equivalents	\$ 235,667	\$ 31,621	\$ 10,032	\$ 5,929	\$ 116,107	\$ 501,511	\$ 361,691
Cash and Cash Equivalents - Restricted	2,674,538	815,552	1,870,310	319,042	168,647	4,092,672	653,095
Accounts Receivables	433,599	434,007	224,459	41,385	2,250,585	22,706	1,937,699
Investments (Restricted)- Long Term	-	-	-	-	-	-	-
Other Assets	472,288	175,060	398,499	318,885	2,741,405	773,964	496,692
Capital Assets, Net	49,240,781	12,901,194	57,670,099	29,603,553	73,383,832	73,552,244	18,478,147
Total Assets	<u>\$ 53,056,873</u>	<u>\$ 14,357,434</u>	<u>\$ 60,173,399</u>	<u>\$ 30,288,794</u>	<u>\$ 78,660,576</u>	<u>\$ 78,943,097</u>	<u>\$ 21,927,324</u>
LIABILITIES AND NET POSITION							
LIABILITIES							
Current Liabilities	\$ 1,826,519	\$ 2,786,444	\$ 3,458,712	\$ 6,955,167	\$ 33,604,601	\$ 43,094,869	\$ 1,540,728
Long-Term Liabilities	45,505,382	10,670,454	31,429,383	18,253,968	43,698,131	25,230,494	13,222,947
NET POSITION							
Net Investment in Capital Assets	3,459,767	2,163,319	26,053,148	11,316,072	1,918,931	20,291,960	5,255,200
Funds Held in Trust	2,645,833	777,056	1,858,420	306,750	-	148,385	653,095
Unrestricted (Deficit)	(380,628)	(2,039,839)	(2,626,264)	(6,543,163)	(561,087)	(9,822,611)	1,255,354
Total Liabilities and Net Position	<u>\$ 53,056,873</u>	<u>\$ 14,357,434</u>	<u>\$ 60,173,399</u>	<u>\$ 30,288,794</u>	<u>\$ 78,660,576</u>	<u>\$ 78,943,097</u>	<u>\$ 21,927,324</u>
Operating Revenues	\$ 5,476,035	\$ 1,073,434	\$ 2,325,100	\$ 973,395	\$ 412,316	\$ 1,071,403	\$ 1,489,515
Operating Expenses	(5,940,077)	(1,660,542)	(3,418,627)	(2,296,023)	(2,553,818)	(1,455,966)	(2,391,543)
Operating Income (Loss)	(464,042)	(587,108)	(1,093,527)	(1,322,628)	(2,141,502)	(384,563)	(902,028)
Nonoperating Revenues	24,223	296	8,838	66	-	95	5,086
Nonoperating Expenses	(1,183,382)	(324,805)	(811,431)	(236,498)	(1,600,646)	(516,785)	(145,722)
Loss Before Capital Contributions	(1,623,201)	(911,617)	(1,896,120)	(1,559,060)	(3,742,148)	(901,253)	(1,042,664)
Capital Contributions	-	-	1,279,194	-	1,767,565	9,892,173	8,185,698
Transfer of Component Unit	-	-	-	-	-	-	-
Change in Net Position	(1,623,201)	(911,617)	(616,926)	(1,559,060)	(1,974,583)	8,990,920	7,143,034
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	-
Net Position - Beginning of Year	7,348,173	1,812,153	25,902,230	6,638,719	3,332,427	1,626,814	20,615
NET POSITION - END OF YEAR	<u>\$ 5,724,972</u>	<u>\$ 900,536</u>	<u>\$ 25,285,304</u>	<u>\$ 5,079,659</u>	<u>\$ 1,357,844</u>	<u>\$ 10,617,734</u>	<u>\$ 7,163,649</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

	Fairfield	Civic Redevelopment	GPT	Killingsworth	Troutdale Housing	Total
ASSETS						
Cash and Cash Equivalents	\$ 93,801	\$ -	\$ 2,380,804	\$ -	\$ 4,923	\$ 8,116,279
Cash and Cash Equivalents - Restricted	-	-	55,043	98,807	-	20,910,376
Accounts Receivables	1,923,367	-	178,199	-	1,860,556	20,586,329
Investments (Restricted)- Long Term	-	-	-	-	-	-
Other Assets	187,796	-	561,445	837,675	401,533	9,608,331
Capital Assets, Net	25,692,896	-	44,633,593	26,591,872	15,687,154	721,545,594
Total Assets	<u>\$ 27,897,860</u>	<u>\$ -</u>	<u>\$ 47,809,084</u>	<u>\$ 27,528,354</u>	<u>\$ 17,954,166</u>	<u>\$ 780,766,909</u>
LIABILITIES AND NET POSITION						
LIABILITIES						
Current Liabilities	\$ 2,456,120	\$ -	\$ 34,727,799	\$ 8,088,181	\$ 4,819,787	\$ 164,311,623
Long-Term Liabilities	17,506,008	-	13,273,725	17,720,492	9,798,788	492,693,505
NET POSITION						
Net Investment in Capital Assets	8,186,889	-	4,750,882	8,873,568	5,888,366	144,142,427
Funds Held in Trust	-	-	38,757	57,324	-	16,502,340
Unrestricted (Deficit)	(251,157)	-	(4,982,079)	(7,211,211)	(2,552,775)	(36,882,986)
Total Liabilities and Net Position	<u>\$ 27,897,860</u>	<u>\$ -</u>	<u>\$ 47,809,084</u>	<u>\$ 27,528,354</u>	<u>\$ 17,954,166</u>	<u>\$ 780,766,909</u>
Operating Revenues	\$ 41,141	\$ -	\$ 1,127,539	\$ -	\$ -	\$ 33,202,100
Operating Expenses	(1,084,791)	-	(2,218,904)	-	-	(53,630,744)
Operating Income (Loss)	(1,043,650)	-	(1,091,365)	-	-	(20,428,644)
Nonoperating Revenues	-	-	17,586	137	-	360,340
Nonoperating Expenses	(385,491)	-	(978,783)	(3,343)	-	(11,326,970)
Loss Before Capital Contributions	(1,429,141)	-	(2,052,562)	(3,206)	-	(31,395,274)
Capital Contributions	8,226,625	-	(73,800)	1,722,887	3,335,591	35,519,745
Transfer of Component Unit	-	4,149,144	-	-	-	4,149,144
Change in Net Position	6,797,484	4,149,144	(2,126,362)	1,719,681	3,335,591	8,273,615
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-
Net Position - Beginning of Year	1,138,248	(4,149,144)	1,933,922	-	-	115,488,166
NET POSITION - END OF YEAR	<u>\$ 7,935,732</u>	<u>\$ -</u>	<u>\$ (192,440)</u>	<u>\$ 1,719,681</u>	<u>\$ 3,335,591</u>	<u>\$ 123,761,781</u>

HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 19 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

Summarized Capital Assets – Discretely Presented Component Units

Land, structures, and equipment activity of the discretely presented component units was as follows for the year ended December 31, 2024:

	Balance 12/31/23	Additions and Transfers In	Disposals and Transfers Out	Balance 12/31/2024
Land	\$ 10,109,714	\$ 820,398	\$ (9,108)	\$ 10,921,004
Construction in Progress	111,779,580	110,544,856	(129,660,068)	92,664,368
Total Capital Assets not Being Depreciated	121,889,294	111,365,254	(129,669,176)	103,585,372
Buildings and Improvements	534,623,518	121,664,602	(21,132,645)	635,155,475
Right-of-Use Assets	76,591,890	3,653,888	(813,384)	79,432,394
Equipment	14,709,456	4,654,976	(387,855)	18,976,577
Total	625,924,864	129,973,466	(22,333,884)	733,564,446
Less: Accumulated Depreciation	(107,388,662)	(21,045,398)	12,829,836	(115,604,224)
Total Capital Assets Being Depreciated	518,536,202	108,928,068	(9,504,048)	617,960,222
Total Capital Assets, Net	<u>\$ 640,425,496</u>	<u>\$ 220,293,322</u>	<u>\$ (139,173,224)</u>	<u>\$ 721,545,594</u>

Summarized Notes Payable – Discretely Presented Component Units

Notes payable of the discretely presented component units consist of the following:

	December 31, 2024
Notes Payable - General Partner	\$ 201,356,712
Mortgages and Other Housing Related Notes	220,681,006
Total	422,037,718
Less: Current Portion	(1,787,260)
Noncurrent Portion	<u>\$ 420,250,458</u>

A summary of activity of the discretely presented component units' notes payable is as follows:

	Balance January 1, 2024	Increase	Decrease	Balance December 31, 2024
Component Units	<u>\$ 382,484,662</u>	<u>\$ 144,908,889</u>	<u>\$ (105,355,833)</u>	<u>\$ 422,037,718</u>

A summary of activity of the discretely presented component units' bonds payable is as follows:

	Balance January 1, 2024	Increase	Decrease	Balance December 31, 2024
Component Units	<u>\$ 102,082,539</u>	<u>\$ 105,505,022</u>	<u>\$ (85,755,635)</u>	<u>\$ 121,831,926</u>

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 20 COMMITMENTS AND CONTINGENCIES

Leases

At December 31, 2024, Home Forward has approximately 13,580 dwelling units under lease to Section 8 landlords. The terms of these leases extend up to one year. Housing assistance payments under these leases, including FSS program contributions, for the year ended December 31, 2024 was approximately \$177,571,001. These leases are not subject to GASB 87, *Leases*.

Construction Commitments

As of December 31, 2024, Home Forward had construction commitments of approximately \$104,385,197.

Contingent Liabilities

Home Forward has entered into long-term use agreements with the City of Portland, Multnomah County, and the state of Oregon in exchange for development funds for group homes and other projects. These agreements expire between 2025 and 2065. Repayment of an amortized portion of these funds is required if Home Forward does not use the properties according to their intended purposes. Home Forward has not and does not intend to violate those agreements. The exposure, if recorded, would be approximately \$3,078,603.

General Partner Operating Deficit Guarantees

In relation to the performance of the tax credit partnerships for which Home Forward is the general partner, Home Forward has agreed to provide certain levels of funding in the event of partnership operating deficits that exceed operating reserves. The maximum amount required to fund excess operating deficits ranges from zero to the total amount of the excess operating deficit for a single partnership. As of December 31, 2024, no additional liability existed relating to excess operating deficits for any of the partnerships.

NOTE 21 RISK MANAGEMENT

Home Forward operates in an industry subject to various risks of loss related to torts, theft, damage, destruction, errors and omissions, injuries to employees or participants, and natural disasters.

Home Forward contracts with Marsh & McLennan Companies (Marsh) for broker services. Annually, Marsh markets the agency's insurance coverage needs to a wide variety of insurance markets. From this effort, Marsh's comprehensive insurance program provides appropriate levels of insurance coverage for property, boiler and machinery equipment, casualty/general liability, automotive, umbrella, financial and professional lines, crime, and cyber/special risks.

**HOME FORWARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 21 RISK MANAGEMENT (CONTINUED)

Marsh's comprehensive insurance provides coverage for 3,499 affordable units, which include 93.9 Blended Component Units, 1 New Market West property, 348 public housing units, 219 special needs units, 1 parcel of land being held for future development, and 48 vehicles. It also includes actions by Home Forward employees, directors, officers, and departments. This does not include the 414 units Home Forward's Asset Management manages as part of our inter-governmental agreement with the City of Portland.

Marsh coverage as of December 31, 2024 includes:

Liabilities	Deductible	Coverage
Property/Earthquake/Flood/Business Interruption	\$ 100,000	\$ 100,000,000
Boiler/Machinery/Equipment	100,000	100,000,000
General Liability	250,000	2,000,000
Automobile	250,000	2,000,000
Professional Liability	250,000	2,000,000
Umbrella Liability	-	10,000,000
Directors & Officers Liability	100,000	2,000,000
Fidelity and Crime	25,000	1,000,000
Special Risks	-	1,000,000
Cyber Liability	50,000	1,000,000
Lloyds/Roanoke Property Terrorism	10,000	50,000,000

Home Forward contracts with SAIF Corporation to provide workers' compensation and employer liability coverage of \$1,000,000 per incident with no deductible.

Settlements have not exceeded coverage during the last three years. Home Forward has four liability claims as of December 31, 2024.

For several years, Home Forward experienced significant increases in its insurance costs. In order to address these increases, Home Forward created a Home Forward controlled pure captive insurance company.

In August 2020, the Board of Commissioners approved Resolution 20-08-02 authorizing Home Forward to establish a pure captive insurance company. On December 24, 2020, the HF Insurance Group LLC (HFIG) was formed. The Captive is a Class 2 limited liability company managed by Home Forward as the sole member and will insure the risks of Home Forward and its affiliates.

