HOME FORWARD

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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HOME FORWARD
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HOME FORWARD
BOARD OF COMMISSIONERS, MANAGEMENT, AND GENERAL COUNSEL
YEAR ENDED DECEMBER 31, 2025

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
Cathy Keathley Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Breann Preston Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204
Teresa Carr Commissioner	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204

ADMINISTRATIVE OFFICER

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

GENERAL COUNSEL

Juhi Aggarwal	135 S.W. Ash Street, 6th Floor Portland, Oregon 97204

CliftonLarsonAllen LLP
CLAconnect.com

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, 2025, 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, 2025, 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 Beech Limited Partnership, East Group Limited Partnership, Lloyd Housing Limited Partnership, North Group Limited Partnership, Square Manor Limited Partnership, Stephens North Limited Partnership, Stephens 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, Peaceful Villa Limited Partnership, Civic Station Housing 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, 2025. 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 Beech Limited Partnership, East Group Limited Partnership, Lloyd Housing Limited Partnership, North Group Limited Partnership, Square Manor Limited Partnership, Stephens North Limited Partnership, Stephens 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, Peaceful Villa Limited Partnership, Civic Station Housing 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.

Board of Commissioners
Home Forward

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 26, 2026 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 26, 2026 on our consideration of Home Forward's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statues 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 26, 2026

This section includes a Management's Discussion and Analysis of Home Forward's financial performance during the period of January 1, 2025 to December 31, 2025. 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, 2025 to December 31, 2025

Peaceful Villa - – In 2025, Home Forward transferred this public housing property located in SE Portland neighborhood of Hawthorne and Clinton Street to Peaceful Villa Limited Partnership. This partnership utilizes 4% low-income housing tax credits to redevelop the existing 70 affordable housing units into a modern housing development that consists of three apartment buildings with 166-unit affordable housing property.

Civic Station Housing **–** In 2025, Home Forward transferred this affordable housing property located near the corner of SW 257th Avenue and E. Historic Columbia River Highway to Civic Station Housing Limited Partnership. This partnership will utilize 9% low-income housing tax credits to renovate this 59-unit affordable housing property.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Highlights

Home Forward's Statement of Net Position reflects growth in net position during the period of January 1, 2025 to December 31, 2025. Specifically:

- Total assets and deferred outflows of resources decreased $9.2 million from $835.7 million at January 1, 2025 to $826.5 million at December 31, 2025, primarily due to a $56.9 million decrease in notes receivable from partnerships, a $45.7 million increase in notes and accrued interest receivable, a $13.7 million decrease in cash and cash equivalents, and a $25.9 million increase in net capital assets.

- Total liabilities and deferred inflows of resources decreased $33 million from $358.4 million at January 1, 2025 to $325.4 million at December 31, 2025, mainly due to a decrease in bonds payable to partnerships of $56.9 million.

- Total operating revenues for the period January 1, 2025 to December 31, 2025 were $335 million and total operating expenses were $343.5 million. Operating results for this period resulted in an operating loss of $8.5 million. Nonoperating revenues/(expenses) were $2.5 million. Overall, net position increased $23.8 million.

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)	2025	2024	Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current Assets	$ 192,919	$ 265,793	$ (72,874)
Noncurrent Assets	374,340	336,609	37,731
Capital Assets	241,846	215,909	25,937
Total Assets	809,104	818,311	(9,207)
Deferred Outflows of Resources	17,377	17,410	(33)
Total Assets and Deferred Outflows of Resources	$ 826,481	$ 835,721	$ (9,240)
Liabilities and Deferred Inflows of Resources			
Current Liabilities	$ 94,811	$ 133,264	$ (38,453)
Noncurrent Liabilities	200,392	199,935	457
Total Liabilities	295,203	333,199	(37,996)
Deferred Inflows of Resources	30,171	25,195	4,976
Total Liabilities and Deferred Inflows of Resources	325,373	358,394	(33,021)
Net Position			
Net Investment in Capital Assets	111,485	93,547	17,938
Restricted	45,646	40,890	4,756
Unrestricted	343,977	342,890	1,087
Total Net Position	501,107	477,327	23,780
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 826,481	$ 835,721	$ (9,240)

Year-End Financial Position

Current assets decreased $72.9 million during the period ending December 31, 2025. This decrease was due to a decrease in cash and cash equivalents and a decrease in the current portion of notes receivable due from partnerships, consistent with the decrease in bonds payable—partnerships.

Noncurrent assets (other than capital assets) increased by $37.7 million mainly due to an increase in the noncurrent portion of notes receivable from partnerships, offset by an increase in notes and accrued interest receivable.

Net capital assets increased $25.9 million mainly driven by capital asset additions of $17.8 million, offset by disposals of $.6 million, component unit transfers of $8.8 million related to the acquisition of limited partner interest in the Katherine Gray to Home Forward.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Year-End Financial Position (Continued)

Current liabilities decreased $38.5 million during the year, mainly due to a decrease in Current Portion Bonds Payable - Partnership of $49.2 million.

Noncurrent liabilities increased $0.5 million during the year, mainly due to an increase in Notes Payable due to new notes issued, offset by deceases in Bonds Payable and Bonds Payable - Partnership.

Net position at December 31, 2025 was $501.1 million, an increase of $23.8 million from the balance at December 31, 2024.

Capital Assets

At December 31, 2025, Home Forward had $241.8 million of capital assets, an increase $25.9 million since December 31, 2024. More detailed information about Home Forward's capital assets is presented in Note 9 to the financial statements.

(In Thousands of Dollars)	2025	2024	Increase (Decrease)
Land	$ 49,087	$ 44,972	$ 4,115
Construction in Progress	23,031	11,284	11,747
Total Capital Assets Not Being Depreciated/Amortized	72,117	56,256	15,861
Buildings and Improvements	301,104	283,486	17,618
Right to Use Assets - Buildings	608	608	-
Equipment	15,320	13,962	1,358
Right to Use Assets - Equipment	375	190	185
Accumulated Depreciation/Amortization	(147,679)	(138,593)	(9,086)
Total Capital Assets Being Depreciated/Amortized	169,728	159,653	10,075
Total Capital Assets, Net	$ 241,846	$ 215,909	$ 25,936

Notes and Bonds Payable

At December 31, 2025, Home Forward had $130.2 million of notes and bonds payable outstanding (*excluding bonds payable–partnerships*), an increase of $7.5 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)	2025	2024	Increase (Decrease)
Current Portion of Notes and Bonds Payable	$ 5,505	$ 5,962	$ (457)
Notes Payable - Long-Term	98,821	88,188	10,633
Bonds Payable - Long-Term	25,846	28,511	(2,665)
Total Notes and Bonds Payable	$ 130,172	$ 122,661	$ 7,511

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Results of Operations

Statement of Revenues, Expenses, and Changes in Net Position

(In Thousands of Dollars)	2025	2024	Change
Operating Revenues			
Rental Revenue	$ 30,363	$ 29,728	$ 635
HUD Subsidies and Grants	236,140	205,207	30,933
Development Fee Revenue	15,695	16,247	(552)
State, Local, and Other Grants	46,881	37,788	9,093
Other	5,921	11,837	(5,916)
Total Operating Revenues	335,001	300,807	34,194
Operating Expenses			
Housing Assistance Payments	216,806	183,702	33,104
Administration	30,449	33,050	(2,601)
Tenant Services	18,237	14,307	3,930
Program Expenses	26,009	23,726	2,283
Utilities	9,427	8,669	758
Maintenance	25,793	23,511	2,282
Depreciation/Amortization	9,399	9,127	272
Other	7,411	7,097	314
Total Operating Expenses	343,532	303,189	40,343
Operating Income (Loss)	(8,531)	(2,382)	(6,149)
Nonoperating Revenues (Expenses)			
Investment Income	5,757	5,730	27
Interest Expense	(2,924)	(2,846)	(78)
Investment in Partnership Valuation Charge	(567)	1,051	(1,618)
Financing Costs	(23)	(52)	29
Loss on Sale of Capital Assets	(485)	(607)	122
Gain on Sale of Capital Assets	753	791	(38)
Total Nonoperating Revenues	2,510	4,067	(1,557)
Loss before Capital Contributions	(6,022)	1,685	(7,707)
Capital Contributions			
HUD Nonoperating Contributions	13,279	2,302	10,977
Other Nonoperating Contributions	16,391	31,814	(15,423)
Partner Contributions	131	(336)	467
Total Capital Contributions	29,802	33,780	(3,978)
Increase in Net Position	23,780	35,465	(11,685)
Net Position - Beginning of Year	477,327	441,862	35,465
Net Position - End of Year	$ 501,107	$ 477,327	$ 23,780

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Results of Operations (Continued)

Fiscal year 2025 had an operating loss of $8.5 million, compared to an operating loss of $2.4 million in fiscal year 2024. Total operating revenues were $34.2 million higher while operating expenses increased by $40.3 million.

Operating revenues of $335 million increased $34.2 million from fiscal year 2024. This is mainly due to a $30.9 million increase in HUD subsidies and grants.

Total operating expenses were $343.5 million, an increase of $40.3 million from the prior year. This increase is primarily due to a $33.1 million increase in housing assistance payments.

Nonoperating revenues/(expenses) were $2.5 in net revenue, a decrease of $1.6 million from the prior year. The decrease is primarily due to the decrease in the investment in partnership valuation change.

During 2025, capital contributions totaled $29.8 million with funds supporting small capital improvement projects throughout the portfolio. This is a $4 million decrease.

The impact of the above activity was an increase in net position during fiscal year 2025 of $23.8 million.

FORWARD LOOKING INFORMATION

Significant economic factors affecting Home Forward are as follows:

The national economy experienced a volatile 2025, with real GDP growth contracting 0.6% in the first quarter before rebounding mid-year and slowing again to 0.5% in the fourth quarter. The Federal Reserve cut its benchmark rate three times during the year as inflation stabilized near 3.0%, while elevated tariff uncertainty kept consensus recession risk around 30–40%. Oregon underperformed the nation, with the state's unemployment rate rising to 5.3% by December 2025 and total nonfarm employment declining approximately 1.1% year-over-year, driven by broad-based losses in manufacturing, information, construction, and professional services. The Portland metro area fared worse still, with unemployment reaching 4.9%, continued population loss in Multnomah County, and the region ranking 80th out of 81 markets in national real estate attractiveness. Housing production remained far below the Governor's target of 36,000 units per year, and much of the metro area remained unaffordable for households earning less than $160,000 annually.

These economic pressures had a direct and material impact on Home Forward's operations. Federal budget reductions—including a $14 million cut in Housing Choice Voucher funding—combined with rising operating costs, resulted in a projected budget shortfall of approximately $35 million, forcing the agency to pause new voucher issuances and reduce staffing levels. The real estate portfolio showed increasing financial stress, with the debt service coverage ratio declining from 2.36 in 2020 to 1.14 in 2024, approaching the 1.1 threshold required by most lenders, while elevated vacancy rates—averaging 185 days to fill a unit—contributed to an estimated $8.4 million in lost revenue. Despite these challenges, Home Forward remains committed to its mission of providing safe, affordable housing and continues to work with local, state, and federal partners to identify sustainable funding strategies and operational efficiencies to preserve essential services for the communities it serves.

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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.

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HOME FORWARD
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS AND DEFERRED OUTFLOWS	Home Forward	Discretely Presented Component Units
CURRENT ASSETS		
Cash and Cash Equivalents	$ 69,672,353	$ 10,179,426
Cash and Cash Equivalents - Restricted	49,561,533	18,782,569
Investments - Restricted	1,892,086	-
Accounts Receivable, Net	29,446,027	2,075,698
Due from Partnerships, Net	6,309,597	1,583,033
Prepaid Expenses	1,493,736	17,470,090
Current Portion of Lease Receivable	838,860	-
Current Portion of Notes Receivable - Partnerships, Net	33,704,471	-
Total Current Assets	192,918,663	50,090,816
NONCURRENT ASSETS		
Notes and Accrued Interest Receivable	324,681,622	-
Notes Receivable - Partnerships, Net	31,180,222	-
Lease Receivable	6,685,418	-
Other Assets	105,660	11,551,867
Investments in Partnerships	10,887,350	-
Net OPEB Asset - RHIA	799,267	-
Capital Assets not being Depreciated	72,117,343	105,527,432
Capital Assets being Depreciated, Net	169,728,290	703,065,563
Total Noncurrent Assets	616,185,172	820,144,862
Total Assets	809,103,835	870,235,678
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	17,216,922	-
OPEB RHIA Related	73,053	-
OPEB HBRP Related	86,753	-
Total Deferred Outflows of Resources	17,376,728	-
Total Assets and Deferred Outflows of Resources	$ 826,480,563	$ 870,235,678

See accompanying Notes to Financial Statements.

