LEAL & CARTER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Communication with Those Charged with Governance at the Conclusion of the Audit

March 3, 2023

To the Board of Directors
San Antonio Housing Trust Foundation, Inc.
San Antonio, Texas

We have audited the financial statements of the business-type activities of the San Antonio Housing Trust Foundation, Inc. (SAHTF), a component unit of the City of San Antonio, Texas for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 7, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SAHTF are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during FY 2021. We noted no transactions entered into by SAHTF during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting SAHTF's financial statements was:

- Allowance for Uncollectible Accounts - Management's estimate of the allowance for uncollectible accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified receivables, which are primarily the mortgages due under the down payment assistance program as of September 30, 2021. As these mortgages are not expected to be repaid, the entire balance of $134,434 as of September 30, 2021 is included in the total allowance for doubtful accounts.
- Depreciation Expense - Management's estimate of depreciation expense is based on estimated useful lives of assets using the straight-line method of depreciation.

We evaluated the key factors and assumptions used to develop the allowance for uncollectible accounts and depreciation expense estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Please see the attached schedule of adjustments for material misstatements detected as a result of audit procedures and other adjustments that were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 3, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to SAHTF's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Issues

- We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the SAHTF's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
- We issued a Management Letter dated March 3, 2023, to the SAHTF that contained certain matters that are opportunities for strengthening internal controls and operating efficiencies.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and we do not express an opinion or provide any assurance of the RSI.

Restriction on Use

This information is intended solely for the information and use of the SAHTF Board and Management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Seal & Carter, P.C.

To: Leal & Carter, P. C.

Re: FY 2021 Adjusing and Reclassification entries

We approve and agree to post the proposed adjusting and reclassification entries in the following schedule to our trial balances for our financial statements for the year ended September 30, 2021.

By: Susan F. Snowden Digitally signed by Susan F. Snowden Date: 2023.02.08 09:29:05 -06'00' (signature)

San Antonio Housing Trust Foundation (SAHTF)

Name: Susan F. Snowden

Title: Director of Finance (CFO, Dark Horse CPAs)

Date: February 8, 2023

SAHTF

Adjusting and Reclassification Entries Schedule

September 30, 2021

	Account Description	Dr.	Cr.
	AA#1		
1105FD	Land Improvements	15,016.48	
1500EQ	Equipment	6,664.60	
6350GF	Maintenance and repair		(15,016.48)
7000GF	Equipment Purchase		(6,664.60)
	('To reclassify capital asset additions in FY 2021)		
	AA#2		
6130EQ	Depreciation	5,479.09	
1599EQ	Accumulated depreciation		(5,479.09)
	('To record current year depreciation based on depreciation schedule.)		
	AA#3		
4029RM	Grant - Risk Mitigation	500,000.00	
	Agency Funds for FC		(500,000.00)
	Agency Funds for FC	500,000.00	
5026PD	Grant expense - Risk Mitigation		(500,000.00)
	(To correct posting of funds received from SAHTFC and disbursed to the COSA for Risk Mitigation in Agency Funds for FC account.)		
	AA#4		
5022DB	Disbursements to SAHT	331,280.51	
2404DB	Due to SAHT		(331,280.51)
	(To record payment payment due to SAHT based on calculation.)		
	AA#5		
6570GF	Fees to professionals	10,000.00	
2000GF, DB	Accounts payable		(10,000.00)
	(To record accounts payable for services received by SAHTF prior to 9/30/2021.)		
	AA#6		
5090DB	Net loss from Partnership	21,316.00	
1800FD	Equity investment - Exchange 1992		(21,316.00)
	(To record loss related to Equity Investment in partnership based on 2020 tax return.)		

SAHTF

Adjusting and Reclassification Entries Schedule

September 30, 2021

	Account Description	Dr.	Cr.
	AA#7		
1097DB	Due from Finance Corp - from DB to GF	21,131.54	
1203GF	Due from PFC	22,546.11	
4010GF	SAHT Finance Corp Admin Fees		(21,131.54)
4012GF	SAHT PFC Admin Fees		(22,546.11)
	(To record amounts due from Finance Corporation and Public Facility Corporation for Admin Fees earned by the Foundation that were not paid as of 9/30/2021.)		
	AA#8		
6690GF	Salaries (combined)	11,891.07	
	Accrued Wages		(11,891.07)
	(To record accrued wages at 9/30/2021 based on payroll register for payroll paid on 10/8/2021.)		
	AA#9		
1216GF	Interest receivable		106,739.74
	Interest receivable - San Alfonso/Vera Cruz	108,247.33	
	Interest receivable - Exchange Group	19,673.37	
	Interest receivable - La Risa VDC Babcock LP	2,855.66	
	Interest receivable - Cypress cove	1,858.86	
	Interest receivable - Calcaseiu	4,268.80	
	Interest receivable - Mortgage Notes	1,892.96	
4510DB	Misc. Income		11,212.21
4502DB	Interest Income - Loans		20,845.03
	(To reclassfiy interest receivable to related notes and also accrue additional income as of 9/30/2021, in order to reconcile to client-provided amortization schedules.)		
	AA#10		
	Allowance for Uncollectible Accounts expense	134,434.40	
	Allowance for doubtful accounts - down payments assistance loan program		(134,434.40)
	(To record an allowance for down payment assistance loans at 9/30/2021, which are not expected to be repaid, based on the nature of the loan agreements.)		
	AA#11		
5032CP	Grant Expenses for COSA	729,436.00	
2424CP	Prepaid Deposit - HIP120	30,886.00	
4017GF	Grants from COSA		(760,322.00)
	(To record revenue and expenses for FY2021 which were funded by the City of San Antonio for the Homeownership Incentive Program through SAHTF contract with the City .)		