This captive will allow Home Forward to provide insurance coverage to itself and its related entities, reduce its exposure in the retail insurance market, and gain access to reinsurance markets. It will also allow Home Forward to build insurance reserves to support its ability to retain more risk. The captive was initially structured to provide only property related coverage but on January 1, 2022 also began to provide general liability, auto liability, and Directors and Officers insurance coverage. Home Forward continues to explore additional types of insurance for future policy years.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST TEN FISCAL YEARS**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Measurement Date	(a) Home Forward's Proportion of the Net Pension Liability (Asset)	(b) Home Forward's Proportionate Share of the Net Pension Liability (Asset)	(c) Home Forward's Covered Payroll	(b/c) Home Forward's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2024	0.18813025 %	\$ 41,816,167	\$ 36,467,264	114.67%	79.30 %
June 30, 2023	0.18840928	35,290,351	30,125,434	117.14	81.70
June 30, 2022	0.18449827	28,250,387	26,324,526	107.32	84.50
June 30, 2021	0.15246390	18,244,562	23,403,663	77.96	87.60
June 30, 2020	0.14600007	31,862,281	22,943,155	138.87	75.80
June 30, 2019	0.14322567	24,774,611	18,423,720	134.47	80.20
June 30, 2018	0.14164116	21,456,770	17,367,082	123.55	82.10
June 30, 2017	0.15329650	20,664,424	17,227,380	119.95	83.10
June 30, 2016	0.15888919	23,852,957	17,299,181	137.88	80.50
June 30, 2015	0.15526214	8,914,316	17,560,069	50.76	91.90

SCHEDULE OF PENSION CONTRIBUTIONS

Year Ended	(a) Statutorily Required Contribution	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) Home Forward's Covered Payroll	(b/c) Contributions as a Percent of Covered Payroll
December 31, 2024	\$ 5,551,087	\$ 5,551,087	\$ -	\$ 36,467,264	15.22%
December 31, 2023	4,463,479	4,463,479	-	30,125,434	13.83
December 31, 2022	3,641,714	3,641,714	-	23,403,663	14.47
December 31, 2021	3,387,161	3,387,161	-	22,943,155	12.02
December 31, 2020	2,758,006	2,758,006	-	18,423,720	11.10
December 31, 2019	2,044,769	2,044,769	-	17,367,082	10.63
December 31, 2018**	1,846,617	1,846,617	-	17,227,380	10.19
March 31, 2018	1,755,769	1,755,769	-	17,299,181	8.54
March 31, 2017	1,476,588	1,476,588	-	17,560,069	8.35
March 31, 2016	1,465,817	1,465,817	-	16,954,319	9.24

Since the December 31, 2013 actuarial valuation, the system-wide actuarial accrued liability has increased primarily due to the Moro decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon State Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reduction the 2013 Oregon legislature made to future system Cost of Living Adjustments (COLA) through Senate Bill 822 and 861. The reversal increased the benefits projected to be paid by employers compared to those developed in the prior actuarial valuation, and consequently increased plan liabilities. The employers' projected long-term contribution effort has been adjusted for the estimated impact of the Moro Decision. In accordance with statute, a biennial review of actuarial methods and assumptions was completed in 2017 to be used for the December 31, 2016 actuarial valuation, which explains the significant increase in Home Forward's proportionate share of the net pension liability for the fiscal year ended March 31, 2017.

**This line represents the nine-month period ended December 31, 2018, as Home Forward changed its fiscal year-end to December 31 effective April 1, 2018.

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST EIGHT FISCAL YEARS***

OTHER POST EMPLOYMENT BENEFITS

Retirement Health Insurance Account (RHIA)

Schedule of Changes in Net OPEB Asset and Related Ratios*

Measurement Date	Proportion of the Net OPEB Asset	Proportionate Share of the Net OPEB Asset	Covered Payroll	Percentage of Covered Payroll
June 30, 2024	0.17131567 %	\$ 691,959	\$ 34,467,264	2.01
June 30, 2023	0.13880812	508,268	30,125,434	1.69
June 30, 2022	0.15691889	557,588	26,324,526	2.12
June 30, 2021	0.11964643	410,866	23,403,663	1.76
June 30, 2020	0.08330245	169,736	22,943,155	0.74
June 30, 2019	0.14722967	284,501	18,423,720	1.54
June 30, 2018	0.13862370	154,742	17,367,082	0.89
June 30, 2017	0.14138662	59,006	17,227,380	0.34

Schedule of OPEB Contributions*

Year Ended	(a) Contractually Required Contribution**	(b) Contributions in Relation to the Contractually Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) Covered Payroll	(b/c) Percentage of Covered Payroll
December 31, 2024	\$ 82,267	\$ 82,267	\$ -	\$ 34,467,264	0.24%
December 31, 2023	58,827	58,827	-	30,125,434	0.20
December 31, 2022	27,301	27,301	-	26,324,526	0.26
December 31, 2021	67,196	67,196	-	23,403,663	0.29
December 31, 2020	61,211	61,211	-	22,943,155	0.27
December 31, 2019	73,049	73,049	-	18,423,720	0.40
December 31, 2018***	66,536	66,536	-	17,367,082	0.38
March 31, 2018	109,892	109,892	-	17,227,380	0.64

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of changes in net OPEB asset and related ratios and schedule of OPEB contributions are presented in accordance with GASB Statement No. 75's reporting requirement. Fiscal year ended March 31, 2018 was the first year of implementation of GASB Statement No. 75; therefore, only seven years of information is shown.

**Based on the actuarial report.

***This line represents the nine-month period ended December 31, 2018, as Home Forward changed its fiscal year-end to December 31 effective April 1, 2018.

