San Antonio Housing Trust
Public Facility Corporation

Financial Statements

September 30, 2020

GREGORY & CRUTCHFIELD, LLC
CERTIFIED PUBLIC ACCOUNTANTS

San Antonio Housing Trust Public Facility Corporation

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GREGORY & CRUTCHFIELD, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

The Board of Directors
San Antonio Housing Trust Public Facility Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of San Antonio Housing Trust Public Facility Corporation ("SAHTPFC") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAHTPFC as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Also, the accompanying schedule on C*omparison of Actual to Budgeted Expenses – City of San Antonio CDBG Cost Reimbursement Program Agreement* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, We have also issued our report dated September 21, 2021 on our consideration of SAHTPFC'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 SAHTPFC'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 SAHTPFC's internal control over financial reporting and compliance.

Gregory & Crutchfield, LLC

San Antonio, Texas
September 21, 2021

San Antonio Housing Trust Public Facility Corporation
Statement of Financial Position
September 30, 2020

Assets	
Current assets	
Cash	$ 1,497,725
Total current assets	1,497,725
Property and equipment	
Land	73,436,809
Total property and equipment	73,436,809
Other Assets	
Due from SAHTF	358,761
Due from COSA	507,087
Due from Red Berry TIRZ	110,787
Total other assets	976,635
Total assets	75,911,169
Liabilities and net assets	
Current liabilities	
Accounts payable	358,622
Prepaid deposit	24,964
Prepaid rent - Current Portion	951,026
Due to SAHTFC	3,000
Total current liabilities	1,337,612
Long-term liabilities	
Prepaid rent - Long Term Portion	70,039,541
Total long-term liabilities	70,039,541
Total liabilities	71,377,153
Net assets	
Without donor restrictions	4,534,016
Total net assets	4,534,016
Total liabilities and net assets	$ 75,911,169

The accompanying notes are an integral part of these financial statements

San Antonio Housing Trust Public Facility Corporation
Statements of Activities and Changes in Net Assets
For the Year Ended September 30, 2020

Change in net assets without donor restrictions:	
Support and revenue	
Administrative fee income	$ 62,500
Application fee income	42,000
CDBG grant	797,684
Developer fee income	1,775,143
Land closing fee	350,000
Incentive management fee	69,135
Interest income	17,567
Distribution per cash flow	1,522,283
Rental income	843,049
Total support and revenue without donor restrictions	5,479,361
Expenses	
Administrative fees	959,657
Professional fees	2,275
COSA revenue share	250,664
Grant - Under 1 Roof	2,000,000
Grant - Risk Mitigation	2,500,000
CDBG project expenses	797,684
Rent	102,375
Total expenses without donor restrictions	6,612,655
Decrease in net assets without donor restrictions	(1,133,294)
Net assets, beginning of year	5,053,249
Net assets, prior year adjustment	614,061
Net assets, end of year	$ 4,534,016

The accompanying notes are an integral part of these financial statements

San Antonio Housing Trust Public Facility Corporation
Statement of Cash Flows
For the Year Ended September 30, 2020

Cash flow from operating activities:	
Change in net assets	$ (519,233)
Adjustments to reconcile deficit of revenue under expenses to net cash provided by operating activities:	
(Increase) / decrease in :	
Due from SAHTFC	680,000
Due from SAHTF	(358,761)
Due from COSA	(507,087)
Due from Red Berry TIRZ	87,869
Increase / (decrease) in :	
Accounts payable	(119,452)
Prepaid deposit	(186,208)
Prepaid rent	29,844,723
Due to SAHTFC	3,000
Net cash provided by operating activities	28,924,851
Cash flow used in investing activities:	
Purchase of land	(31,199,458)
Cash flow from financing activities:	-
Net decrease in cash	(2,274,607)
Cash and cash equivalents, beginning of year	3,772,332
Cash and cash equivalents, end of year	$ 1,497,725
Supplemental disclosure:	
Interest paid	-
Taxes paid	-

The accompanying notes are an integral part of these financial statements

San Antonio Housing Trust Public Facility Corporation
Statement of Functional Expenses
For the Year Ended September 30, 2020