HOME FORWARD
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025

LIABILITIES AND NET POSITION	Home Forward	Discretely Presented Component Units
CURRENT LIABILITIES		
Accounts Payable	$ 11,157,838	$ 17,064,656
Line of Credit	13,623,521	-
Accrued Interest Payable, Payable from Restricted Assets	3,399,406	19,630,608
Other Accrued Liabilities	9,682,112	48,907,117
Unearned Revenue	12,331,687	593,646
Deposits, Payable from Restricted Assets	5,228,501	425,150
Current Portion of Notes Payable	2,590,218	2,330,638
Current Portion of Bonds Payable	2,914,909	33,704,471
Current Portion of Bonds Payable - Partnerships	33,704,471	-
Current Portion of Lease Liability	178,261	32,806
Total Current Liabilities	94,810,924	122,689,092
NONCURRENT LIABILITIES		
Notes Payable - Long-Term	98,820,904	534,428,387
Bonds Payable - Long-Term	25,846,449	31,180,222
Bonds Payable - Partnerships	31,180,222	-
Accrued Interest - Long-Term	-	-
Net Pension Liability	43,048,013	-
Total OPEB Liability - HBRP	951,325	-
Lease Liability - Long-Term	544,697	34,357,483
Total Noncurrent Liabilities	200,391,610	599,966,092
Total Liabilities	295,202,534	722,655,184
DEFERRED INFLOWS OF RESOURCES		
Pension Related	1,143,707	-
OPEB RHIA Related	30,847	-
OPEB HBRP Related	451,804	-
Prepaid Ground Leases	21,799,874	-
Lease Related	6,744,517	-
Total Deferred Inflows of Resources	30,170,749	-
Total Liabilities and Deferred Inflows of Resources	325,373,283	722,655,184
NET POSITION		
Net Investment in Capital Assets	111,484,860	172,559,634
Restricted:		
Net OPEB Asset	799,267	-
Real Estate Proceeds	13,414,531	-
Residual Receipts	2,537,591	-
Funds Held in Trust	27,805,987	16,993,549
Program Reserves	1,088,264	379,955
Total Restricted	45,645,640	17,373,504
Unrestricted	343,976,780	(42,352,644)
Total Net Position	501,107,280	147,580,494
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 826,480,563	$ 870,235,678

See accompanying Notes to Financial Statements.

HOME FORWARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

	Home Forward	Discretely Presented Component Units
OPERATING REVENUES		
Dwelling Rental	$ 27,447,993	$ 33,507,173
Nondwelling Rental	2,914,807	89,130
HUD Operating Subsidies	226,169,642	2,849,052
HUD Grants	9,970,654	-
Development Fee Revenue	15,695,433	-
State, Local, and Other Grants	46,880,987	872,394
Other	5,921,020	3,230,796
Total Operating Revenues	335,000,536	40,548,545
OPERATING EXPENSES		
Housing Assistance Payments	216,806,432	-
Administration	30,449,277	5,774,592
Tenant Services	18,237,300	1,782,753
Program Expense	26,009,090	3,652,712
Utilities	9,427,325	6,736,629
Maintenance	25,792,927	10,286,801
Depreciation and Amortization	9,398,697	23,988,029
General and Other	7,410,829	6,578,634
Total Operating Expenses	343,531,877	58,800,150
OPERATING LOSS	(8,531,341)	(18,251,605)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	5,756,728	285,276
Interest Expense	(2,924,371)	(13,542,415)
Investment in Partnership Valuation Charge	(567,305)	381,479
Financing Costs	(23,096)	(94,883)
Loss on Disposal of Capital Assets	(484,955)	(169,960)
Gain/Loss on Sale of Capital Assets	752,700	408,699
Total Nonoperating Revenues (Expenses), Net	2,509,701	(12,731,804)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(6,021,640)	(30,983,409)
CAPITAL CONTRIBUTIONS		
HUD Nonoperating Contributions	13,279,453	-
Other Nonoperating Contributions	16,391,362	45,468
Partner Contributions	130,835	54,756,654
Total Capital Contributions	29,801,650	54,802,122
INCREASE IN NET POSITION	23,780,010	23,818,713
Net Position - Beginning of Year	477,327,270	123,761,781
NET POSITION - END OF YEAR	$ 501,107,280	$ 147,580,494

See accompanying Notes to Financial Statements.

HOME FORWARD
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	Home Forward
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from HUD Grants	$ 243,350,804
Receipts from State, Local, and Other Grants	44,447,024
Receipts from Tenants and Landlords	40,360,517
Receipts from Developer Fees	167,056
Receipts from Others	10,644,406
Receipt of Cash Restricted for Deposits Payable	1,638,330
Payments to Landlords	(217,241,836)
Payments to and on Behalf of Employees	(56,469,874)
Payments to Vendors, Contractors, and Others	(48,636,708)
Net Cash Provided by Operating Activities	18,259,719
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Line of Credit	17,351,269
Payments on Line of Credit	(15,267,967)
Net Cash Provided by Noncapital Financing Activities	2,083,302
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Line of Credit	15,552,142
Payments on Line of Credit	(15,363,975)
Proceeds from Issuance of Notes Payable	10,810,453
Proceeds from Issuance of Bonds Payable	-
Proceeds from Issuance of Bonds Payable - Partnerships	17,068,910
Interest Paid on Notes and Bonds Payable	(2,903,856)
Principal Payments on Notes Payable	(1,373,363)
Principal Payments on Bonds Payable	(1,925,937)
Principal Payments on Bonds Payable - Partnerships	(74,016,143)
Principal Payments on Lease Liability	55,022
HUD Capital Contributions	13,279,453
Other Nonoperating Contributions, Net	16,391,362
Acquisition and Construction of Capital Assets	(27,003,291)
Proceeds from the Sale of Capital Assets	1,059,340
Payments on Right to Use Asset	(185,953)
Purchase of Limited Partnership Interest	(9,374,185)
Net Cash Used by Capital and Related Financing Activities	(57,930,021)
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	(4,631)
Financing Fees Paid	(163,297)
Issuance of Notes Receivable	(50,855,436)
Issuance of Notes Receivable - Partnerships	(5,664,000)
Collections on Notes Receivable	10,933,378
Collections on Notes Receivable - Partnerships	62,611,233
Change in Due from Partnerships, Net	1,266,124
Change in Investments in Partnerships, Net	7,467
Investment Income Received	5,756,728
Net Cash Provided by Investing Activities	23,887,566
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,699,434)
Cash and Cash Equivalents - Beginning of Year	132,933,320
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 119,233,886

See accompanying Notes to Financial Statements.

HOME FORWARD
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES		
Operating Loss	$	(8,531,341)
Adjustments to Reconcile Operating Loss to Cash Flows Used by Operating Activities:		
Depreciation and Amortization		9,398,697
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Accounts Receivable, Net		9,092,936
Developer Fee Receivable		(5,784,004)
Prepaid Expenses		(28,483)
Other Assets		30
Accounts Payable		639,870
Other Accrued Liabilities		428,231
Unearned Revenue		11,383,135
Deposits, Payable from Restricted Assets		1,638,330
Deferred Outflows of Resources - Pensions		35,242
Deferred Outflows of Resources - OPEB		(1,951)
Deferred Inflows of Resources - Pensions		(784,223)
Deferred Inflows of Resources - OPEB		(168,486)
Net Pension Liability		1,231,846
Net OPEB Asset and Net OPEB Liability		(23,216)
Net Cash Provided by Operating Activities	$	18,526,613
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Change in Investment in Partnerships	$	(567,305)
Total Noncash Transactions	$	(567,305)

See accompanying Notes to Financial Statements.

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 a 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 12 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.

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.

1115 SW 11th Avenue (Katherine Gray, 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

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 is legally entitled to or can otherwise access the resources of HFDE, HFCP, 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, HFCP, HFIG, NMWMS, St. Francis, LLC, Gateway Park LP, Cecelia LP, Woolsey LP, Humboldt LP, Civic Commons, Katherine Gray LP 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:

- Beech Limited Partnership
- East Group Limited Partnership
- Lloyd Housing Limited Partnership
- North Group Limited Partnership
- Square Manor Limited Partnership
- Stephens North Limited Partnership
- Stephens 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
- Peaceful Villa Limited Partnership
- Civic Station Housing Limited Partnership

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

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.

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, 2025, Home Forward administered approximately 12,601 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 7,936 units of housing. The Affordable Housing portfolio consists of 80 multifamily properties representing 6,725 units, of which 3,726 are owned through tax credit partnerships. The Special Needs portfolio consists of 26 properties representing 252 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Unrestricted

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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, 2025, 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, 2025 was $34,340.

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, 2025, all of Home Forward's funds were collateralized.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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 20 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Lessee/Right-to-Use Assets) (Continued)

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025. As of December 31, 2025, unearned revenue consisted of the following:

Advanced Grant Funding	$ 8,373,661
Miscellaneous Prepayments	3,958,026
Total Unearned Revenue	$ 12,331,687

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, 2025 were $6,396,124 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of New Pronouncements

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of GASB No. 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Authority implemented the standard during the year ended December 31, 2025, noting no impact on the financial statement disclosures.

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, 2025, Home Forward earned $15,695,433 in developer fees and was paid $9,781,399.

NOTE 2 LOW INCOME HOUSING TAX CREDIT LIMITED PARTNERSHIPS (CONTINUED)

At December 31, 2025, the balance of the development fees owed to Home Forward is $40.8 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 $406,714 for the year ended December 31, 2025.

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.

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, 2025, cash and investments consisted of the following:

Cash and Cash Equivalents	$ 69,672,353
Cash and Cash Equivalents - Restricted	49,561,533
Total Cash and Cash Equivalents	$ 119,233,886
Investments - Restricted	$ 1,892,086
Total Investments	$ 1,892,086

At December 31, 2025, 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, 2025, 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).

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

Investment Risk Disclosures (Continued)

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, 2025, 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.

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, 2025, Home Forward's restricted investments consist of a certificate of deposit of $331,230, a money market fund of $500,000, a U.S. Government Security of $101,788, 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 $486,388.

Investments restricted at December 31, 2025 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).

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

Fair Value of Financial Instruments (Continued)

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.

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, 2025 as compared to December 31, 2024. 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	$ 331,230
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, 2025:

	Total	Level 1	Level 2
Repurchase Agreement	$ 486,388	$ -	$ 486,388
U.S. Government Securities	101,788	101,788	-

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of the year ended December 31, 2025:

HUD Grants	$ 12,090,693
State, Local, and Other Grants	6,926,650
Tenants and Landlords	10,563,684
Development	922,947
Other	3,816,949
Total Accounts Receivable	34,320,923
Less: Allowances for Doubtful Accounts	(4,874,896)
Accounts Receivable, Net	$ 29,446,027

NOTE 5 DUE FROM PARTNERSHIPS

Due from Partnerships consists of the following as of the year ended December 31, 2025:

Stephen's Creek Crossing North (4%)	$ 55,854
Wests Limited Partnership	546,322
Stephen's Creek Crossing South (9%)	41,968
Woods Limited Partnership	99,965
Square Manor Limited Partnership	516,710
Lloyd Housing Limited Partnership	1,542,421
North Group Limited Partnership	491,739
East Group Limited Partnership	109,462
Central Group Limited Partnership	527,596
Baldwin PSH Limited Partnership	118,735
Fairfield PSH Limited Partnership	130,243
GPT Limited Partnership	91,105
Dekum 2 Limited Partnership	50,124
Killingsworth Limited Partnership	5,530
Troudale Housing Limited Partnership	29,195
Peaceful Villa Limited Partnership	57,349
All Other Partnerships	3,371,377
Total Due from Partnerships	7,785,695
Less: Allowances for Doubtful Accounts	(1,476,098)
Due from Partnerships, Net	$ 6,309,597

NOTE 6 NOTES RECEIVABLE AND ACCRUED INTEREST

Notes and accrued interest receivable consist of the following as of December 31, 2025:

Partnerships Notes	$ 389,744,112
Homeowners Notes	208,300
Total Notes Receivable	389,952,412
Accrued Interest Receivable	17,080,146
Less: Allowances for Doubtful Accounts	(17,466,243)
Total Notes and Accrued Interest Receivables, Net	$ 389,566,315

NOTE 6 NOTES RECEIVABLE AND ACCRUED INTEREST (CONTINUED)

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.

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 2085 and provide for various renewal options.