**HOME FORWARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
LAST EIGHT FISCAL YEARS***

OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Retiree Access to Home Forward Benefit Retiree Program (Implicit Benefit Subsidy)

Schedule of Changes in Total Liability and Related Ratios*

	December 31, 2024***	December 31, 2023***	December 31, 2022***	December 31, 2021***	December 31, 2020***	December 31, 2019***	December 31, 2018***	March 31, 2018***
Beginning of Year - January 1	\$ 945,360	\$ 890,571	\$ 986,736	\$ 932,648	\$ 887,379	\$ 900,487	\$ 1,415,327	\$ 1,384,796
Benefit Payments	(51,499)	(44,322)	(32,264)	(48,271)	(60,911)	(98,600)	(66,832)	67,210
Service Cost	72,278	66,813	64,555	83,100	80,290	50,593	36,662	51,747
Interest on Total OPEB Liability	34,210	32,298	20,577	19,259	18,167	34,899	42,494	(58,362)
Change in Assumptions	(76,184)	-	(189,381)	-	119,179	-	(512,048)	(15,894)
Experience (Gain) Loss	(56,932)	-	40,348	-	(111,456)	-	(15,116)	(14,170)
Total Changes	(78,127)	54,789	(96,165)	54,088	45,269	(13,108)	(514,840)	30,531
End of Year - December 31	<u>\$ 867,233</u>	<u>\$ 945,360</u>	<u>\$ 890,571</u>	<u>\$ 986,736</u>	<u>\$ 932,648</u>	<u>\$ 887,379</u>	<u>\$ 900,487</u>	<u>\$ 1,415,327</u>
Covered Payroll**	\$ 34,467,264	\$ 30,125,434	\$ 26,324,526	\$ 23,403,663	\$ 22,943,155	\$ 17,030,216	\$ 16,454,315	\$ 15,368,318
Total Liability as a Percentage of its Covered Payroll	2.52%	3.14%	3.38%	4.22%	4.07%	5.21%	5.47%	9.21%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of changes in OPEB liability and related ratios is presented in accordance with GASB Statement No. 75's reporting requirement. Fiscal year ended March 31, 2018 was the first year of implementation of GASB Statement No. 75; therefore, only eight years of information is shown. Fiscal year ended December 31, 2018 information only included nine months from April 1, 2018 to December 31, 2018.

**Based on the actuarial report.

***The table above is as of the measurement date of the actuarial report. As such, the information is presented one year prior to the fiscal year ending shown.

SUPPLEMENTARY INFORMATION

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING
DECEMBER 31, 2024

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	Ainsworth Court	Fairviews
ASSETS AND DEFERRED OUTFLOWS											
CURRENT ASSETS											
Cash and Cash Equivalents	\$ 14,716,225	\$ 1,102,536	\$ 622,101	\$ 2,418,304	\$ 24,535	\$ 41,444	\$ 64,269	\$ 640,474	\$ 39,636	\$ 330,653	\$ 4,759,228
Cash and Cash Equivalents - Restricted	-	255,562	11,830	75,555	169,193	583,261	547,489	1,775,061	1,318,270	873,317	2,944,023
Accounts Receivable, Net	-	22,634	1,158,225	1,537,612	15,418	39,897	364,371	182,673	88,948	407,234	120,921
Prepaid Expenses	-	-	15,645	11,784	-	10,762	50	5,970	1,000	2,861	22,967
Total Current Assets	14,716,225	1,380,732	1,807,801	4,043,255	209,146	675,364	976,179	2,604,178	1,447,854	1,614,065	7,847,139
NONCURRENT ASSETS											
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	1,171,247	-	-	-	-	18,481
Capital Assets not being Depreciated	-	579,600	74,720	233,201	306,440	432,880	138,456	952,468	4,134,089	1,115,635	943,432
Capital Assets being Depreciated, Net	-	1,467,120	1,645,263	624,387	1,366,330	1,408,945	114,415	280,291	993,553	629,863	7,989,310
Total Noncurrent Assets	-	2,046,720	1,719,983	857,588	1,672,770	3,013,072	252,871	1,232,759	5,127,642	1,745,498	8,951,223
Total Assets	\$ 14,716,225	\$ 3,427,452	\$ 3,527,784	\$ 4,900,843	\$ 1,881,916	\$ 3,688,436	\$ 1,229,050	\$ 3,836,937	\$ 6,575,496	\$ 3,359,563	\$ 16,798,362
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
Accounts Payable	\$ -	\$ 93,061	\$ 40,661	\$ 402,133	\$ 124,239	\$ 548,671	\$ 688,633	\$ 313,220	\$ 1,465,892	\$ 4,731	\$ 1,849,838
Accrued Interest Payable	-	4,110	-	-	2,640	-	2,073	352,359	1,842,354	10,986	23,851
Other Accrued Liabilities	-	71,611	36,902	26,983	9,821	3,651	308,730	105,004	2,174	15,663	32,920
Deferred Revenue	-	5,308	56,795	132,805	4,809	23,455	17,213	44,880	54,146	13,060	46,702
Deposits, Payable from Restricted Assets	-	6,029	11,830	15,306	11,078	24,321	22,165	51,244	59,719	33,407	233,635
Current Portion of Notes and Bonds Payable	-	70,591	-	-	777,023	-	143,911	500,227	100,000	123,327	299,387
Total Current Liabilities	-	250,710	146,188	577,227	929,610	600,098	1,182,725	1,366,934	3,524,285	201,174	2,486,333
NONCURRENT LIABILITIES											
Notes Payable	-	832,342	-	-	1,219,132	3,833,672	-	57,066	2,664,000	2,296,808	9,084,606
Bonds Payable	-	-	-	-	-	-	225,785	890,000	3,075,000	-	-
Total Noncurrent Liabilities	-	832,342	-	-	1,219,132	3,833,672	225,785	947,066	5,739,000	2,296,808	9,084,606
Total Liabilities	-	1,083,052	146,188	577,227	2,148,742	4,433,770	1,408,510	2,314,000	9,263,285	2,497,982	11,570,939
Deferred Inflows of Resources - Leases	-	-	-	-	-	1,079,856	-	-	-	-	15,637
NET POSITION	14,716,225	2,344,400	3,381,596	4,323,616	(266,826)	(1,825,190)	(179,460)	1,522,937	(2,687,789)	861,581	5,211,786
Total Liabilities and Net Position	\$ 14,716,225	\$ 3,427,452	\$ 3,527,784	\$ 4,900,843	\$ 1,881,916	\$ 3,688,436	\$ 1,229,050	\$ 3,836,937	\$ 6,575,496	\$ 3,359,563	\$ 16,798,362