	Program	Management and General	Fundraising	Total
Administrative fees	959,657	-	-	$ 959,657
Professional fees	-	2,275	-	2,275
COSA revenue share	250,664	-	-	250,664
Grant - Under 1 Roof	2,000,000	-	-	2,000,000
Grant - Risk Mitigation	2,500,000	-	-	2,500,000
CDBG project expenses	797,684	-	-	797,684
Rent	102,375	-	-	102,375
Totals	6,610,380	2,275	-	$ 6,612,655

The accompanying notes are an integral part of these financial statements

San Antonio Housing Trust Public Facility Corporation
Notes to Financial Statements
For the Year Ended September 30, 2020

Note 1 – The Organization

San Antonio Housing Trust Public Facility Corporation ("SAHTPFC") is a Texas nonprofit public facility corporation and component unit of the City of San Antonio, incorporated on December 28, 2009 under the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended ("the Act"). The organization's primary purpose is to provide for financing, acquisition, and construction of public facilities.

SAHTPFC is managed by a five member Board of Directors that serve without compensation. The Board members are residents of the City of San Antonio and appointed by written ordinance of the City Council of the City of San Antonio. The internal affairs of the Organization are governed by the Organization's bylaws, which are approved by the governing body of the City of San Antonio. Upon dissolution of the Organization, any interest in any funds or property of any kind, real, personal, or mixed, such funds or property or rights thereto shall be transferred and delivered to the City of San Antonio after satisfaction or provision for satisfaction of debts and claims have been made.

During 2016 through 2020, SAHTPFC formed SAHT Longhorn Quarry LP, LLC, SAHT Majestic Living GP, LLC, SAHT Foster Road LP, LLC, SAHT Pedcor GP, LLC, SAHT Marquee Village GP, LLC, SAHT West End On Frio, LLC, SAHT San Pedro GP, LLC, SAHT Port SA GP, LLC, SAHT Northview GP, LLC, SAHT Friedrich LP, LLC, SAHT Echo East Manager, LLC, SAHT City Base GP, LLC, SAHT Canyon Pass GP, LLC and SAHT Hamilton Wolfe Lofts GP, LLC, all Texas limited liability companies, to be used in possible real estate development partnerships to be determined. SAHTPFC is the sole member and owner of these LLC entities.

During 2011, SAHTPFC formed Masters Living GP, LLC, a Texas limited liability company, to serve as the General Partner of Masters SA Apartments, LP a Texas limited partnership formed to develop and operate a 252 unit mixed income housing development project in San Antonio.

During 2015, SAHTPFC formed Palo Alto Apartments GP, LLC, a Texas limited liability company, to serve as the General Partner of Palo Alto Apartments Ltd, a Texas limited partnership formed to develop and operate a 322 unit affordable multi-family complex in San Antonio.

During 2015, SAHTPFC formed Ellison Hills Living GP, LLC, a Texas limited liability company, to serve as the General Partner of Freedom SA Apartments, LP, a Texas limited partnership formed to develop and operate a 252 unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Lookout LP, LLC, a Texas limited liability company, to be involved in the real estate development project with SA Creekside at Lookout MF, LP, a Texas limited partnership formed to develop and operate a 293 unit affordable multi-family complex in San Antonio.

During 2016, SAHTPFC formed SAHT Crockett Street LP, LLC, a Texas limited liability company, to be involved in the real estate development project with Crockett Street Lofts, LTD, a Texas limited partnership formed to develop and operate a 271 unit affordable multi-family complex and 503 parking spaces in San Antonio.

Note 1 – The Organization – *continued*

During 2016, SAHTPFC formed SAHT 222 Mitchell GP, LLC, a Texas limited liability company, to serve as the General Partner of 222 Mitchell Redevelopment, LP, a Texas limited partnership formed to develop and operate a 228 unit affordable multi-family complex in San Antonio. SAHTPFC leased the land from the Archbishop of San Antonio for 75 years and then subleased the land for 75 years to 222 Mitchell Redevelopment, LP.

During 2016, SAHTPFC formed SAHT Lord Road GP, LLC, a Texas limited liability company, to serve as the General Partner of Lord Road Apartments Ltd, a Texas limited partnership formed to develop and operate a 324 unit affordable multi-family complex in San Antonio.