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

Year Ending December 31,	Principal	Interest	Total
2026	$ 838,860	$ 217,140	$ 1,056,000
2027	809,102	188,775	997,877
2028	651,064	164,946	816,010
2029	529,764	146,701	676,465
2030	395,449	133,003	528,452
2031 - 2035	1,148,219	542,830	1,691,049
2036 - 2040	376,261	442,880	819,141
2041 - 2045	287,129	405,776	692,905
2046 - 2050	412,819	356,495	769,314
2051 - 2055	318,906	309,599	628,505
2056 - 2060	510,399	252,862	763,261
2061 - 2065	769,056	166,192	935,248
2066 - 2070	259,554	80,062	339,616
2071 - 2075	86,179	54,576	140,755
2076 - 2080	117,581	23,175	140,756
2081 - 2085	13,936	182	14,118
Total Minimum Lease Payments	$ 7,524,278	$ 3,485,194	$ 11,009,472

NOTE 8 INVESTMENTS IN PARTNERSHIPS

Investments in partnerships consist of the following as of December 31, 2025:

Investments in Limited Liability Partnerships	
St Francis Park Limited Partnership	$ 442,720
Square Manor Limited Partnership	291,267
Powell Limited Parthership	165,175
Lloyd Housing Limited Partnership	7,851,111
Dekum Court Limited Partnership	2,089,676
GPT Limited Partnership	47,101
Killingsworth	100
Troutdale Housing LP	100
Property Peaceful Villa LP	100
Total Investments in Partnerships	$ 10,887,350

NOTE 9 CAPITAL ASSETS AND LEASES

Land, structures, and equipment activity of Home Forward was as follows for the year ended December 31, 2025:

	Balance January 1, 2025	Additions	Disposals	Transfers	Component Unit Transfer	Balance, December 31, 2025
Land	$ 44,972,403	$ 1,351,400	$ (58,413)	$ -	$ 2,821,453	$ 49,086,843
Construction in Progress	11,284,498	15,656,567	(220,072)	(3,690,493)	-	23,030,500
Total Capital Assets Not Being Depreciated/Amortized	56,256,901	17,007,967	(278,485)	(3,690,493)	2,821,453	72,117,343
Buildings and Improvements	283,485,840	9,885,498	(905,042)	2,571,821	6,066,284	301,104,401
Right to Use Assets - Buildings	608,289	-	-	-	-	608,289
Equipment	13,961,697	109,826	(99,992)	1,266,519	81,821	15,319,871
Right to Use Assets - Equipment	188,888	185,953	-	-	-	374,841
	298,244,714	10,181,277	(1,005,034)	3,838,340	6,148,105	317,407,402
Less Accumulated Depreciation/ Amortization:						
Buildings and Improvements	(127,014,143)	(8,544,570)	475,026	(147,847)	(147,160)	(135,378,694)
Right to Use Assets - Buildings	(65,760)	(65,761)	-	-	-	(131,521)
Equipment	(11,430,658)	(681,249)	99,992	-	(15,518)	(12,027,433)
Right to Use Assets - Equipment	(82,088)	(107,117)	47,741	-	-	(141,464)
	(138,592,649)	(9,398,697)	622,759	(147,847)	(162,678)	(147,679,112)
Total Capital Assets Being Depreciated/Amortized, Net	159,652,065	782,580	(382,275)	3,690,493	5,985,427	169,728,290
Total Capital Assets	$ 215,908,966	$ 17,790,547	$ (660,760)	$ -	$ 8,806,880	$ 241,845,633

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 October 1, 2029. Draws on the line of credit may bear a fixed or variable rate of interest. During the year ended December 31, 2025, gross draws, including initial draws and draws after repayments, on the line of credit were $17,351,269 which represents both principal and accrued interest. The remaining outstanding line of credit balance for December 31, 2025 was $2,083,302.

A summary of activity for Home Forward's line of credit for year ended December 31, 2025 is as follows:

	Balance January 1, 2025	Draws	Repayments	Balance December 31, 2025
Line of Credit	$ -	$ 17,351,269	$ (15,267,967)	$ 2,083,302

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, 2025, gross draws, including initial draws and draws after repayments, on the line of credit were $15,552,142 which represents both closing costs and accrued interest. The remaining outstanding line of credit balance for the year ended December 31, 2025 was $11,540,219.

A summary of activity for Home Forward's line of credit for the year ended December 31, 2025 is as follows:

	Balance January 1, 2025	Draws	Repayments	Balance December 31, 2025
Line of Credit	$ 11,352,052	$ 15,552,142	$ (15,363,975)	$ 11,540,219

NOTE 11 NOTES PAYABLE

Notes payable of Home Forward consist of the following as of December 31, 2025:

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	$ 174,812
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	207,741
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	381,723
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	219,975
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

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 %	2045	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	$ 959,705
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	82,059
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

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
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	$ 82,219
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	231,939
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.	57,066

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
Schiller Way	0%	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.	9,084,606
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.	3,670,219

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
Taylor Home	7.00%	2029	Monthly	Deed of Trust	An Event of Default occurs if the Borrower fails to pay any installment when due and does not cure the default before the next installment date, in which case the unpaid balance of principal and interest becomes immediately due and payable without notice, along with any prepayment sums required and all costs of collection (including attorney fees). Additional events of default that may result in all sums becoming immediately due include the Borrower's failure to perform any covenant or agreement under the loan or trust deed, any material misrepresentation made to the Lender, failure to obtain required authorizations necessary for compliance, the Borrower's bankruptcy, reorganization, liquidation, or dissolution, an unauthorized change in ownership or transfer of interest in the properties, or the Borrower's failure to terminate a management agreement upon the Lender's request.	Not applicable	N/A	$ 17,070
Ainsworth Court	-	2052	Cash Flow	Subordination agreement to be secured by certain liens and encumbrances against the property, Lien on the land	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.	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	Upon an Event of Default, the entire unpaid principal balance of the mortgage loan, accrued interest, interest accruing at the default rate, and any applicable prepayment premium become immediately due and payable at the Lender's option without notice to the Borrower, and the Lender may exercise additional rights and remedies, including foreclosure on or sale of the property. Events of default include the Borrower's failure to pay or deposit required amounts under the Note or any Loan Document when due, failure to maintain required insurance coverage, failure to maintain the property's single asset status, any false or inaccurate warranty or representation, fraud, gross negligence, willful misconduct, or material misrepresentation (including in financial statements, rent rolls, or other reports), any unauthorized transfer in violation of the Loan Documents, a bankruptcy event, the commencement of a forfeiture action that could result in loss of the property or impairment of the lien, the Borrower's failure to complete repairs related to fire, life, or safety issues within the terms of the Loan Agreement, and the exercise by any other lienholder of a right to accelerate amounts due on debt secured by the property.	Not applicable	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.	1,382,110

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
Madrona Apartments	5.31%	2034	Monthly	Multifamily deed of trust, assignment of leases and rents, security agreement and fixture filing	Upon an Event of Default, the unpaid principal balance of the mortgage loan, accrued interest, interest accruing at the default rate, and any applicable prepayment premium become immediately due and payable at the Lender's option without notice, and the Lender may exercise additional rights and remedies, including foreclosure on or sale of the property. Events of default include the Borrower's failure to pay or deposit required amounts under the Note or any Loan Document when due, failure to maintain required insurance coverage, failure to maintain the property's single asset status, any false or inaccurate warranty or representation, fraud, gross negligence, willful misconduct, or material misrepresentation (including in financial statements, rent rolls, or other reports), any unauthorized transfer in violation of the Loan Documents, a bankruptcy event, the commencement of a forfeiture action that could result in loss of the property or impairment of the lien, the Borrower's failure to complete repairs related to fire, life, or safety issues within the terms of the Loan Agreement, and the exercise of a right to declare all amounts immediately due.	Not applicable	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.	$ 829,726
Kelly Place (Multnomah)	-	2046	Maturity Date	Trust deed	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.	Not applicable	N/A	350,456
Rockwood Landing	-	2058	Maturity Date	Trust deed, security agreement, and fixture filing	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.	Not applicable	N/A	150,000
Gretchen Kafoury	0.03	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

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
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	$ 275,554
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
Helen Swindells (Mpower)	-	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
Rockwood Landing	0.03	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	133,988
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.	3,198,471
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

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
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	$ 355,187
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	213,612
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	924,767
Development Non-Capital Project	-	2027	Maturity Date	Trust Deed	Failure to pay obligations under the note or other loans when due, failure to comply with covenants, failure to pay general debts when due, failure to disclose material facts, failure to diligently pursue the project and default under other loans.	Not applicable	Acceleration of unpaid balance of principal and accrued interest, interest on default (12%), payment of costs of collections, deliver work product, and provide accounting.	2,000,000

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
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 when due, unauthorized transfer of the trust estate, failure to comply with any covenant in the Deed of Trust, a lien resulting from a judgment or levy against the property, or a default under any other lien on the property. Upon an Event of Default, the entire indebtedness may become immediately due and payable, and the Lender may foreclose on or sell the property.	Not applicable	N/A	$ 4,663,570
Gateway Park	5.10	2033	Monthly	Trust Deed, security agreement, assignment of leases and rents and fixture filing	Events of default include failure to perform any covenant under the loan documents, material misrepresentation, failure to obtain required authorizations, bankruptcy or insolvency, unauthorized transfer of ownership, or failure to terminate or replace the property management agreement upon request. Upon an Event of Default, the Lender may declare the debt immediately due and payable, take possession of the property and collect rents, and foreclose on and sell the property.	Not applicable	N/A	3,262,197
4720 North Maryland	5.25	2023	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	3,247,685
4720 North Maryland	- %	2026	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 the Borrower's failure to pay any amount due within 15 days of the due date, failure to comply with any other covenant of the Agreement or other Loan Documents, noncompliance with governmental regulations, any other material breach, or the condemnation or seizure of a material portion of the property. Upon an Event of Default, the Lender may declare the Note immediately due and payable.	Not applicable	N/A	620,799
Cecelia	3.00	2059	Maturity Date	Trust Deed	Events of default include the Borrower's failure to pay any sum due under the Note, failure to comply with any covenants, an assignment for the benefit of creditors or admission of inability to pay debts as they come due, default or acceleration under any other trust deed, security interest, or lien affecting the property, an undismissed levy against the property, any material misrepresentation or breach of warranty in the loan documents, or failure to commence construction within ninety days of the loan agreement. Upon an Event of Default, the Lender may declare the Note immediately due and payable.	Not applicable	N/A	527,726

NOTE 11 NOTES PAYABLE (CONTINUED)

Property	Interest Rate	Maturity Date*	Payment Terms	Pledged as Collateral	Events of Default with Finance Related Consequences	Termination Events with Finance Related Consequences	Acceleration Clauses	Balance
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	515,853
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	$ 541,594
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	353,447
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 or 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	2,258,518
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	Upon an Event of Default, the Lender may declare the remaining unpaid principal and interest immediately due and payable, and may pursue additional remedies including foreclosure, metro bond recapture, direct collection of rents, and a default fee of 1% of the unpaid principal balance.	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	Upon an Event of Default, the Lender may declare the unpaid principal and interest immediately due and payable, and pursue remedies including foreclosure and interest at the default rate	500,000

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	Payment default on debt and other payments, default in favor of 3rd parties, environmental default, false statements, defective collateralization, insolvency, creditor or forfeiture proceedings, property damage or loss, events affecting guarantor, adverse change, insecurity. Cure provisions (if other than default in payment): 1) 30 days to cure, or if cure requires more than 30 days immediately initiate steps which lender deems in Lender's sole discretion to be sufficient to cure the default.	Not applicable	Upon an Event of Default, the Lender may declare the entire unpaid principal and accrued interest immediately due and payable, take possession of the property, collect rents, appoint a receiver, and recover attorney fees.	$ 1,238,048
Katherine Grey	0.10	2061	Cash Flow	Trust Deed	Failure to pay obligations under note and trust deed when due, failure to comply with covenants, failure to obtain lender's consent to transaction, failure to comply to cure the default, failure to pay general debts when due, failure to disclose material facts, default under other loans, default by guarantor, failure to replace guarantor.	Not applicable	Upon an Event of Default, the Lender may declare the entire unpaid principal, accrued interest, and other charges immediately due and payable in full.	3,718,852
Goose Hollow	-	2080	Cash Flow	Trust Deed	Events of default under the loan include the Borrower's failure to make required payments under the Note or related loan documents, as well as failure to comply with covenants or other terms of the Loan Agreement, Trust Deed, PHB Metro Bond Regulatory Agreement, or other PHB Loan Documents. An Event of Default also occurs if the Borrower engages in an unauthorized sale, transfer, assignment, or change in use of the Property, or misuses Metro Bond Funds in violation of applicable use restrictions. Additional events of default include the Borrower's or any guarantor's bankruptcy, insolvency, or general inability to pay debts as they come due, as well as any material misrepresentation or failure to disclose material facts in connection with the Loan. Finally, a default under any other loan secured by the Property, or under the PHB Metro Bond Regulatory Agreement and Land Use Restrictive Covenants, will also constitute an Event of Default.	Not applicable	Upon a violation of the Agreement, the Lender will provide written notice to the Borrower, and if the violation is not cured within thirty (30) days (or such additional time as the Lender determines necessary), the Lender may declare an Event of Default. Upon an Event of Default, the Lender may exercise available remedies, including acceleration of the debt, declaring the entire remaining unpaid principal, accrued interest, and other charges payable under the Note or any other Loan Document immediately due and payable in full.	6,060,000
							Total	101,411,122
							Less: Current Portion of Notes Payable	(2,590,218)
							Total Notes Payable - Long-Term	$ 98,820,904