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2024

	Rockwood Station	Willow Tree	The Alexis	Ash Creek	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial	Commercial Space at Lloyd Housing	Yards at Union Station	Rockwood Landing
ASSETS AND DEFERRED OUTFLOWS											
CURRENT ASSETS											
Cash and Cash Equivalents	\$ 1,045,261	\$ 78,580	\$ 30,349	\$ 186,978	\$ 181,994	\$ 25,247	\$ 95,480	\$ 9,232	\$ -	\$ 496,026	\$ 7,917
Cash and Cash Equivalents - Restricted	1,719,456	278,632	292,438	149,951	140,524	190,874	152,067	-	-	1,147,021	197,472
Accounts Receivable, Net	191,446	10,496	91,876	15,223	18,057	36,872	6,767	29,357	176	120,149	6,930
Prepaid Expenses	28,427	579	29	280	3,000	3,611	465	190	-	11,571	2,779
Total Current Assets	2,984,590	368,287	414,692	352,432	343,575	256,604	254,779	38,779	176	1,774,767	215,098
NONCURRENT ASSETS											
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	1,029	-	-	-	-	-	261,447	-	3,610	-
Capital Assets not being Depreciated	702,000	162,767	465,000	363,581	207,198	2,248,609	188,664	-	-	671,000	225,000
Capital Assets being Depreciated, Net	2,326,775	516,459	6,267,192	535,970	1,837,468	1,213,331	513,063	14,084	2,100,645	447,435	554,369
Total Noncurrent Assets	3,028,775	680,255	6,732,192	899,551	2,044,666	3,461,940	701,727	275,531	2,100,645	1,122,045	779,369
Total Assets	<u>\$ 6,013,365</u>	<u>\$ 1,048,542</u>	<u>\$ 7,146,884</u>	<u>\$ 1,251,983</u>	<u>\$ 2,388,241</u>	<u>\$ 3,718,544</u>	<u>\$ 956,506</u>	<u>\$ 314,310</u>	<u>\$ 2,100,821</u>	<u>\$ 2,896,812</u>	<u>\$ 994,467</u>
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
Accounts Payable	\$ 1,040,106	\$ 7,907	\$ 349,912	\$ 52,609	\$ 592,818	\$ 771,584	\$ 24,907	\$ 37,465	\$ 7,656	\$ 810,431	\$ 13,631
Accrued Interest Payable	9,655	1,512	11,411	7,219	12,147	-	459	-	-	16,846	554
Other Accrued Liabilities	14,479	4,742	84,640	11,235	357,488	125,000	5,507	29,266	-	89,336	9,876
Deferred Revenue	117,803	202	4,139	100	8,092	14,749	2,619	21,654	-	12,450	905
Deposits, Payable from Restricted Assets	111,264	4,900	8,617	7,836	8,612	32,390	5,250	-	-	51,131	15,153
Current Portion of Notes and Bonds Payable	124,765	28,813	103,345	30,779	37,999	-	32,519	-	-	467,849	36,620
Total Current Liabilities	1,418,072	48,076	562,064	109,778	1,017,156	943,723	71,261	88,385	7,656	1,448,043	76,739
NONCURRENT LIABILITIES											
Notes Payable	3,670,219	498,365	4,663,323	1,245,617	680,163	4,107,346	432,675	-	-	231,939	283,988
Bonds Payable	-	-	-	-	-	-	-	-	-	1,680,000	-
Total Noncurrent Liabilities	3,670,219	498,365	4,663,323	1,245,617	680,163	4,107,346	432,675	-	-	1,911,939	283,988
Total Liabilities	5,088,291	546,441	5,225,387	1,355,395	1,697,319	5,051,069	503,936	88,385	7,656	3,359,982	360,727
Deferred Inflows of Resources - Leases	-	948	-	-	-	-	-	249,737	-	-	-
NET POSITION	<u>925,074</u>	<u>501,153</u>	<u>1,921,497</u>	<u>(103,412)</u>	<u>690,922</u>	<u>(1,332,525)</u>	<u>452,570</u>	<u>(23,812)</u>	<u>2,093,165</u>	<u>(463,170)</u>	<u>633,740</u>
Total Liabilities and Net Position	<u>\$ 6,013,365</u>	<u>\$ 1,048,542</u>	<u>\$ 7,146,884</u>	<u>\$ 1,251,983</u>	<u>\$ 2,388,241</u>	<u>\$ 3,718,544</u>	<u>\$ 956,506</u>	<u>\$ 314,310</u>	<u>\$ 2,100,821</u>	<u>\$ 2,896,812</u>	<u>\$ 994,467</u>

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2024

	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Dekum Court	Haven	The Jeffrey	Cora Park Apartments	Chateau Apartments	East Area A Scattered Sites	The Apartments at Bud Clark Commons	Cesar Apartments	Totals
ASSETS AND DEFERRED OUTFLOWS														
CURRENT ASSETS														
Cash and Cash Equivalents	\$ 24,054	\$ 37,049	\$ 129,933	\$ 512,566	\$ -	\$ -	\$ 5,731	\$ 2,327	\$ -	\$ 402,088	\$ 294,858	\$ 538,881	\$ 49,176	\$ 28,913,132
Cash and Cash Equivalents - Restricted	774,006	241,063	97,842	1,650,174	-	-	407,182	824,051	-	-	-	1,043,981	-	17,860,295
Accounts Receivable, Net	64,116	22,465	7,343	94,812	-	-	53,139	27,160	-	-	2,579	145,989	877	4,883,762
Prepaid Expenses	6,939	85	336	25,329	-	-	717	7,867	-	-	-	8,970	-	172,213
Total Current Assets	869,115	300,662	235,454	2,282,881	-	-	466,769	861,405	-	402,088	297,437	1,737,821	50,053	51,829,402
NONCURRENT ASSETS														
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	145,924	-	-	-	98,669	-	-	-	343,621	-	2,044,028
Capital Assets not being Depreciated	406,124	2,090,478	90,000	1,997,915	-	-	-	2,306,544	-	-	103,231	7,098	1,480,770	22,626,900
Capital Assets being Depreciated, Net	3,272,620	1,653,372	698,837	7,186,570	-	-	2,306,902	5,763,599	-	1,806	61,970	18,707,940	11,293,104	83,792,988
Total Noncurrent Assets	3,678,744	3,743,850	788,837	9,330,409	-	-	2,306,902	8,168,812	-	1,806	165,201	19,058,659	12,773,874	108,463,916
Total Assets	\$ 4,547,859	\$ 4,044,512	\$ 1,024,291	\$ 11,613,290	\$ -	\$ -	\$ 2,773,671	\$ 9,030,217	\$ -	\$ 403,894	\$ 462,638	\$ 20,796,480	\$ 12,823,927	\$ 160,293,318
LIABILITIES AND NET POSITION														
CURRENT LIABILITIES														
Accounts Payable	\$ 328,702	\$ 498,050	\$ 429,068	\$ 444,711	\$ -	\$ -	\$ 28,520	\$ 113,343	\$ -	\$ 1,859	\$ 15,399	\$ 2,672,190	\$ 3,856,409	\$ 17,628,356
Accrued Interest Payable	57,848	4,332	999	98,545	-	-	2,179	-	-	-	-	-	-	2,462,079
Other Accrued Liabilities	11,444	10,038	-	20,750	-	-	58,873	68,535	-	1,025	748	267,358	-	1,783,799
Deferred Revenue	37,182	12,324	7,876	39,902	-	-	7,004	1,700	-	3	2	28,643	-	716,522
Deposits, Payable from Restricted Assets	36,744	10,876	650	104,584	-	-	12,300	15,689	-	885	504	-	29,173	925,292
Current Portion of Notes and Bonds Payable	143,822	74,635	25,706	801,699	-	-	44,673	-	-	-	-	4,103	-	3,971,793
Total Current Liabilities	615,742	610,255	464,299	1,510,191	-	-	153,549	199,267	-	3,772	16,653	2,972,294	3,885,582	27,487,841
NONCURRENT LIABILITIES														
Notes Payable	2,315,194	1,083,285	1,153,538	924,766	-	-	620,799	8,601,712	-	-	-	6,723	8,997,090	59,504,368
Bonds Payable	2,640,000	-	-	5,222,600	-	-	-	-	-	-	-	-	-	13,733,385
Total Noncurrent Liabilities	4,955,194	1,083,285	1,153,538	6,147,366	-	-	620,799	8,601,712	-	-	-	6,723	8,997,090	73,237,753
Total Liabilities	5,570,936	1,693,540	1,617,837	7,657,557	-	-	774,348	8,800,979	-	3,772	16,653	2,979,017	12,882,672	100,725,594
Deferred Inflows of Resources - Leases	-	-	-	137,527	-	-	-	96,869	-	-	-	321,229	-	1,901,803
NET POSITION	(1,023,077)	2,350,972	(593,546)	3,818,206	-	-	1,999,323	132,369	-	400,122	445,985	17,496,234	(58,745)	57,665,921
Total Liabilities and Net Position	\$ 4,547,859	\$ 4,044,512	\$ 1,024,291	\$ 11,613,290	\$ -	\$ -	\$ 2,773,671	\$ 9,030,217	\$ -	\$ 403,894	\$ 462,638	\$ 20,796,480	\$ 12,823,927	\$ 160,293,318