During 2017, SAHTPFC formed SAHT Brookwood GP, LLC, a Texas limited liability company, to serve as the General Partner of Westover Senior P3, LP a Texas limited partnership formed to develop and operate a 197 unit affordable multi-family complex in San Antonio.

During 2017, SAHTPFC formed SAHT Copper Pointe LP, LLC, a Texas limited liability company, to be involved in the real estate development project with LDG Copper Pointe, LP, a Delaware limited partnership formed to develop and operate a 252 unit affordable multi-family complex in San Antonio.

During 2018, SAHTPFC formed SAHT Leon Creek GP, LLC, a Texas limited liability company, to serve as the General Partner of PEDCOR Investments-2016-CLVI, LP a Texas limited partnership formed to develop and operate a 296 unit affordable multi-family complex in San Antonio.

During 2018, SAHTPFC formed SAHT Red Berry LP, LLC, a Texas limited liability company, to serve as the General Partner of Red Berry GL, LP a Texas limited partnership formed to develop and operate a 330 unit mixed income housing development project in San Antonio.

During 2018, SAHTPFC formed SAHT Broadway Jones LP, LLC, a Texas limited liability company, to be involved in the real estate development project with Broadway Jones Apartments, LP, a Delaware limited partnership formed to develop and operate a 283 unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Alsbury GP, LLC, a Texas limited liability company, to serve as the General Partner of VDC SA-Alsbury, LP a Texas limited partnership formed to develop and operate a 240 unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Culebra Creek GP, LLC, a Texas limited liability company, to serve as the General Partner of PEDCOR Investments-2018-CLXIX, LP a Texas limited partnership formed to develop and operate a 312 unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Pan American GP, LLC, a Texas limited liability company, to serve as the General Partner of Steele Pan American, LP a Texas limited partnership formed to develop and operate a 100 unit affordable multi-family complex in San Antonio.

Note 1 – The Organization – *continued*

During 2019, SAHTPFC formed SAHT West Cevallos LP, LLC, a Texas limited liability company, to be involved in the real estate development project with West Cevallos GL, LP, a Delaware limited partnership formed to develop and operate a 323 unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Mesa West GP, LLC, a Texas limited liability company, to serve as the General Partner of PEDCOR Investments-2018-CLXX, LP a Texas limited partnership formed to develop and operate a 280 unit affordable multi-family complex in San Antonio.

During 2020, SAHTPFC formed Luna Flats GP, LLC, a Texas limited liability company, to serve as the General Partner of Luna Flats Ltd, a Texas limited partnership formed to develop and operate a 69 unit affordable multi-family complex in San Antonio.

During 2020, SAHTPFC formed SAHT Parkdale GP, LLC, a Texas limited liability company, to serve as the General Partner of ARDC Parkdale Ltd, a Texas limited partnership formed to develop and operate a 196 unit affordable multi-family complex in San Antonio.

During 2020, SAHTPFC formed SAHT South Flores LP, LLC, a Texas limited liability company, to be involved in the real estate development project with SF Cevallos MF, LP, a Texas limited partnership formed to develop and operate a 292 unit affordable multi-family complex in San Antonio.

SAHTPFC is the sole member and owner of each of these aforementioned LLC's. SAHTPFC has made no capital contributions to these limited partnerships and they are all in the predevelopment stages and there are no financial amounts to consolidate in the financial statements of SAHTPFC as of September 30, 2020.

Note 2 – Summary of Significant Accounting Policies

Accounting Basis – The financial statements are presented on the accrual basis of accounting.

Tax Exempt Status – SAHTPFC is exempt from federal income taxes under Section 115(a) of the Internal Revenue Code. Management is not aware of any tax positions that would have a significant impact on its financial position.

Cash and Cash Equivalents – SAHTPFC considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents as of September 30, 2020.

Financial Statement Presentation – SAHTPFC has prepared the accompanying financial statements in accordance with FASB Accounting Standards Codification 958-205, Not-for-Profit Entities. Under FASB ASU 958-205, the Organization is required to report assets and liabilities in reasonably homogeneous groups and sequence or classify them in ways that provide relevant information about interrelationships, liquidity, and financial flexibility. Classify and report net assets in two groups, net assets with donor restrictions and net assets without donor restrictions. Classify and report revenue, expenses, gains, and losses as increases or decreases in net assets with donor restrictions or net assets without donor restrictions.