(*) Note: Calendar Year of Final Maturity Date

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, 2025 is as follows:

	Balance January 1, 2025	Increase	Decrease	Balance December 31, 2025
Notes Payable	$ 91,974,032	$ 10,810,453	$ (1,373,363)	$ 101,411,122

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

Year Ending December 31,	Principal	Interest
2026	$ 2,590,218	$ 1,400,197
2027	7,775,197	1,307,419
2028	2,317,861	1,214,110
2029	2,189,459	1,122,102
2030	2,086,798	1,024,891
2031 - 2035	14,363,330	4,217,040
2036 - 2040	9,944,633	3,277,485
2041 - 2045	5,094,643	767,353
2046 - 2050	2,198,789	95,795
2051 - 2055	2,478,401	-
2056 - 2060	536,845	-
Total	51,576,174	14,426,393
Notes With No Set Maturity	49,834,948	-
Total	$ 101,411,122	$ 14,426,393

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, 2025:

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	0.03%	2027	Pledge of all legal available revenues of the Project, a) moneys on deposit in a loan reserve fund, b) moneys on deposit in a debt service reserve fund, c) 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	$ 225,828
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	890,000
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	3,075,000

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	$ 2,640,000
Yards at Union Statior	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	1,680,000
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	5,120,000

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.	3,795,000

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	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 Issuer shall have the right to direct the Trustee to declare all outstanding bonds immediately due and payable.	$ 675,000
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

Total	28,670,828
Less: Current Portion of Bonds Payable	(2,914,909)
Total	25,755,919
Plus Unamortized Premiums	143,568
Less: Unamortized Discounts	(53,038)
Total Long-Term Bonds Payable	$ 25,846,449

NOTE 12 BONDS PAYABLE (CONTINUED)

A summary of activity of Home Forward's bonds payable for the year ended December 31, 2025 is as follows:

	Balance January 1, 2025	Draws	Repayments	Balance December 31, 2025
Bonds Payable	$ 30,584,695	$ -	$ (1,913,867)	$ 28,670,828

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

Year Ending December 31,	Principal	Interest
2026	$ 2,914,909	$ 802,788
2027	2,257,441	659,727
2028	1,815,463	579,344
2029	1,886,290	506,651
2030	1,512,939	443,115
2031-2035	13,551,173	1,307,024
2036-2040	4,732,613	79,319
Total	$ 28,670,828	$ 4,377,967

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.

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	4.56%	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.	$ 2,438,398
Wests 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	11,755,206

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
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	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 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	$ 13,919,392

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	$ 3,749,966
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.	33,021,731
						Total	64,884,693
						Less: Current Portion of Bonds Payable	(33,704,471)
						Total Bonds Payable and Notes Receivable - Partnerships	$ 31,180,222

*For the variable rate debt, the December 31, 2025, interest rate, as provided above, was used for the future interest calculation.

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

A summary activity of Home Forward's bonds payable at December 31, 2025 is as follows:

	Balance January 1, 2025	Draws	Repayments	Balance December 31, 2025
Bonds Payable	$ 121,831,926	$ 17,068,910	$ (74,016,143)	$ 64,884,693

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

Year Ending December 31,	Principal	Interest
2026	$ 33,704,471	$ 1,369,697
2027	712,204	1,301,153
2028	742,943	1,270,414
2028	775,010	1,238,348
2030	808,461	1,204,896
2031-2035	8,908,625	5,053,337
2036-2040	4,380,472	3,585,464
2041-2045	5,396,730	2,569,206
2046-2050	6,648,758	1,317,178
2051-2055	2,807,019	113,813
Total	$ 64,884,693	$ 19,023,507

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.

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, 2023.

The total pension and OPEB liabilities based on the December 31, 2023 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date:	December 31, 2023
Measurement Date:	June 30, 2025
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:	Healthy 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.

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.

Asset Class	Target Allocation	20-Year Annual Return (Geometric)
Global Equity	27.50 %	6.63 %
Private Equity	25.50	8.38
Core Fixed Income	25.00	4.61
Real Estate	12.25	6.69
Master Limited Partnerships	0.75	5.62
Infrastructure	1.50	6.75
Hedge Fund of Funds - Multistrategy	1.25	5.90
Hedge Fund Equity - Hedge	0.63	6.01
Hedge Fund - Macro	5.63	5.52
Total	100.01 %	
Assumed Inflation - Mean		2.31 %

NOTE 15 PENSION

PERS Pension (Defined Benefits)

Home Forward is a participant of the PERS pension program. PERS benefits, as described by the PERS 2025 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.

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%.

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).

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, 2023 to June 30, 2025 are:

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

The amount contributed by Home Forward for the year ended December 31, 2025 was approximately $9,518,465 which represents the required contributions for both the employee and the employer for the year presented.

NOTE 15 PENSION (CONTINUED)

Net Pension Assets and Liabilities

At December 31, 2025, Home Forward reported a liability of $43,048,013 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to June 30, 2025. 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, 2025, Home Forward's proportion was 0.18813025%, which increased from its proportion of 0.19276618% measured as of June 30, 2025.

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

For the year ended December 31, 2025, Home Forward recognized pension expense of $7,607,193 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	$ 4,390,797	$ -
Net Differences Between Expected and Actual Experience	2,745,934	61,357
Changes in Assumptions	2,501,734	-
Net Differences Between Projected and Actual Earnings on Plan Investments	3,626,695	-
Changes in Proportion	2,460,128	27,626
Difference Between the Employer's Contributions and the Employer's Proportion Share of Contributions	1,491,634	1,054,724
Total	$ 17,216,922	$ 1,143,707

NOTE 15 PENSION (CONTINUED)

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

The amount of $4,390,797 reported as of the year ended December 31, 2025 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2026	$ 5,932,999
2027	3,194,568
2028	1,722,857
2029	589,802
2030	242,192
Total	$ 11,682,418

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:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability (Asset)	$ 68,655,244	$ 43,048,013	$ 21,606,308

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, 2025 was $413,438. This balance is recorded in other accrued liabilities on the statement of net position.

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 $98,379 for the year ended December 31, 2025. 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, 2025, Home Forward reported an asset of $799,267 for its proportionate share of the collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2025, and the total OPEB asset used to calculate the collective net OPEB asset was determined by an actuarial valuation as of December 31, 2023, rolled forward to June 30, 2025. 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, 2025 measurement date, Home Forward's proportion was 0.17876543%, which increased from its proportion measured as of June 30, 2024 (0.17131567%).

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, 2025, 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	$ 43,568	$ -
Differences Between Expected and Actual Experience	-	10,340
Changes in Assumptions	-	830
Net Differences Between Projected and Actual Earning on Plan Investments	29,485	-
Changes in Proportionate Share	-	19,677
Total	$ 73,053	$ 30,847

The amount of $43,568 reported for the year ended December 31, 2025 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, 2026. Other amounts reported as deferred outflow and inflow of resources related to OPEB will be recognized in Home Forward's OPEB expense as follows:

Year Ending December 31,	Deferred Outflows (Inflows) of Resources
2026	$ (6,914)
2027	8,419
2028	(257)
2029	(2,610)
Total	$ (1,362)

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.

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, 2025 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	$ (748,651)	$ (799,267)	$ (842,887)

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, 2025, Home Forward reported a total OPEB liability of $951,325 for its implicit benefit subsidy based on a measurement date of December 31, 2025.

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, 2025:

	Total OPEB Liability
Balance - Beginning of Year	$ 867,233
Benefit Payments	(25,569)
Service Cost	74,800
Interest on Total OPEB Liability	34,861
Balance - End of Year	$ 951,325

For the year ended December 31, 2025, 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	$ 26,188	$ 122,965
Changes of Assumptions or Other Inputs	60,565	328,839
Total	$ 86,753	$ 451,804

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

Year Ending December 31,	Deferred Inflows of Resources - OPEB HBRP
2026	$ (102,841)
2027	(73,386)
2028	(58,602)
2029	(24,118)
2030	(24,118)
All Subsequent Years	(81,986)
Total	$ (365,051)

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, 2025 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	$ 1,031,968	$ 951,325	$ 877,085

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, 2025 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.

	1% Decrease	Current Rate	1% Increase
OPEB Liability	$ 841,517	$ 951,325	$ 1,081,712

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.

NOTE 18 BLENDED COMPONENT UNITS

The condensed statements of net position of the blended component units are as follows as of December 31, 2025:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP	New Market West Management Services LLC	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Katherine Gray	Eliminations	Total
Assets														
Current Assets	$ 3,178,517	$ 3,886,191	$ 571,383	$ 1,141,844	$ 783,876	$ 4,600	$ 2,017,151	$ 1,588,641	$ 2,683,505	$ 1,364,932	$ 4,678,133	$ 1,570,086	$ (4,731,537)	$ 18,737,322
Noncurrent Assets	37,030,272	1,000,000	-	-	-	-	-	-	-	27,858	-	-	-	38,058,130
Capital Assets	-		-	6,512,068	2,727,303	-	6,869,571	6,770,092	16,463,105	14,770,672	8,830,128	8,806,879	-	71,749,818
Total Assets	$ 40,208,789	$ 4,886,191	$ 571,383	$ 7,653,912	$ 3,511,179	$ 4,600	$ 8,886,722	$ 8,358,733	$ 19,146,610	$ 16,163,462	$ 13,508,261	$ 10,376,965	$ (4,731,537)	$ 128,545,270
Liabilities														
Current Liabilities	$ 739,244	$ 2,153,215	$ 19,080	$ 295,483	$ 1,179,604	$ 4,800	$ 484,730	$ 256,633	$ 529,446	$ 1,988,369	$ 843,138	$ 147,097	$ -	$ 8,640,839
Noncurrent Liabilities	-	-	-	8,308,822	2,918,920	-	3,297,726	1,319,795	3,570,000	28,318	8,023,893	3,718,853	-	31,186,327
Total Liabilities	739,244	2,153,215	19,080	8,604,305	4,098,524	4,800	3,782,456	1,576,428	4,099,446	2,016,687	8,867,031	3,865,950	-	39,827,166
Net Position														
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	39,469,545	2,732,976	552,303	(950,393)	(587,345)	(200)	5,104,266	6,782,305	15,047,164	14,146,775	4,641,230	6,511,015	(4,731,537)	88,718,104
Total Net Position	39,469,545	2,732,976	552,303	(950,393)	(587,345)	(200)	5,104,266	6,782,305	15,047,164	14,146,775	4,641,230	6,511,015	(4,731,537)	88,718,104
Total Liabilities and Net Position	$ 40,208,789	$ 4,886,191	$ 571,383	$ 7,653,912	$ 3,511,179	$ 4,600	$ 8,886,722	$ 8,358,733	$ 19,146,610	$ 16,163,462	$ 13,508,261	$ 10,376,965	$ (4,731,537)	$ 128,545,270

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, 2025:

	Home Forward Development Enterprises	Home Forward Insurance Group	Home Forward Community Partnerships	St. Francis, LLC	Gateway LP	New Market West Management Services LLC	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Katherine Gray	Eliminations	Total
Operating Revenues														
Dwelling rental	$ -	$ -	$ -	$ 1,030,697	$ 1,762,511	$ -	$ 1,837,607	$ 1,615,920	$ 3,525,642	$ 1,490,286	$ 1,712,686	$ 1,163,533	$ -	$ 14,138,882
Non-dwelling rental	-	-	-	92,491	1,920	-	-	-	-	4,162	39,047	-	-	137,620
Other	-	836,558	22,550	26,725	630,240	14,400	17,148	(604,712)	(770,376)	337,775	388,119	5,716	-	904,143
Total Operating Revenues	-	836,558	22,550	1,149,913	2,394,671	14,400	1,854,755	1,011,208	2,755,266	1,832,223	2,139,852	1,169,249	-	15,180,645
Operating Expenses														
Administration	101,558	369,930	105,267	163,502	194,837	-	419,346	268,697	578,403	95,757	417,173	94,221	-	2,808,691
Tenant Services	-	-	19,995	-	-	-	-	-	-	12,178	21,093	83,999	-	137,265
Program Expense	-	-	-	201,688	121,174	-	118,676	117,656	226,622	243,941	197,180	385,514	-	1,612,451
Utilities	-	-	-	198,298	522,976	-	452,688	404,906	828,812	478,106	307,318	178,054	-	3,371,158
Maintenance	-	1,302,586	-	299,667	649,649	-	314,894	373,469	904,990	1,115,105	574,836	274,595	-	5,809,791
Depreciation	-		-	210,727	351,415	-	188,568	181,643	410,483	341,328	236,119	162,782	-	2,083,065
General and Other	2,650	1,254	363	144,694	269,723	14,500	287,929	138,666	505,357	324,126	239,022	67,121	-	1,995,405
Total Operating Expenses	104,208	1,673,770	125,625	1,218,576	2,109,774	14,500	1,782,101	1,485,037	3,454,667	2,610,541	1,992,741	1,246,286	-	17,817,826
Operating Income (Loss)	(104,208)	(837,212)	(103,075)	(68,663)	284,897	(100)	72,654	(473,829)	(699,401)	(778,318)	147,111	(77,037)	-	(2,637,181)
Nonoperating Revenues (Expenses)														
Investment Income	106,984	2,107,317	27,652	2,985	3,720	-	39,791	11,683	63,401	50,443	144,594	39,012	(1,154,562)	1,443,020
Interest Expense	-	-	-	(118,228)	(175,454)	-	(15,833)	(56,780)	(166,499)	(42,692)	(257,876)	(3,749)	-	(837,111)
Investment in partnership valuation change	-	-	-	-	-	-	-	-	-	-	-	6,617,383	-	6,617,383
Loss on Disposal of Capital Ass	-	-	-	(374,339)	-	-	-	-	-	-	(5,656)	(42,586)	-	(422,581)
Total Nonoperating Revenues (Expenses)	106,984	2,107,317	27,652	(489,582)	(171,734)	-	23,958	(45,097)	(103,098)	7,751	(118,938)	6,610,060	(1,154,562)	6,800,711
Income/Loss Before Capital Contributions	2,776	1,270,105	(75,423)	(558,245)	113,163	(100)	96,612	(518,926)	(802,499)	(770,567)	28,173	6,533,023	(1,154,562)	4,163,530
Capital Contributions	-	-	-	-	56,526	-	-	-	-	-		(22,008)	-	34,518
HUD Nonoperating Contributions	-	-	-	33,737	-	-	-	-	-	-	-	-	-	33,737
Increase (Decrease) in Net Position	2,776	1,270,105	(75,423)	(524,508)	169,689	(100)	96,612	(518,926)	(802,499)	(770,567)	28,173	6,511,015	(1,154,562)	4,231,785
Net Position - Beginning of Year	39,466,769	1,462,871	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)	84,486,319
Net Position - End of Year	$ 39,469,545	$ 2,732,976	$ 552,303	$ (950,393)	$ (587,345)	$ (200)	$ 5,104,266	$ 6,782,305	$ 15,047,164	$ 14,146,775	$ 4,641,230	$ 6,511,015	$ (4,731,537)	$ 88,718,104

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	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Katherine Gray	Eliminations	Total
Cash Flows from Operating Activities														
Receipts from HUD Grants	$ -	$ -	$-	$ 33,737	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 33,737
Receipts from Tenants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
and Landlords	-		-	1,026,170	1,676,860	4,800	1,845,547	1,608,813	3,511,718	1,571,250	1,682,993	1,147,350	-	14,075,501
Receipts from Others	-	1,673,982	49,987	119,216	688,686	14,400	17,148	(604,712)	(770,376)	332,182	427,173	(16,292)	(1,154,562)	776,832
Payments to and on	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Behalf of Employees	-	-	-	(336,898)	(296,148)	-	(269,900)	(267,006)	(580,127)	(487,320)	(270,147)	(385,514)	-	(2,893,060)
Payments to Vendors,	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractors, and Others	(104,208)	(4,097)	(107,665)	(644,790)	(1,477,688)	(14,500)	(1,310,587)	(1,116,229)	(2,431,687)	(1,816,006)	(1,343,272)	(565,909)	(476,866)	(11,413,504)
Total Cash Provided (Used) by Operating Activities	(104,208)	1,669,885	(57,678)	197,435	591,710	4,700	282,208	(379,134)	(270,472)	(399,894)	496,747	179,635	(1,631,428)	579,506
Cash Flows from Capital and Related Financing Activities														
Interest Paid on Notes and Bonds Payable	-	-	-	(109,597)	(175,455)	-	(231)	(57,053)	(167,381)	(42,845)	(223,085)	(2,190)	-	(777,837)
Principal Payments on Notes Payable	-	-	-	(80,900)	(326,244)	-	-	(87,756)	(215,000)	(27,990)	-	3,718,852	-	2,980,962
Acquisition and Construction of Capital Assets	-	-	-	(104,824)	(56,526)	-	-	-	-	(3,538)	(17,149)	(9,012,247)	-	(9,194,284)
Change in Investment in Partnership	-	(86,555)	-	-	-	-	-	100,000	-	-	-	6,617,383	-	6,630,828
Total Cash Provided (Used) by Capital and Related Financing Activities	-	(86,555)	-	(295,321)	(558,225)	-	(231)	(44,809)	(382,381)	(74,373)	(240,234)	1,321,798	-	(360,331)

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	Cecelia	Woolsey	Trouton	Humboldt	The Morrison	Katherine Gray	Eliminations	Total
Cash Flows from Investing Activities														
Decrease in Notes Receivable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,698	$ -	$ -	$ -	$ 4,698
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	2,738	-	-	2,738
Change in Due from Partnerships	-	-	1,120	(47,906)	11,594	(100)	(201,894)	(103,560)	(244,480)	456,086	16,584	8,077	476,869	372,390
Investment Income	106,984	78,567	215	2,985	3,720	-	39,791	11,683	63,401	50,443	144,587	39,012	-	541,388
Total Cash Provided (Used) by Investing Activities	106,984	78,567	1,335	(44,921)	15,314	(100)	(162,103)	(91,877)	(181,079)	511,227	163,909	47,089	476,869	921,214
Net Increase (Decrease) in Cash and Cash Equivalents	2,776	1,661,897	(56,343)	(142,807)	48,799	4,600	119,874	(515,820)	(833,932)	36,960	420,422	1,548,522	(1,154,559)	1,140,390
Cash and Cash Equivalents - Beginning of Year	153,129	1,090,430	627,726	1,247,733	610,378	-	1,581,194	1,939,955	3,286,550	1,245,787	4,036,405	-	(3,576,976)	12,242,312
Cash and Cash Equivalents - End of Year	$ 155,905	$ 2,752,327	$ 571,383	$ 1,104,926	$ 659,177	$ 4,600	$ 1,701,068	$ 1,424,135	$ 2,452,618	$ 1,282,747	$ 4,456,827	$ 1,548,522	$ (4,731,535)	$ 13,382,702

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, 2025 is as follows:

	Central Group	North Group	East Group	1115 SW 11th Avenue	Stephens Creek Crossing South	Stephens Creek Crossing North	Beech Street	Wests
ASSETS								
Cash and Cash Equivalents	$ 1,088,532	$ 876,562	$ 1,113,489	$ -	$ 269,732	$ 410,944	$ 16,598	$ 38,488
Cash and Cash Equivalents - Restricted	1,361,804	1,611,002	1,925,947	-	671,388	1,176,171	302,543	2,075,805
Accounts Receivables	4,971,395	173,422	5,908,671	-	27,553	15,262	8,850	88,807
Investments (Restricted)- Long Term	-	-	-	-	-	-	-	-
Other Assets	646,266	526,151	245,189	-	30,197	138,097	33,570	428,390
Capital Assets, Net	63,588,100	71,201,556	61,800,893	-	9,607,858	20,884,123	5,485,497	41,066,239
Total Assets	$ 71,656,097	$ 74,388,693	$ 70,994,189	$ -	$ 10,606,728	$ 22,624,597	$ 5,847,058	$ 43,697,729
LIABILITIES AND NET POSITION								
LIABILITIES								
Current Liabilities	$ 4,513,638	$ 6,860,055	$ 7,802,085	$ -	$ 209,315	$ 281,917	$ 167,781	$ 2,365,358
Long-Term Liabilities	48,302,540	62,215,511	53,432,459	-	7,482,205	26,011,962	1,181,131	35,495,700
NET POSITION								
Net Investment in Capital Assets	14,673,859	8,682,926	7,853,746	-	2,090,123	(5,209,379)	4,304,367	5,327,846
Funds Held in Trust	1,343,544	1,574,202	1,894,799	-	664,088	1,161,844	301,943	2,050,796
Unrestricted (Deficit)	2,822,516	(4,944,001)	11,100	-	160,997	378,253	(108,164)	(1,541,971)
Total Liabilities and Net Position	$ 71,656,097	$ 74,388,693	$ 70,994,189	$ -	$ 10,606,728	$ 22,624,597	$ 5,847,058	$ 43,697,729
Operating Revenues	$ 3,621,421	$ 4,796,903	$ 4,259,180	$ -	$ 986,969	$ 1,671,774	$ 572,845	$ 4,121,058
Operating Expenses	(5,303,048)	(6,573,036)	(6,377,120)	-	(1,503,768)	(2,631,416)	(917,460)	(4,994,426)
Operating Income (Loss)	(1,681,627)	(1,776,133)	(2,117,940)	-	(516,799)	(959,642)	(344,615)	(873,368)
Nonoperating Revenues	36,129	26,881	64,880	-	12,513	57,024	4,023	16,725
Nonoperating Expenses	(518,218)	(2,123,277)	(1,518,608)	-	(85,980)	(112,833)	(5,906)	(926,015)
Loss Before Capital Contributions	(2,163,716)	(3,872,529)	(3,571,668)	-	(590,266)	(1,015,451)	(346,498)	(1,782,658)
Capital Contributions	1,274,590	210,889	37,898	-	38,159	59,686	-	-
Transfer of Component Unit	-	-	-	381,479	-	-	-	-
Change in Net Position	(889,126)	(3,661,640)	(3,533,770)	381,479	(552,107)	(955,765)	(346,498)	(1,782,658)
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	-	
Net Position - Beginning of Year	19,729,045	8,974,767	13,293,415	(381,479)	3,467,315	(2,713,517)	4,844,644	7,619,329
NET POSITION - END OF YEAR	$ 18,839,919	$ 5,313,127	$ 9,759,645	$ -	$ 2,915,208	$ (3,669,282)	$ 4,498,146	$ 5,836,671

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

	Woods East	Square Manor	Lloyed Housing	FP2	3000 Powell	Dekum	Baldwin
ASSETS							
Cash and Cash Equivalents	$ 30,007	$ 138,927	$ 92,508	$ 10,201	$ 323,886	$ 634,697	$ 454,500
Cash and Cash Equivalents - Restricted	2,575,611	860,655	1,795,978	262,247	2,244,721	252,139	692,765
Accounts Receivables	295,945	138,944	261,962	25,970	2,348,442	100,623	2,313,804
Investments (Restricted)- Long Term	-	-	-	-	-	-	-
Other Assets	437,422	156,998	360,508	303,001	2,665,957	689,709	474,363
Capital Assets, Net	48,089,946	12,293,704	55,936,540	28,534,316	71,219,718	86,958,885	17,602,821
Total Assets	$ 51,428,931	$ 13,589,228	$ 58,447,496	$ 29,135,735	$ 78,802,724	$ 88,636,053	$ 21,538,253
LIABILITIES AND NET POSITION							
LIABILITIES							
Current Liabilities	$ 2,547,423	$ 2,909,790	$ 4,106,458	$ 4,251,082	$ 3,475,973	$ 43,658,511	$ 1,957,345
Long-Term Liabilities	45,326,520	10,581,173	31,232,594	18,219,084	48,780,621	36,629,995	13,222,947
NET POSITION							
Net Investment in Capital Assets	2,476,049	1,641,399	24,507,684	10,279,934	22,339,479	17,105,477	4,379,874
Funds Held in Trust	2,551,687	817,609	1,785,710	247,892	1,247,902	184,247	692,765
Unrestricted (Deficit)	(1,472,748)	(2,360,743)	(3,184,950)	(3,862,257)	2,958,749	(8,942,177)	1,285,322
Total Liabilities and Net Position	$ 51,428,931	$ 13,589,228	$ 58,447,496	$ 29,135,735	$ 78,802,724	$ 88,636,053	$ 21,538,253
Operating Revenues	$ 6,408,999	$ 1,547,985	$ 2,936,025	$ 1,216,494	$ 2,091,422	$ 1,782,853	$ 1,687,046
Operating Expenses	(7,467,730)	(2,013,538)	(4,325,938)	(2,122,469)	(4,240,860)	(2,898,849)	(2,439,295)
Operating Income (Loss)	(1,058,731)	(465,553)	(1,389,913)	(905,975)	(2,149,438)	(1,115,996)	(752,249)
Nonoperating Revenues	19,238	282	8,182	61	453	16,379	5,106
Nonoperating Expenses	(1,130,491)	(337,000)	(795,129)	(278,372)	(2,110,978)	(1,170,570)	(58,545)
Loss Before Capital Contributions	(2,169,984)	(802,271)	(2,176,860)	(1,184,286)	(4,259,963)	(2,270,187)	(805,688)
Capital Contributions	-	-	-	2,770,196	29,448,249	-	-
Transfer of Component Unit	-	-	-	-	-	-	-
Change in Net Position	(2,169,984)	(802,271)	(2,176,860)	1,585,910	25,188,286	(2,270,187)	(805,688)
Prior Period Adjustment / Equity Transfer		-	-	-	-	-	-
Net Position - Beginning of Year	5,724,972	900,536	25,285,304	5,079,659	1,357,844	10,617,734	7,163,649
NET POSITION - END OF YEAR	$ 3,554,988	$ 98,265	$ 23,108,444	$ 6,665,569	$ 26,546,130	$ 8,347,547	$ 6,357,961