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING
YEAR ENDED DECEMBER 31, 2024

	Grace Peck Terrace	Madrona	Rosenbaum Plaza	Unthank Plaza	Fenwick Apts	Helen Swindells	Dawson Park	Pearl Court	Gretchen Kafoury	Ainsworth Court	Fairviews
OPERATING REVENUES											
Dwelling Rental	\$ -	\$ 461,813	\$ 307,567	\$ 486,731	\$ 291,443	\$ 312,323	\$ 690,330	\$ 1,550,085	\$ 1,140,740	\$ 948,018	\$ 4,775,478
Nondwelling Rental	-	-	95,448	-	360	141,173	893	19,344	5,845	1,173	34,138
HUD Operating Subsidies	-	487,649	449,480	1,087,383	-	-	-	-	-	-	-
HUD grants	-	2,245	-	-	-	-	-	-	-	-	13,470
Other	-	10,018	5,108	6,399	916	15,131	6,886	19,840	23,170	12,288	57,810
Total Operating Revenues	-	961,725	857,603	1,580,513	292,719	468,627	698,109	1,589,269	1,169,755	961,479	4,880,896
OPERATING EXPENSES											
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-
Administration	-	121,172	352,920	353,810	70,381	477,333	192,508	362,255	521,449	159,396	611,514
Financing Costs	-	-	-	-	-	-	-	-	-	-	-
Program Expense	-	81,687	37,490	14,764	-	-	-	-	34,687	-	-
Tenant Services	-	3,113	(242)	-	3,600	10,852	14,400	-	49,791	-	-
Utilities	-	158,852	192,592	107,852	52,537	128,718	118,604	331,575	216,154	118,866	470,755
Maintenance	-	344,097	287,249	648,586	71,741	248,982	173,793	13,799	317,996	217,145	1,049,587
Depreciation	-	186,033	149,035	76,070	69,622	108,095	12,205	384,457	309,799	170,558	877,425
General and Other	-	65,759	93,798	414,880	31,890	84,726	122,114	348,715	257,911	83,129	587,575
Total Operating Expenses	-	960,713	1,112,842	1,615,962	299,771	1,058,706	633,624	1,440,801	1,707,787	749,094	3,596,856
OPERATING INCOME (LOSS)	-	1,012	(255,239)	(35,449)	(7,052)	(590,079)	64,485	148,468	(538,032)	212,385	1,284,040
NONOPERATING REVENUES (EXPENSES)											
Investment income	-	36,568	2,549	64,274	1,412	45,592	16,451	32,981	19,506	7,951	419,974
Interest expense	-	(50,314)	-	-	(32,911)	(141)	(15,181)	(64,931)	(241,527)	(92,582)	(290,294)
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	-	(13,746)	2,549	64,274	(31,499)	45,451	1,270	(31,950)	(222,021)	(84,631)	129,680
CAPITAL CONTRIBUTIONS											
HUD Nonoperating Contributions	-	-	-	-	-	-	-	-	832,403	-	-
Other Nonoperating Contributions	-	-	-	-	-	391,272	82,996	495,927	1,781,268	-	(5,000,000)
Total Capital Contributions	-	-	-	-	-	391,272	82,996	495,927	2,613,671	-	(5,000,000)
INCREASE (DECREASE) IN NET POSITION	-	(12,734)	(252,690)	28,825	(38,551)	(153,356)	148,751	612,445	1,853,618	127,754	(3,586,280)
Net Position - Beginning of Year	14,716,225	2,355,587	3,634,902	4,294,791	(228,275)	(1,712,652)	(24,761)	1,011,492	(4,541,407)	733,827	8,797,036
Adjustments to Net Position (as previously reported)	-	1,547	(616)	-	-	40,818	(303,450)	(101,000)	-	-	1,030
NET POSITION - END OF YEAR	<u>\$ 14,716,225</u>	<u>\$ 2,344,400</u>	<u>\$ 3,381,596</u>	<u>\$ 4,323,616</u>	<u>\$ (266,826)</u>	<u>\$ (1,825,190)</u>	<u>\$ (179,460)</u>	<u>\$ 1,522,937</u>	<u>\$ (2,687,789)</u>	<u>\$ 861,581</u>	<u>\$ 5,211,786</u>