Note 2 – Summary of Significant Accounting Policies - *continued*

Estimates – The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual amounts could differ from these estimates.

Revenue – SAHTPFC's primary source of revenue are from developer fees associated with the construction of public facilities.

Subsequent Events – Subsequent events have been evaluated by management through the date of the report of the independent auditors. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

New Accounting Pronouncements – In February 2016, the FASB issued ASU No. 2018-01, *Leases (Topic 842)* which was a new accounting pronouncement regarding lease accounting. In 2020, ASU No. 2020-05 was released which deferred the effective date for applying ASC 842 for the Organization until its year beginning January 1, 2022. A lessee will be required to recognize on the balance sheet the assets and liabilities for leases with lease terms of more than 12 months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

Property and Equipment – Property and equipment is currently comprised of land only, which is not depreciated. Purchases of assets are recorded at cost and any donated assets would be recorded at fair market value as of the date of donation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets which range from 5 to 40 years. Expenditures for property and equipment in excess of $500 are capitalized. There were no depreciable assets as of September 30, 2020.

Prepaid Rent Liability– SAHTPFC has purchased land (*see note 4*) in transactions with multiple limited partnerships which are generally involved in real estate development and which usually will develop and build apartment buildings on the land and rent those apartments to low to moderate income families in the San Antonio area to qualify for certain low income housing tax credits. The partnerships sell the land to SAHTPFC and then in return pay to lease the land back from SAHTPFC for long terms ranging from 55 to 99 years. The partnerships will prepay the entire long term ground lease for the same amounts as the land was sold to SAHTPFC. These funds received from the partnerships are recorded as a prepaid rent liability on the balance sheet and the portion to be recovered in one year from the balance sheet date are classified as the current portion of prepaid rent. The prepaid rents received by SAHTPFC are amortized using the straight line method over the term of the lease and the rental income is recognized each year as it is earned under the terms of the leases. See Note 7 which gives more information on these leases.

Cost Reimbursement Contract – In 2018 SAHTPFC entered into a cost reimbursement agreement with the City of San Antonio as a sub-grantee of federal funds from HUD'S Community Development Block Grant Program (CDBG). CDBG funds are to be use by SAHTPFC to implement and manage the Red Berry Estate Redevelopment project. Revenue from this contract is recorded as qualifying expenses as they are incurred.

Note 3 – Cash Balance In Excess of FDIC Insured Limits

SAHTPFC's cash balance in excess of the federally insured limits as of September 30, 2020 is collateralized by pledged securities in accordance with the City of San Antonio's Administrative and Fiscal Contract.

Note 4 – Related Party Transactions

SAHTPFC and the San Antonio Housing Trust Foundation, Inc. ("SAHTF") shared the same Executive Director during the year ended September 30, 2020. SAHTPFC pays SAHTF 25% of developer revenues to administer their programs. SAHTPFC accrued administrative fees in the amount of $358,622 to SAHTF for the year ending September 30, 2020. An amount of $358,761 was held in agency for SAHTPFC by SAHTF as of September 30, 2020.

SAHTPFC and the San Antonio Housing Trust Finance Corporation ("SAHTFC") shared the same Executive Director during the year ended September 30, 2020. SAHTPFC returned an amount of $680,000 due to SAHTFC during the year ended September 30, 2020. SAHTPFC received funds in the amount of $3,000 meant for SAHTFC. The amount is now due to SAHTFC as of September 30, 2020.