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

	Fairfield	GPT	Killingsworth	Troutdale Housing	Peaceful Villa	Civic Station Housing	Total
ASSETS							
Cash and Cash Equivalents	$ 241,312	$ 1,259,421	$ 21,316	$ 6,129	$ 3,134,621	$ 17,556	$ 10,179,426
Cash and Cash Equivalents - Restricted	-	873,238	100,555	-	-	-	18,782,569
Accounts Receivables	2,409,702	160,974	36,729	1,841,667	-	99	21,128,821
Investments (Restricted)- Long Term	-	-	-	-	-	-	-
Other Assets	160,929	537,922	617,902	363,815	1,623,222	1,112,259	11,551,867
Capital Assets, Net	22,675,430	43,071,866	45,172,462	43,441,924	51,175,943	8,785,174	808,592,995
Total Assets	$ 25,487,373	$ 45,903,421	$ 45,948,964	$ 45,653,535	$ 55,933,786	$ 9,915,088	$ 870,235,678
LIABILITIES AND NET POSITION							
LIABILITIES							
Current Liabilities	$ 2,521,448	$ 4,589,295	$ 6,571,240	$ 6,880,592	$ 14,353,871	$ 2,665,915	$ 122,689,092
Long-Term Liabilities	16,231,704	28,353,113	38,803,143	35,478,967	38,377,293	4,607,430	599,966,092
NET POSITION							
Net Investment in Capital Assets	6,443,725	14,353,728	6,369,445	7,962,957	12,798,650	4,177,745	172,559,634
Funds Held in Trust	-	854,168	308	-	-	-	17,373,504
Unrestricted (Deficit)	290,496	(2,246,883)	(5,795,172)	(4,668,981)	(9,596,028)	(1,536,002)	(42,352,644)
Total Liabilities and Net Position	$ 25,487,373	$ 45,903,421	$ 45,948,964	$ 45,653,535	$ 55,933,786	$ 9,915,088	$ 870,235,678
Operating Revenues	$ 869,893	$ 1,852,355	$ 125,323	$ -	$ -	$ -	$ 40,548,545
Operating Expenses	(1,910,338)	(2,263,226)	(743,387)	(23,865)	(50,381)	-	(58,800,150)
Operating Income (Loss)	(1,040,445)	(410,871)	(618,064)	(23,865)	(50,381)	-	(18,251,605)
Nonoperating Revenues	-	16,875	525	-	-	-	285,276
Nonoperating Expenses	(161,066)	(1,486,017)	(561,804)	(17,750)	-	-	(13,398,559)
Loss Before Capital Contributions	(1,201,511)	(1,880,013)	(1,179,343)	(41,615)	(50,381)	-	(31,364,888)
Capital Contributions	-	15,033,466	34,243	-	3,253,003	2,641,743	54,802,122
Transfer of Component Unit	-	-	-	-	-	-	381,479
Change in Net Position	(1,201,511)	13,153,453	(1,145,100)	(41,615)	3,202,622	2,641,743	23,818,713
Prior Period Adjustment / Equity Transfer	-	-	-	-	-	-	-
Net Position - Beginning of Year	7,935,732	(192,440)	1,719,681	3,335,591	-	-	123,761,781
NET POSITION - END OF YEAR	$ 6,734,221	$ 12,961,013	$ 574,581	$ 3,293,976	$ 3,202,622	$ 2,641,743	$ 147,580,494

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, 2025:

	Balance 12/31/2024	Additions and Transfers In	Disposals and Transfers Out	Balance 12/31/2025
Land	$ 10,921,004	$ 284,631	$ (2,821,453)	$ 8,384,182
Construction in Progress	92,664,368	119,193,202	(114,714,320)	97,143,250
Total Capital Assets not Being Depreciated	103,585,372	119,477,833	(117,535,773)	105,527,432
Buildings and Improvements	635,155,475	106,903,005	(13,168,208)	728,890,272
Right-of-Use Assets	79,432,394	7,268,966	(809,919)	85,891,441
Equipment	18,976,577	2,106,928	(740,525)	20,342,980
Total	733,564,446	116,278,899	(14,718,652)	835,124,693
Less: Accumulated Depreciation	(115,604,224)	(23,988,029)	7,533,123	(132,059,130)
Total Capital Assets Being Depreciated	617,960,222	92,290,870	(7,185,529)	703,065,563
Total Capital Assets, Net	$ 721,545,594	$ 211,768,703	$ (124,721,302)	$ 808,592,995

Summarized Notes Payable – Discretely Presented Component Units

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

	December 31, 2025
Notes Payable - General Partner	$ 241,194,498
Mortgages and Other Housing Related Notes	295,564,527
Total	536,759,025
Less: Current Portion	(2,330,638)
Noncurrent Portion	$ 534,428,387

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

	Balance January 1, 2025	Increase	Decrease	Balance December 31, 2025
Component Units	$ 422,037,718	$ 233,223,886	$ (118,502,579)	$ 536,759,025

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

	Balance January 1, 2025	Increase	Decrease	Balance December 31, 2025
Component Units	$ 121,831,926	$ 28,525,830	$ (85,473,063)	$ 64,884,693

NOTE 20 COMMITMENTS AND CONTINGENCIES

Leases

At December 31, 2025, Home Forward has approximately 12,601 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, 2025 was approximately $208,416,319. These leases are not subject to GASB 87, *Leases*.

Construction Commitments

As of December 31, 2025, Home Forward had construction commitments of approximately $299,908,867.

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 2026 and 2084. 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 $13,545,057.

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, 2025, 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.

NOTE 21 RISK MANAGEMENT (CONTINUED)

Marsh's comprehensive insurance provides coverage for 2,900 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, 2025 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	5,000,000
Automobile	250,000	5,000,000
Professional Liability	250,000	5,000,000
Umbrella Liability	-	7,000,000
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	5,000,000
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, 2025.

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, 2025	0.19%	$ 43,048,013	$ 43,602,705	98.73%	79.90%
June 30, 2024	0.19%	41,816,167	36,467,264	114.67%	79.30%
June 30, 2023	0.19%	35,290,351	30,125,434	117.14%	81.70%
June 30, 2022	0.18%	28,250,387	26,324,526	107.32%	84.50%
June 30, 2021	0.15%	18,244,562	23,403,663	77.96%	87.60%
June 30, 2020	0.15%	31,862,281	22,943,155	138.87%	75.80%
June 30, 2019	0.14%	24,774,611	18,423,720	134.47%	80.20%
June 30, 2018	0.14%	21,456,770	17,367,082	123.55%	82.10%
June 30, 2017	0.15%	20,664,424	17,227,380	119.95%	83.12%
March 30, 2016	0.16%	23,852,957	17,299,181	137.88%	80.50%

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, 2025	$ 6,855,614	$ 6,855,614	$ -	$ 43,602,705	15.72%
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	14.82%
December 31, 2022	3,641,714	3,641,714	-	26,324,526	13.83%
December 31, 2021	3,387,161	3,387,161	-	23,403,663	14.47%
December 31, 2020	2,758,006	2,758,006	-	22,943,155	12.02%
December 31, 2019	2,044,769	2,044,769	-	18,423,720	11.10%
December 31, 2018**	1,846,617	1,846,617	-	17,367,082	10.63%
March 31, 2018	1,755,769	1,755,769	-	17,227,380	10.19%
March 31, 2017	1,476,588	1,476,588	-	17,299,181	8.54%

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 NINE 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, 2025	0.17876543 %	$ 799,267	$ 43,602,705	1.83
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, 2025	$ 98,379	$ 98,379	$ -	$ 43,602,705	23.00%
December 31, 2024	82,267	82,267	-	34,467,264	24.00%
December 31, 2023	58,827	58,827	-	30,125,434	20.00%
December 31, 2022	27,301	27,301	-	26,324,526	26.00%
December 31, 2021	67,196	67,196	-	23,403,663	29.00%
December 31, 2020	61,211	61,211	-	22,943,155	27.00%
December 31, 2019	73,049	73,049	-	18,423,720	40.00%
December 31, 2018***	66,536	66,536	-	17,367,082	38.00%
March 31, 2018	109,892	109,892	-	17,227,380	64.00%

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 nine 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.

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, 2025***	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	$ 867,233	$ 945,367	$ 890,571	$ 986,737	$ 932,648	$ 887,379	$ 900,487	$ 1,415,327	$ 1,384,796
Benefit Payments	(25,569)	(51,499)	(44,322)	(32,264)	(48,271)	(60,911)	(98,600)	(66,832)	67,210
Service Cost	74,800	72,271	66,813	64,554	83,100	80,290	50,593	36,662	51,747
Interest on Total OPEB Liability	34,861	34,210	32,305	20,577	19,260	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	84,092	(78,134)	54,796	(96,166)	54,089	45,269	(13,108)	(514,840)	30,531
End of Year - December 31	$ 951,325	$ 867,233	$ 945,367	$ 890,571	$ 986,737	$ 932,648	$ 887,379	$ 900,487	$ 1,415,327
Covered Payroll**	$ 33,997,259	$ 32,847,593	$ 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	2.80%	2.64%	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 nine 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, 2025