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Rockwood Station	Willow Tree	The Alexis	Ash Creek	Schiller Way	Peter Paulson	Kelly Place	Trouton Commercial	Commercial Space at Lloyd Housing	Yards at Union Station	Rockwood Landing
OPERATING REVENUES											
Dwelling Rental	\$ 2,466,846	\$ 227,480	\$ 473,055	\$ 429,542	\$ 127,915	\$ 568,781	\$ 204,549	\$ -	\$ -	\$ 1,278,367	\$ 292,869
Nondwelling Rental	25,123	10,838	3,790	-	58,150	1,240	267	54,673	-	-	1,870
HUD Operating Subsidies	(40)	-	-	-	-	-	-	-	-	-	-
HUD grants	8,531	449	-	-	-	-	898	-	-	-	6,286
Other	39,448	1,858	31,718	542	310	11,251	85	74,117	-	39,916	5,637
Total Operating Revenues	2,539,908	240,625	508,563	430,084	186,375	581,272	205,799	128,790	-	1,318,283	306,662
OPERATING EXPENSES											
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-
Administration	777,406	48,429	80,304	79,941	58,759	268,409	39,767	7,063	-	376,953	48,472
Financing Costs	-	-	-	18,908	-	10,220	-	-	-	-	-
Program Expense	-	-	-	-	40,443	39,994	-	-	-	-	-
Tenant Services	830	-	-	-	-	14,796	-	-	-	-	-
Utilities	307,727	30,953	203,320	98,622	164,713	172,555	31,799	74,876	-	250,314	81,923
Maintenance	942,883	48,948	143,687	148,436	65,283	253,299	78,490	57,314	-	264,479	253,538
Depreciation	407,623	111,654	185,318	112,401	153,980	131,148	58,442	1,492	96,195	389,377	164,298
General and Other	537,601	15,810	160,291	32,498	32,096	186,408	16,879	2,447	-	379,674	46,639
Total Operating Expenses	2,974,070	255,794	772,920	490,806	515,274	1,076,829	225,377	143,192	96,195	1,660,797	594,870
OPERATING INCOME (LOSS)	(434,162)	(15,169)	(264,357)	(60,722)	(328,899)	(495,557)	(19,578)	(14,402)	(96,195)	(342,514)	(288,208)
NONOPERATING REVENUES (EXPENSES)											
Investment income	126,944	3,289	27	2,165	3,589	1,319	29	6,626	2	28,961	190
Interest expense	(118,123)	(18,709)	(136,020)	(83,327)	(15,331)	(20,457)	(6,195)	-	-	(109,751)	(8,700)
Gain (Loss) on Sale of Assets	-	-	-	-	(4,568)	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	8,821	(15,420)	(135,993)	(81,162)	(16,310)	(19,138)	(6,166)	6,626	2	(80,790)	(8,510)
CAPITAL CONTRIBUTIONS											
HUD Nonoperating Contributions	-	-	-	-	60,554	-	-	-	-	-	-
Other Nonoperating Contributions	(1,000,000)	-	352,000	-	47,608	1,801,657	-	-	28,268	308,343	75,000
Total Capital Contributions	(1,000,000)	-	352,000	-	108,162	1,801,657	-	-	28,268	308,343	75,000
INCREASE (DECREASE) IN NET POSITION	(1,425,341)	(30,589)	(48,350)	(141,884)	(237,047)	1,286,962	(25,744)	(7,776)	(67,925)	(114,961)	(221,718)
Net Position - Beginning of Year	2,350,415	531,633	2,035,847	38,472	1,241,791	(2,524,297)	478,314	(19,349)	2,161,090	(278,209)	855,458
Adjustments to Net Position (as previously reported)	-	109	(66,000)	-	(313,822)	(95,190)	-	3,313	-	(70,000)	-
NET POSITION - END OF YEAR	<u>\$ 925,074</u>	<u>\$ 501,153</u>	<u>\$ 1,921,497</u>	<u>\$ (103,412)</u>	<u>\$ 690,922</u>	<u>\$ (1,332,525)</u>	<u>\$ 452,570</u>	<u>\$ (23,812)</u>	<u>\$ 2,093,165</u>	<u>\$ (463,170)</u>	<u>\$ 633,740</u>

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Baldwin Interstate	Dekum Court	Haven	The Jeffrey	Cora Park Apartments	Chateau Apartments	East Area A Scattered Sites	The Apartments at Bud Clark Commons	Cesar Apartments	Totals
OPERATING REVENUES														
Dwelling Rental	\$ 1,311,031	\$ 578,081	\$ 159,005	\$ 2,018,527	\$ -	\$ 1,092	\$ 528,425	\$ 745,127	\$ -	\$ 88,617	\$ 80,640	\$ 1,114,001	\$ (46,972)	\$ 23,611,506
Nondwelling Rental	44,473	-	160	205,954	-	-	-	65,280	-	-	-	17,970	-	788,162
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	-	-	989,274	-	3,013,746
HUD grants	-	2,103	-	-	-	-	-	-	-	-	-	-	-	33,982
Other	9,574	8,272	3,616	67,236	-	-	20,768	13,450	-	(701)	1,711	302,309	-	788,683
Total Operating Revenues	1,365,078	588,456	162,781	2,291,717	-	1,092	549,193	823,857	-	87,916	82,351	2,423,554	(46,972)	28,236,079
OPERATING EXPENSES														
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	493,325	179,491	42,812	396,922	-	-	141,364	390,374	-	7,508	1,307	149,902	-	6,811,246
Financing Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	29,128
Program Expense	-	34,451	-	-	-	-	-	-	-	13,012	9,569	464,185	-	770,282
Tenant Services	-	3,913	-	-	-	-	-	-	-	636	22,191	497,696	-	621,576
Utilities	292,674	178,230	23,435	312,648	-	-	137,659	120,946	-	16,542	26,286	375,066	-	4,796,793
Maintenance	264,192	100,074	56,277	328,510	(231)	-	161,491	214,285	-	27,423	29,724	1,138,497	-	7,949,574
Depreciation	220,214	55,966	46,276	264,608	-	-	60,509	162,983	-	22,964	7,919	540,386	11,776	5,548,828
General and Other	298,503	68,891	17,152	375,145	-	-	54,841	112,393	-	8,843	9,974	173,360	-	4,619,942
Total Operating Expenses	1,568,908	621,016	185,952	1,677,833	(231)	-	555,864	1,000,981	-	96,928	106,970	3,339,092	11,776	31,147,369
OPERATING INCOME (LOSS)	(203,830)	(32,560)	(23,171)	613,884	231	1,092	(6,671)	(177,124)	-	(9,012)	(24,619)	(915,538)	(58,748)	(2,911,290)
NONOPERATING REVENUES (EXPENSES)														
Investment income	14,442	1,864	395	75,277	-	-	6,801	12,968	-	-	-	29,592	3	961,741
Interest expense	(124,654)	(54,476)	(11,275)	(247,450)	-	-	(26,932)	-	-	-	-	(426)	-	(1,769,707)
Gain (Loss) on Sale of Assets	(214,652)	-	-	(13,353)	-	-	-	-	-	-	-	(80,103)	-	(312,676)
Total Nonoperating Revenues (Expenses)	(324,864)	(52,612)	(10,880)	(185,526)	-	-	(20,131)	12,968	-	-	-	(50,937)	3	(1,120,642)
CAPITAL CONTRIBUTIONS														
HUD Nonoperating Contributions	-	102,772	-	-	-	-	-	-	-	-	-	-	-	995,729
Other Nonoperating Contributions	151,000	1,388,118	-	99,899	-	-	-	-	-	-	-	-	-	1,003,356
Total Capital Contributions	151,000	1,490,890	-	99,899	-	-	-	-	-	-	-	-	-	1,999,085
INCREASE (DECREASE) IN NET POSITION	(377,694)	1,405,718	(34,051)	528,257	231	1,092	(26,802)	(164,156)	-	(9,012)	(24,619)	(966,475)	(58,745)	(2,032,847)
Net Position - Beginning of Year	(653,799)	945,254	(559,495)	3,277,918	(842,871)	(30,037)	2,026,125	294,722	(2,153)	409,134	470,604	18,446,916	-	59,690,248
Adjustments to Net Position (as previously reported)	8,416	-	-	12,031	842,640	28,945	-	1,803	2,153	-	-	15,793	-	8,520
NET POSITION - END OF YEAR	<u>\$ (1,023,077)</u>	<u>\$ 2,350,972</u>	<u>\$ (593,546)</u>	<u>\$ 3,818,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,999,323</u>	<u>\$ 132,369</u>	<u>\$ -</u>	<u>\$ 400,122</u>	<u>\$ 445,985</u>	<u>\$ 17,496,234</u>	<u>\$ (58,745)</u>	<u>\$ 57,665,921</u>

**HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – SPECIAL NEEDS HOUSING
DECEMBER 31, 2024**

	Carriage Hill	Project Open Door	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 14,715	\$ 24,344	\$ 39,059
Cash and Cash Equivalents - Restricted	14,219	81,529	95,748
Accounts Receivable Net	1,659	7,831	9,490
Total Current Assets	<u>30,593</u>	<u>113,704</u>	<u>144,297</u>
NONCURRENT ASSETS			
Capital Assets not being Depreciated	75,424	71,104	146,528
Capital Assets being Depreciated, Net	<u>176,696</u>	<u>250,820</u>	<u>427,516</u>
Total Noncurrent Assets	<u>252,120</u>	<u>321,924</u>	<u>574,044</u>
Total Assets	<u><u>\$ 282,713</u></u>	<u><u>\$ 435,628</u></u>	<u><u>\$ 718,341</u></u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 47,758	\$ 144,106	\$ 191,864
Accrued Interest Payable	-	44	44
Other Accrued Liabilities	299	958	1,257
Unearned Revenue	7,147	8,016	15,163
Deposits, Payable from Restricted Assets	175	882	1,057
Current Portion of Notes and Bond Payable	-	17,728	17,728
Total Current Liabilities	<u>55,379</u>	<u>171,734</u>	<u>227,113</u>
NONCURRENT LIABILITIES			
Notes Payable	<u>175,885</u>	<u>34,478</u>	<u>210,363</u>
Total Liabilities	231,264	206,212	437,476
NET POSITION	<u>51,449</u>	<u>229,416</u>	<u>280,865</u>
Total Liabilities and Net Position	<u><u>\$ 282,713</u></u>	<u><u>\$ 435,628</u></u>	<u><u>\$ 718,341</u></u>

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – SPECIAL NEEDS HOUSING
YEAR ENDED DECEMBER 31, 2024

	Carriage Hill	Project Open Door	Total
OPERATING REVENUES			
Dwelling Rental	\$ 35,589	\$ 81,889	\$ 117,478
Total Operating Revenues	<u>35,589</u>	<u>81,889</u>	<u>117,478</u>
OPERATING EXPENSES			
Administration	306	753	1,059
Program Expense	4,211	12,561	16,772
Utilities	7,045	27,292	34,337
Maintenance	22,352	26,002	48,354
Depreciation	12,433	21,857	34,290
General and Other	4,525	5,948	10,473
Total Operating Expenses	<u>50,872</u>	<u>94,413</u>	<u>145,285</u>
OPERATING LOSS	(15,283)	(12,524)	(27,807)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	966	1,831	2,797
Interest Expense	<u>-</u>	<u>(604)</u>	<u>(604)</u>
Total Nonoperating Revenues (Expenses)	<u>966</u>	<u>1,227</u>	<u>2,193</u>
DECREASE IN NET POSITION	(14,317)	(11,297)	(25,614)
Net Position - Beginning of Year	<u>65,766</u>	<u>240,713</u>	<u>306,479</u>
NET POSITION - END OF YEAR	<u><u>\$ 51,449</u></u>	<u><u>\$ 229,416</u></u>	<u><u>\$ 280,865</u></u>



INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
Home Forward
Portland, Oregon

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Home Forward as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Home Forward's basic financial statements, and have issued our report thereon dated June 20, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Minimum Standards for Audits of Oregon Municipal Corporations*. Our auditors' report includes a reference to other auditors. Novogradac & Company LLP and Jones & Roth PC audited the financial statements of the aggregate discretely presented component units. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. 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 the other auditors.

Compliance

As part of obtaining reasonable assurance about whether Home Forward's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures, which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayment.
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing, nothing came to our attention that caused us to believe Home Forward was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of ORS as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered Home Forward's internal control over financial reporting (internal control) to determine the 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 Home Forward's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Home Forward's internal control over financial reporting.

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.

Purpose of this Report

This report is intended solely for the information and use of the board of commissioners, management of Home Forward, and the Oregon Secretary of State and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Mandy L. Merchant". The signature is fluid and cursive, with the first name "Mandy" and last name "Merchant" clearly legible.

Mandy L. Merchant
CliftonLarsonAllen LLP

Portland, Oregon
June 20, 2025



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