Note 5 – Property and Equipment

A summary of the Organization's property and equipment as of September 30, 2020 is as follows:

Land – Woodlawn Ranch	3,400,400
Land – Master Ranch	1,245,000
Land – Palo Alto	880,000
Land – Freedom Hills	1,143,000
Land – Brio at Lookout	2,900,000
Land – Baldwin Crockett St	3,888,826
Land – Red Berry Lake and Trail	149,821
Land – Friedrich Lofts	6,419,558
Land – Upton at Longhorn Quarry	2,193,357
Land – Salado at Red Berry	144,896
Land – Cevallos Lofts	2,462,735
Land – ACME Road	810,000
Land – Oak Valley	925,000
Land – Montabella Pointe	800,000
Land – Lord Road	1,425,000
Land – Copper Pointe	1,870,000
Land – Brookwood	1,350,000

Note 5 – Property and Equipment - *continued*

Land – Trails at Leon Creek	4,025,000
Land – Alsbury Park	2,000,000
Land – Broadway Jones	5,167,664
Land – West Cevallos	11,981,813
Land – Culebra Creek	2,854,375
Land – Mesa West	3,165,364
Land – Part At 38Thirty	30,000
Land – Pan American	500,000
Land – Greenline North	485,000
Land – Luna Flats	3,820,000
Land – South Flores Lofts	7,400,000
Total	73,436,809
Accumulated depreciation	(0)
Net property and equipment	73,436,809

Note 6 – Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of September 30, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of September 30, 2020.

Financial assets at year-end	1,497,725
Less those unavailable for general expenditures within one year, due to:	
Contractual – restricted to payment of current liabilities	361,622
Contractual – restricted to payment of long-term debt	--
Financial assets available to meet cash needs for general expenditures within one year	1,136,103

Note 7 – Ground Leases and Prepaid Rent Liability

As owner of various land assets *(see note 5)* the Organization has entered into ground leases on each property as it is purchased. The property is leased to the tenant for the development, construction, rental and operation of a rental project. The lease amount is for the purchase price of the land and is prepaid in full by the tenant at the time of the ground lease agreement. The length of the lease is from 55 years to 99 years.

Property	Date	Lease Period	Prepaid Lease Amount	Prepaid Balance as of 9/30/20
Woodlawn Ranch	10/12/11	2011 - 2087	3,400,400	2,993,843
Masters Ranch	3/24/15	2015 - 2090	1,245,000	1,153,700
Palo Alto	7/3/15	2015 - 2090	880,000	818,400
Freedom Hills	6/1/16	2016 - 2091	1,143,000	1,076,960
Brio at Lookout	9/25/19	2019 - 2095	2,900,000	2,861,334
Baldwin Crockett St	5/9/16	2016 - 2091	3,888,826	3,661,978
Friedrich Lofts	8/7/20	2020 - 2095	6,419,558	6,405,292
Upton at Longhorn Quarry	2/26/16	2016 - 2091	2,193,357	2,052,006
Salado at Red Berry	10/22/18	2018 - 2094	144,896	141,193
Cevallos Lofts	4/6/10	2010 – 2065	2,462,735	1,993,251
ACME Road	11/1/16	2016 – 2116	810,000	777,955
Oak Valley	6/1/17	2017 – 2116	925,000	893,855
Montabella Pointe	8/31/17	2017 - 2092	800,000	767,111
Lord Road	8/24/18	2018 – 2093	1,425,000	1,385,021
Copper Pointe	7/17/18	2018 – 2093	1,870,000	1,814,939
Brookwood	5/25/18	2018 – 2093	1,350,000	1,307,655
Trails at Leon Creek	8/1/18	2018 – 2117	4,025,000	3,936,911
Alsbury Park	7/1/19	2019 – 2094	2,000,000	1,966,667
Broadway Jones	12/27/18	2019 – 2094	5,167,664	5,047,085
West Cevallos	6/14/19	2019 – 2094	11,981,813	11,775,460
Culebra Creek	7/1/19	2019 – 2118	2,854,375	2,818,335
Mesa West	9/1/19	2019 – 2118	3,165,364	3,130,726
Part At 38Thirty	6/1/20	2020 - 2095	30,000	29,867
Pan American	6/17/20	2020 – 2095	500,000	498,056
Greenline North	8/1/20	2020 – 2095	485,000	483,923
Luna Flats	6/29/20	2020 – 2095	3,820,000	3,807,266
South Flores	9/3/20	2020 - 2095	7,400,000	7,391,778
Total			73,286,988	70,990,567
Current Portion				951,026
Long term Portion				70,039,541

Note 8 – Litigation

The Organization's management is not aware of any pending or threatened claim against it.