	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	$ 1,453,196	$ 1,518,482	$ 1,444,303	$ 141,074	$ 9,896	$ 10,450	$ 512,263	$ 131,788	$ 440,180	$ 4,406,669
Cash and Cash Equivalents - Restricted	-	259,899	10,621	72,959	186,486	470,292	592,943	1,382,659	1,412,696	989,285	3,179,511
Accounts Receivable, Net	-	34,010	1,196,455	1,631,424	10,833	54,490	33,677	32,507	101,634	426,458	116,944
Prepaid Expenses	-	500	12,450	11,333	94	16,234	341	-	6,578	3,687	23,802
Total Current Assets	14,716,225	1,747,605	2,738,008	3,160,019	338,487	550,912	637,411	1,927,429	1,652,696	1,859,610	7,726,926
NONCURRENT ASSETS											
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	-	-	1,057,722	-	-	-	-	114,699
Capital Assets not being Depreciated	-	579,600	74,720	81,990	306,440	432,880	138,456	952,468	5,833,228	1,115,635	943,432
Capital Assets being Depreciated, Net	-	1,280,596	1,496,228	758,181	1,296,708	1,347,174	102,289	207,668	685,425	456,466	7,197,577
Total Noncurrent Assets	-	1,860,196	1,570,948	840,171	1,603,148	2,837,776	240,745	1,160,136	6,518,653	1,572,101	8,255,708
Total Assets	$ 14,716,225	$ 3,607,801	$ 4,308,956	$ 4,000,190	$ 1,941,635	$ 3,388,688	$ 878,156	$ 3,087,565	$ 8,171,349	$ 3,431,711	$ 15,982,634
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
Accounts Payable	$ -	$ 38,410	$ 40,380	$ 102,405	$ 77,925	$ 540,114	$ 344,178	$ 318,944	$ 961,993	$ 6,294	$ 1,463,251
Accrued Interest Payable	-	3,794	-	-	5,371	-	1,272	342,549	1,920,884	19,753	23,851
Other Accrued Liabilities	-	30,508	22,785	47,191	6,819	2,450	303,450	273,665	157,083	17,269	30,184
Deferred Revenue	-	1,630	66,327	32,401	10,121	26,422	18,836	27,786	42,727	8,594	34,791
Deposits, Payable from Restricted Assets	-	4,338	11,209	12,257	14,668	23,111	23,404	36,705	63,785	28,358	253,065
Current Portion of Notes and Bonds Payable	-	74,656	-	-	34,589	-	148,802	492,066	105,000	129,425	299,387
Total Current Liabilities	-	153,336	140,701	194,254	149,493	592,097	839,942	1,491,715	3,251,472	209,693	2,104,529
NONCURRENT LIABILITIES											
Notes Payable	-	757,570	-	-	2,144,249	3,833,672	-	-	2,664,000	2,167,383	8,785,218
Bonds Payable	-	-	-	-	-	-	77,027	455,000	2,970,000	-	-
Total Noncurrent Liabilities	-	757,570	-	-	2,144,249	3,833,672	77,027	455,000	5,634,000	2,167,383	8,785,218
Total Liabilities	-	910,906	140,701	194,254	2,293,742	4,425,769	916,969	1,946,715	8,885,472	2,377,076	10,889,747
Deferred Inflows of Resources - Leases	-	-	-	-	-	953,616	-	-	-	-	114,306
NET POSITION	14,716,225	2,696,895	4,168,255	3,805,936	(352,107)	(1,990,697)	(38,813)	1,140,850	(714,123)	1,054,635	4,978,581
Total Liabilities and Net Position	$ 14,716,225	$ 3,607,801	$ 4,308,956	$ 4,000,190	$ 1,941,635	$ 3,388,688	$ 878,156	$ 3,087,565	$ 8,171,349	$ 3,431,711	$ 15,982,634

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2025

	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	$ 434,958	$ -	$ 14,330	$ 146,452	$ 17,911	$ 30,841	$ -	$ -	$ -	$ 14,283	$ 20,662
Cash and Cash Equivalents - Restricted	1,883,223	298,951	381,321	150,944	156,347	228,730	158,974	-	-	1,216,370	202,220
Accounts Receivable, Net	308,993	19,791	91,310	13,965	129,731	61,752	7,455	6,795	-	107,917	7,128
Prepaid Expenses	28,450	223	663	288	3,067	4,482	664	52	-	6,515	2,728
Total Current Assets	2,655,624	318,965	487,624	311,649	307,056	325,805	167,093	6,847	-	1,345,085	232,738
NONCURRENT ASSETS											
Due from Partnerships, Net	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	64,986	-	-	-	-	-	224,673	-	3,610	-
Capital Assets not being Depreciated	702,000	162,767	465,000	363,581	1,370,096	3,493,438	188,664	-	-	671,000	225,000
Capital Assets being Depreciated, Net	1,995,313	404,805	6,084,119	455,252	1,687,345	1,092,823	494,069	103,663	2,004,449	136,292	390,391
Total Noncurrent Assets	2,697,313	632,558	6,549,119	818,833	3,057,441	4,586,261	682,733	328,336	2,004,449	810,902	615,391
Total Assets	$ 5,352,937	$ 951,523	$ 7,036,743	$ 1,130,482	$ 3,364,497	$ 4,912,066	$ 849,826	$ 335,183	$ 2,004,449	$ 2,155,987	$ 848,129
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
Accounts Payable	$ 1,008,861	$ 34,084	$ 395,429	$ 16,429	$ 820,785	$ 699,670	$ 100,655	$ 84,997	$ 7,480	$ 965,555	$ 8,425
Accrued Interest Payable	9,328	1,406	11,164	6,660	219	158	329	-	-	13,773	431
Other Accrued Liabilities	23,739	2,950	86,784	5,674	351,253	125,000	2,550	8,953	-	70,290	13,193
Deferred Revenue	195,641	991	5,005	1,332	6,046	15,435	4,583	12,277	-	21,905	2,287
Deposits, Payable from Restricted Assets	146,797	4,850	10,227	7,836	9,722	34,451	5,200	-	-	41,774	15,153
Current Portion of Notes and Bonds Payable	124,836	30,113	106,296	32,889	38,573	101,228	34,115	-	-	488,832	34,869
Total Current Liabilities	1,509,202	74,394	614,905	70,820	1,226,598	975,942	147,432	106,227	7,480	1,602,129	74,358
NONCURRENT LIABILITIES											
Notes Payable	3,545,383	468,252	4,557,274	1,205,159	641,591	4,107,346	398,560	-	-	133,108	249,120
Bonds Payable	-	-	-	-	-	-	-	-	-	1,290,000	-
Total Noncurrent Liabilities	3,545,383	468,252	4,557,274	1,205,159	641,591	4,107,346	398,560	-	-	1,423,108	249,120
Total Liabilities	5,054,585	542,646	5,172,179	1,275,979	1,868,189	5,083,288	545,992	106,227	7,480	3,025,237	323,478
Deferred Inflows of Resources - Leases	-	61,763	-	-	-	-	-	209,692	-	-	-
NET POSITION	298,352	347,114	1,864,564	(145,497)	1,496,308	(171,222)	303,834	19,264	1,996,969	(869,250)	524,651
Total Liabilities and Net Position	$ 5,352,937	$ 951,523	$ 7,036,743	$ 1,130,482	$ 3,364,497	$ 4,912,066	$ 849,826	$ 335,183	$ 2,004,449	$ 2,155,987	$ 848,129

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – AFFORDABLE HOUSING (CONTINUED)
DECEMBER 31, 2025

	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Dekum Court	Haven	The Jeffrey	Chateau Apartments	East Area A Scattered Sites	The Apartments at Bud Clark Commons	Cesar Apartments	Goose Hollow Lofts	Totals
ASSETS AND DEFERRED OUTFLOWS													
CURRENT ASSETS													
Cash and Cash Equivalents	$ 56,270	$ 42,575	$ 136,633	$ 489,709	$ -	$ 47,354	$ 5,727	$ 331,251	$ 122,094	$ 5,536	$ -	$ 200,490	$ 26,901,602
Cash and Cash Equivalents - Restricted	867,073	270,160	103,846	1,654,753	-	432,181	799,137	-	-	795,587	-	57,937	18,215,105
Accounts Receivable, Net	75,766	49,901	2,425	153,040	(6,880)	12,449	32,463	(2,497)	(48,865)	80,459	9,680	27,795	4,779,005
Prepaid Expenses	13,561	1,860	338	25,996	-	2,188	8,482	-	-	10,885	167	-	185,628
Total Current Assets	1,012,670	364,496	243,242	2,323,498	(6,880)	494,172	845,809	328,754	73,229	892,467	9,847	286,222	50,081,340
NONCURRENT ASSETS													
Due from Partnerships, Net	-	-	-	-	-	-	-	-		-	-	-	-
Notes Receivable and Accrued Interest Receivable	-	-	-	89,266	-	-	165,844	-	-	348,189	-	-	2,068,989
Capital Assets not being Depreciated	406,124	6,537,246	90,000	1,997,915	-	-	2,250,000	-	103,231	7,098	2,175,721	2,257,142	33,924,872
Capital Assets being Depreciated, Net	3,023,937	1,597,406	653,039	7,016,173	-	2,246,393	5,692,305	-	69,842	18,162,001	11,017,424	9,645,497	88,800,850
Total Noncurrent Assets	3,430,061	8,134,652	743,039	9,103,354	-	2,246,393	8,108,149	-	173,073	18,517,288	13,193,145	11,902,639	124,794,711
Total Assets	$ 4,442,731	$ 8,499,148	$ 986,281	$ 11,426,852	$ (6,880)	$ 2,740,565	$ 8,953,958	$ 328,754	$ 246,302	$ 19,409,755	$ 13,202,992	$ 12,188,861	$ 174,876,051
LIABILITIES AND NET POSITION													
CURRENT LIABILITIES													
Accounts Payable	$ 356,642	$ 774,332	$ 424,370	$ 556,677	$ 2,129	$ 20,414	$ 73,524	$ 1,418	$ 1,713	$ 2,786,280	$ 551,296	$ 1,061,927	$ 14,646,986
Accrued Interest Payable	55,464	3,830	902	86,916	-	2,033	-	-	-	-	8,131	-	2,518,218
Other Accrued Liabilities	-	397,962	7,548	26,500	-	4,933	67,261	2,296	1,187	227,281	-	5,833	2,322,591
Deferred Revenue	58,183	13,633	5,621	39,289	-	2,304	7,595	-	-	109,794	294	10,028	781,878
Deposits, Payable from Restricted Assets	30,792	10,876	650	125,505	379	11,825	12,459	531	202	-	1,099	25,431	966,659
Current Portion of Notes and Bonds Payable	150,459	80,894	26,887	824,355	-	46,460	-	-	-	5,534	4,350,941	-	7,761,206
Total Current Liabilities	651,540	1,281,527	465,978	1,659,242	2,508	87,969	160,839	4,245	3,102	3,128,889	4,911,761	1,103,219	28,997,538
NONCURRENT LIABILITIES													
Notes Payable	2,259,736	1,002,391	1,126,651	665,412	-	574,339	8,601,712	-	-	3,839	9,001,244	6,060,000	64,953,209
Bonds Payable	2,545,000	-	-	4,645,529	-	-	-	-	-	-	-	-	11,982,556
Total Noncurrent Liabilities	4,804,736	1,002,391	1,126,651	5,310,941	-	574,339	8,601,712	-	-	3,839	9,001,244	6,060,000	76,935,765
Total Liabilities	5,456,276	2,283,918	1,592,629	6,970,183	2,508	662,308	8,762,551	4,245	3,102	3,132,728	13,913,005	7,163,219	105,933,303
Deferred Inflows of Resources - Leases	-	-	-	80,443	-	-	164,649	-	-	314,460	-	-	1,898,929
NET POSITION	(1,013,545)	6,215,230	(606,348)	4,376,226	(9,388)	2,078,257	26,758	324,509	243,200	15,962,567	(710,013)	5,025,642	67,043,819
Total Liabilities and Net Position	$ 4,442,731	$ 8,499,148	$ 986,281	$ 11,426,852	$ (6,880)	$ 2,740,565	$ 8,953,958	$ 328,754	$ 246,302	$ 19,409,755	$ 13,202,992	$ 12,188,861	$ 174,876,051

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING
YEAR ENDED DECEMBER 31, 2025

	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	$ -	$ 489,432	$ 339,870	$ 450,236	$ 343,708	$ 301,903	$ 708,545	$ 1,321,812	$ 1,207,450	$ 1,017,166	$ 4,710,289
Nondwelling Rental	-	-	67,386	-	360	157,590	893	11,103	6,095	1,173	31,327
HUD Operating Subsidies	-	684,416	435,129	472,564	-	-	-	-	-	-	-
HUD grants	-	3,592	-	-	-	-	-	-	-	-	15,266
State, Local, and Other Grants	-	-	-	-	-	-	-	-	-	-	-
Other	-	9,327	5,365	5,074	1,277	21,828	8,063	22,452	5,215	12,312	49,718
Total Operating Revenues	-	1,186,767	847,750	927,874	345,345	481,321	717,501	1,355,367	1,218,760	1,030,651	4,806,600
OPERATING EXPENSES											
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-
Administration	-	118,811	326,471	316,272	65,350	252,825	195,290	656,544	508,756	155,495	634,394
Financing Costs	-	-	-	-	12,569	-	-	500	-	-	-
Program Expense	-	87,892	16,334	4,518	-	-	-	-	49,974	-	-
Tenant Services	-	3,419	-	39,431	4,622	11,969	14,886	-	(1,373)	-	-
Utilities	-	127,996	167,099	123,501	78,348	129,061	125,874	228,192	249,561	130,930	527,825
Maintenance	-	238,945	247,978	664,878	105,946	222,308	206,103	403,044	317,459	225,148	1,086,310
Depreciation	-	184,941	149,035	93,909	69,622	108,038	12,125	98,575	308,128	173,396	872,124
General and Other	-	74,127	157,740	256,832	37,764	74,172	122,467	477,372	250,901	82,955	575,485
Total Operating Expenses	-	836,131	1,064,657	1,499,341	374,221	798,373	676,745	1,864,227	1,683,406	767,924	3,696,138
OPERATING INCOME (LOSS)	-	350,636	(216,907)	(571,467)	(28,876)	(317,052)	40,756	(508,860)	(464,646)	262,727	1,110,462
NONOPERATING REVENUES (EXPENSES)											
Investment Income	-	48,470	3,566	53,789	1,901	38,839	12,715	32,276	19,276	9,186	238,382
Interest Expense	-	(46,610)	-	-	(58,306)	-	(10,476)	(44,053)	(208,680)	(78,859)	(282,050)
Gain (Loss) on Sale of Assets	-	-	-	-	-	(32,647)	-	(17,062)	-	-	-
Total Nonoperating Revenues (Expenses)	-	1,860	3,566	53,789	(56,405)	6,192	2,239	(28,839)	(189,404)	(69,673)	(43,668)
CAPITAL CONTRIBUTIONS											
HUD Nonoperating Contributions	-	-	-	-	-	-	-	-	-	-	-
Other Nonoperating Contributions	-	-	1,000,000	-	-	140,736	97,148	153,131	2,627,717	-	(1,300,000)
Total Capital Contributions	-	-	1,000,000	-	-	140,736	97,148	153,131	2,627,717	-	(1,300,000)
INCREASE (DECREASE) IN NET POSITION	-	352,496	786,659	(517,678)	(85,281)	(170,124)	140,143	(384,568)	1,973,667	193,054	(233,206)
Net Position - Beginning of Year	14,716,225	2,344,399	3,381,596	4,323,614	(266,826)	(1,825,190)	(179,458)	1,522,938	(2,687,790)	861,581	5,211,787
Adjustments to Net Position (as previously reported)	-	-	-	-	-	4,617	502	2,480	-	-	-
NET POSITION - END OF YEAR	$ 14,716,225	$ 2,696,895	$ 4,168,255	$ 3,805,936	$ (352,107)	$ (1,990,697)	$ (38,813)	$ 1,140,850	$ (714,123)	$ 1,054,635	$ 4,978,581