Note 9 – Prior period adjustment

A prior period adjustment was made to record $149,821 in land and a decrease of $464,240 in prepaid rent, resulting in a net asset increase of $614,061.

Note 10 – Subsequent Events

The Company's ongoing finances may experience instability and the estimate included in the financial statements may change due to current political and economic conditions as a result of public health concerns related to the novel coronavirus, or COVID-19 pandemic. The duration and intensity of these impacts and resulting disruption to which these events effect the Company's activity will depend on the future developments, which are highly uncertain and cannot be predicted at this time.

GREGORY & CRUTCHFIELD, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
San Antonio Housing Trust Public Facility Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of San Antonio Housing Trust Public Facility Corporation ("SAHTPFC") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SAHTPFC'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SAHTPFC's internal control. Accordingly, we do not express an opinion on the effectiveness of SAHTPFC's internal control.

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether SAHTPFC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Gregory & Crutchfield, LLC

San Antonio, Texas
September 21, 2021

GREGORY & CRUTCHFIELD, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
San Antonio Housing Trust Public Facility Corporation

Report on Compliance for Each Major Federal Program

We have audited San Antonio Housing Trust Public Facility Corporation's ("SAHTPFC") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SAHTPFC's major federal programs for the year ended September 30, 2020. SAHTPFC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of SAHTPFC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SAHTPFC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of SAHTPFC's compliance.

Opinion on Each Major Federal Program

In our opinion, SAHTPFC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

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Report on Internal Control Over Compliance

Management of SAHTPFC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SAHTPFC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SAHTPFC's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Gregory & Crutchfield, LLC

San Antonio, Texas
September 21, 2021

San Antonio Housing Trust Public Facility Corporation
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

Major Program:

U.S. Department of Housing and Urban Development ("HUD")
City of San Antonio
CFDA #14.218 - Community Development Block Grant
Grant No. 28-0420230
Grant Period: August 3, 2018 - July 30, 2021

Total expenditures: program and administrative expenses	797,684
Total expenditures under major programs:	797,684

Total Expenditures of Federal Awards For the Year Ended September 30, 2020	797,684

See accompanying notes to schedule of expenditures of federal awards.

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION (SAHTPFC) NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of SAHTPFC under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SAHTPFC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of SAHTPFC.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Subrecipients

SAHTPFC provided no federal awards to subrecipients during the year ended September 30, 2020.

San Antonio Housing Trust Public Facility Corporation
Schedule of Findings and Questioned Costs
September 30, 2020

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified that are not considered to be material weaknesses?	No
Did the audit disclose any noncompliance that is material to financial statements of San Antonio Housing Trust Public Facility Corporation?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be Reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	No

Major programs:

CFDA #	Name of Federal Program
14.218	U.S. Department of Housing and Urban Development

Continued next page

San Antonio Housing Trust Public Facility Corporation
Schedule of Findings and Questioned Costs (continued)
September 30, 2020

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Summary of Auditor's Results (continued)

Did auditee qualified as a low-risk auditee?	No
Questioned Costs for Major Programs:	None

Financial Statement Findings

No matters were reported

Federal Award Findings and Questioned Costs

No matters were reported

San Antonio Housing Trust Public Facility Corporation
Summary Schedule of Prior Audit Findings
September 30, 2020

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

Supplementary Information

San Antonio Housing Trust Public Facility Corporation
Comparison of Actual to Budgeted Expenses
City of San Antonio CDBG Cost Reimbursement Program Agreement
For the Year Ended September 30, 2020

	Actual	Budget	Budget Variance (Under) / Over
General Conditions	4,627	-	4,627
Water Supply and Maintenance	103,473	58,900	44,573
Lake Subsurface and Embankment	58,807	180,000	(121,193)
Drainage Spillover	28,145	113,537	(85,392)
Trailhead - Site Work	12,340	86,000	(73,660)
Trail - Site Work	116,212	160,000	(43,788)
Trail - Concrete	235,027	310,718	(75,691)
Trail - Asphalt	17,929	133,200	(115,271)
Trail - Landscaping & Irrigation	144,769	60,000	84,769
Ancillary	5,355	37,667	(32,312)
Soft Costs	71,000	-	71,000
Total	797,684	1,140,022	(342,338)

See independent auditor's report (other matters)