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	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	$ 2,698,138	$ 202,418	$ 399,740	$ 455,649	$ 227,764	$ 496,487	$ 190,300	$ (6,851)	$ -	$ 961,065	$ 279,958
Nondwelling Rental	15,668	10,932	3,431	-	-	1,240	267	69,421	-	-	2,640
HUD Operating Subsidies	(8,274)	-	-	-	-	-	-	-	-	-	-
HUD grants	23,348	898	-	-	1,023	1,696	898	-	-	-	4,490
State, Local, and Other Grants	-	-	-	-	-	-	-	-	-	-	-
Other	(18,340)	1,821	15,546	8,230	131	20,510	490	31,723	-	24,065	6,371
Total Operating Revenues	2,710,540	216,069	418,717	463,879	228,918	519,933	191,955	94,293	-	985,130	293,459
OPERATING EXPENSES											
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-
Administration	604,236	69,125	107,654	74,611	61,126	282,278	40,316	2,136	-	411,961	62,091
Financing Costs	-	-	-	-	-	-	-	-	-	500	-
Program Expense	12,688	1,006	-	-	33,524	64,728	-	-	-	-	-
Tenant Services	490	-	-	-	12,763	18,603	-	-	-	10,874	-
Utilities	329,105	44,438	143,126	115,250	155,703	200,901	47,804	51,736	-	177,609	81,557
Maintenance	1,033,517	124,021	102,724	81,912	82,911	224,280	168,551	17,844	-	470,576	56,473
Depreciation	395,010	111,654	183,073	114,216	150,122	129,237	60,453	4,228	96,195	311,142	163,978
General and Other	431,766	39,133	116,543	45,415	42,591	115,537	28,295	2,378	-	333,251	53,462
Total Operating Expenses	2,806,812	389,377	653,120	431,404	538,740	1,035,564	345,419	78,322	96,195	1,715,913	417,561
OPERATING INCOME (LOSS)	(96,272)	(173,308)	(234,403)	32,475	(309,822)	(515,631)	(153,464)	15,971	(96,195)	(730,783)	(124,102)
NONOPERATING REVENUES (EXPENSES)											
Investment Income	83,200	6,763	36	1,399	13	1,323	30	6,341	-	29,395	155
Interest Expense	(113,651)	(17,461)	(132,778)	(75,958)	8,997	-	(4,668)	-	-	(90,230)	(5,793)
Gain (Loss) on Sale of Assets	-	-	-	-	-	(1,097)	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(30,451)	(10,698)	(132,742)	(74,559)	9,010	226	(4,638)	6,341	-	(60,835)	(5,638)
CAPITAL CONTRIBUTIONS											
HUD Nonoperating Contributions	-	-	-	-	342,492	383,117	-	-	-	-	-
Other Nonoperating Contributions	(500,000)	29,967	310,211	-	763,706	1,293,592	9,365	-	-	425,445	20,650
Total Capital Contributions	(500,000)	29,967	310,211	-	1,106,198	1,676,709	9,365	-	-	425,445	20,650
INCREASE (DECREASE) IN NET POSITION	(626,723)	(154,039)	(56,934)	(42,084)	805,386	1,161,304	(148,737)	22,312	(96,195)	(366,173)	(109,090)
Net Position - Beginning of Year	925,075	501,153	1,921,498	(103,413)	690,922	(1,332,526)	452,571	(23,811)	2,093,164	(463,169)	633,741
Adjustments to Net Position (as previously reported)	-	-	-	-	-	-	-	20,763	-	(39,908)	-
NET POSITION - END OF YEAR	$ 298,352	$ 347,114	$ 1,864,564	$ (145,497)	$ 1,496,308	$ (171,222)	$ 303,834	$ 19,264	$ 1,996,969	$ (869,250)	$ 524,651

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – AFFORDABLE HOUSING (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Hamilton West	Sequoia Square	Interstate Crossing	Lovejoy Station	Dekum Court	Haven	The Jeffrey	Chateau Apartments	East Area A Scattered Sites	The Apartments at Bud Clark Commons	Cesar Apartments	Goose Hollow Lofts	Totals
OPERATING REVENUES													
Dwelling Rental	$ 1,342,649	$ 546,643	$ 159,189	$ 2,099,969	$ -	$ 583,023	$ 806,425	$ 31,360	$ 3,105	$ 1,169,445	$ 117,828	$ 301,467	$ 23,956,182
Nondwelling Rental	(9,240)	-	160	163,660	-	-	62,917	-	-	22,680	168	1,209	621,080
HUD Operating Subsidies	-	-	-	-	-	-	-	-	-	737,697	-	-	2,321,532
HUD grants	-	155,631	-	-	-	-	-	-	-	-	-	-	206,842
State, Local, and Other Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	11,207	9,145	2,743	42,838	24,524	4,614	(4,386)	313	(302)	247,710	-	20,951	590,535
Total Operating Revenues	1,344,616	711,419	162,092	2,306,467	24,524	587,637	864,956	31,673	2,803	2,177,532	117,996	323,627	27,696,171
OPERATING EXPENSES													
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	378,541	164,398	29,455	461,265	-	152,100	321,702	10,123	6,641	158,181	132,401	88,662	6,849,211
Financing Costs	-	500	-	-	-	-	-	-	-	-	-	-	14,069
Program Expense	-	50,623	-	-	-	1,339	-	17,301	12,091	467,804	93,024	-	912,846
Tenant Services	-	237,142	-	-	-	-	-	4,717	96,109	57,007	135,070	130,449	776,178
Utilities	259,090	208,840	25,858	321,913	-	81,857	148,784	16,978	43,387	418,025	67,560	45,232	4,873,140
Maintenance	281,837	117,551	43,831	409,197	-	114,511	237,912	47,099	26,913	1,815,423	41,620	82,953	9,299,775
Depreciation	248,683	55,966	45,797	236,834	-	60,509	171,295	1,806	8,039	544,319	282,622	153,103	5,598,174
General and Other	213,170	58,764	18,999	361,542	10,695	78,187	105,136	7,992	12,120	187,578	16,777	43,467	4,432,613
Total Operating Expenses	1,381,321	893,784	163,940	1,790,751	10,695	488,503	984,829	106,016	205,300	3,648,337	769,074	543,866	32,756,006
OPERATING INCOME (LOSS)	(36,705)	(182,365)	(1,848)	515,716	13,829	99,134	(119,873)	(74,343)	(202,497)	(1,470,805)	(651,078)	(220,239)	(5,059,835)
NONOPERATING REVENUES (EXPENSES)													
Investment Income	13,504	2,147	408	66,595	-	5,008	14,262	-	-	25,210	111	365	714,665
Interest Expense	(118,561)	(48,763)	(11,361)	(218,502)	-	(25,208)	-	-	-	(749)	(301)	-	(1,584,021)
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	(289)	-	-	-	(51,095)
Total Nonoperating Revenues (Expenses)	(105,057)	(46,616)	(10,953)	(151,907)	-	(20,200)	14,262	-	(289)	24,461	(190)	365	(920,451)
CAPITAL CONTRIBUTIONS													
HUD Nonoperating Contributions	-	3,064,734	-	-	-	-	-	-	-	-	-	-	3,790,343
Other Nonoperating Contributions	151,294	1,028,506	-	184,023	-	-	-	-	-	-	-	5,245,516	11,681,007
Total Capital Contributions	151,294	4,093,240	-	184,023	-	-	-	-	-	-	-	5,245,516	15,471,350
INCREASE (DECREASE) IN NET POSITION	9,532	3,864,259	(12,801)	547,832	13,829	78,934	(105,611)	(74,343)	(202,786)	(1,446,344)	(651,268)	5,025,642	9,491,064
Net Position - Beginning of Year	(1,023,077)	2,350,971	(593,547)	3,818,206	-	1,999,323	132,369	400,123	445,986	17,496,234	(58,745)	-	57,665,924
Adjustments to Net Position (as previously reported)	-	-	-	10,188	(23,217)	-	-	(1,271)	-	(87,323)	-	-	(113,169)
NET POSITION - END OF YEAR	$ (1,013,545)	$ 6,215,230	$ (606,348)	$ 4,376,226	$ (9,388)	$ 2,078,257	$ 26,758	$ 324,509	$ 243,200	$ 15,962,567	$ (710,013)	$ 5,025,642	$ 67,043,819

HOME FORWARD
COMBINING SCHEDULE OF NET POSITION – SPECIAL NEEDS HOUSING
DECEMBER 31, 2025

	Carriage Hill	Project Open Door	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 15,402	$ 25,481	$ 40,883
Cash and Cash Equivalents - Restricted	17,732	88,181	105,913
Accounts Receivable Net	-	6,189	6,189
Total Current Assets	33,134	119,851	152,985
NONCURRENT ASSETS			
Capital Assets not being Depreciated	75,424	71,104	146,528
Capital Assets being Depreciated, Net	165,732	228,962	394,694
Total Noncurrent Assets	241,156	300,066	541,222
Total Assets	$ 274,290	$ 419,917	$ 694,207
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	$ 35,492	$ 244,999	$ 280,491
Accrued Interest Payable	-	29	29
Other Accrued Liabilities	392	990	1,382
Unearned Revenue	4,825	7,917	12,742
Deposits, Payable from Restricted Assets	175	882	1,057
Current Portion of Notes and Bond Payable	-	17,906	17,906
Total Current Liabilities	40,884	272,723	313,607
NONCURRENT LIABILITIES			
Notes Payable	175,885	16,572	192,457
Total Liabilities	216,769	289,295	506,064
NET POSITION	57,521	130,622	188,143
Total Liabilities and Net Position	$ 274,290	$ 419,917	$ 694,207

HOME FORWARD
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – SPECIAL NEEDS HOUSING
YEAR ENDED DECEMBER 31, 2025

	Carriage Hill	Project Open Door	Total
OPERATING REVENUES			
Dwelling Rental	$ 36,780	$ 80,992	$ 117,772
Total Operating Revenues	36,780	80,992	117,772
OPERATING EXPENSES			
Administration	143	122	265
Program Expense	5,096	12,296	17,392
Utilities	7,626	26,545	34,171
Maintenance	2,944	111,922	114,866
Depreciation	10,965	21,857	32,822
General and Other	4,890	8,457	13,347
Total Operating Expenses	31,664	181,199	212,863
OPERATING LOSS	5,116	(100,207)	(95,091)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	956	1,839	2,795
Interest Expense	-	(426)	(426)
Total Nonoperating Revenues (Expenses)	956	1,413	2,369
DECREASE IN NET POSITION	6,072	(98,794)	(92,722)
Net Position - Beginning of Year	51,449	229,416	280,865
NET POSITION - END OF YEAR	$ 57,521	$ 130,622	$ 188,143

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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, 2025, 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 26, 2026. 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 that 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.

Mandy L. Merchant

CliftonLarsonAllen LLP

Portland, Oregon
June 26, 2026

INDEPENDENT
NETWORK MEMBER