LEAL & CARTER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Frank J. Leal, CPA
Roberto Carter, CPA

16011 University Oak
San Antonio, Texas 78249
Telephone: (210) 696-6206
Fax: (210) 492-6209

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

March 3, 2023

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

We have audited the financial statements of the business-type activities of the San Antonio Housing Trust Public Facility Corporation (SAHTPFC), 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 and *Government 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 SAHTPFC 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 SAHTPFC 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.

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 SAHPFC'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 SAHTPFC'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 SAHTPFC 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.

We were engaged to report on the Comparison of Actual to Budgeted Expenses – City of San Antonio CDBG Cost Reimbursement Program which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparation it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We have separately issued a report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*. This communication is included in SAHTPFC's audit report for the year ended September 30, 2021.

Restriction on Use

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

Very truly yours,

Leal & Carter, P.C.

To: Leal & Carter, P. C.

Re: FY 2021 Adjusting 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 09:26:37 -06'00' (signature)

San Antonio Housing Trust Public Facility Corp. (SAHTPFC)

Name: Susan F. Snowden

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

Date: February 8, 2023

SAHTPFC

Adjusting and Reclassification Entries Schedule

September 30, 2021

	Account Description	Dr.	Cr.
(1)	Rental expense - St. Johns	117,000.00	
	Rental income - St. Johns		117,000.00
	(To record St. John rental activity.)		
(2)	CDBG Grant expense	249,686.00	
	CDBG Grant revenue		249,686.00
	(To record CDBG revenue and expenses for Fy 2021 based on draws and to reconcile to City confirmation)		
(3)	Prepaid rent-Woodlawn Ranch L-T	45,338.67	
	Prepaid rent-Cevallos Lofts L-T	44,777.00	
	Prepaid rent-ACME L-T	8,181.81	
	Prepaid rent-Oak Valley L-T	9,343.43	
	Prepaid rent-Montabella L-T	10,666.67	
	Prepaid rent-Copper Pointe L-T	24,933.33	
	Prepaid rent-Brookwood Apts L-T	18,000.00	
	Prepaid rent-Trails at Leon Creek L-T	40,656.57	
	Prepaid rent-Lord Road Apts L-T	19,000.00	
	Prepaid rent-Alsbury Park Apts	26,666.67	
	Prepaid rent-Broadway Jones Apts	68,902.19	
	Prepaid rent-West Cevallos Apts	159,757.50	
	Prepaid rent-Culebra Creek Apts	28,832.07	
	Prepaid rent-Mesa West	31,973.37	
	Prepaid rent - Park At 38Thirty	400.00	
	Prepaid rent - Pan American Apts	6,666.67	
	Prepaid rent - Greenline North Apts	6,466.67	
	Prepaid rent - Luna Flats Apts	50,933.33	
	Prepaid rent - South Flores Lofts	98,666.67	
	Prepaid rent - Friedrich Lofts	85,594.11	

SAHTPFC

Adjusting and Reclassification Entries Schedule

September 30, 2021

Account Description	Dr.	Cr.
Prepaid rent - Baldwin Crocket St	51,851.01	
Prepaid rent - Brio at Lookout	38,666.67	
Prepaid rent - Freedom Hills	15,240.00	
Prepaid rent - Palo Alto	11,733.33	
Prepaid rent - Master Ranch	16,600.00	
Prepaid rent - Upton at Longhorn Quarry	29,244.76	
Prepaid rent - Salado at Red Berry	1,931.95	
Rental income - Cevallos Lofts		44,777.00
Rental income - Woodlawn Ranch		45,338.67
Rental income - ACME		8,181.81
Rental income - Oak Valley		9,343.43
Rental income - Montabella Pointe		10,666.67
Rental income - Copper Pointe		24,933.33
Rental income - Brookwood Apts		18,000.00
Rental income - Trails at Leon Creek		40,656.57
Rental income - Lord Road Apts		19,000.00
Rental income - Alsbury Park Apts		26,666.67
Rental income - Broadway Jones Apts		68,902.19
Rental income - West Cevallos Apts		159,757.50
Rental income - Culebra Creek Apts		28,832.07
Rental income - Mesa West		31,973.37
Rental income - Park At 38Thirty		400.00
Rental income - Pan American Apts		6,666.67
Rental income - Greenline North Apts		6,466.67
Rental income - Luna Flats Apts		50,933.33
Rental income - South Flores Lofts		98,666.67
Rental income - Friedrich Lofts		85,594.11
Rental income - Baldwin Crocket St		51,851.01
Rental income - Brio at Lookout		38,666.67
Rental income - Freedom Hills		15,240.00
Rental income - Palo Alto		11,733.33
Rental income - Master Ranch		16,600.00
Rental income - Upton at Longhorn Quarry		29,244.76
Rental income - Salado at Red Berry		1,931.95

(To record realized income on leases ongoing from prior year.)

	SAHTPFC		
	Adjusting and Reclassification Entries Schedule		
	September 30, 2021		
	Account Description	Dr.	Cr.
(4)	Land - Canyon Pass Apartments	3,267,000.00	
	Land - Hamilton Wolfe Loft Apartments	3,600,000.00	
	Land - Northview Apartments	2,900,000.00	
	Land - Villas at Echo East	278,000.00	
	Land- West End on Frio Apartments	233,000.00	
	Prepaid rent - Canyon Pass Apartments		3,267,000.00
	Prepaid rent - Hamilton Wolfe Loft Apartments		3,600,000.00
	Prepaid rent - Northview Apartments		2,900,000.00
	Prepaid rent - Villas at Echo East		278,000.00
	Prepaid rent - West End on Frio Apartments		233,000.00
	('To record beginning prepaid rent for new leases in FY 2021.)		
(5)	Prepaid rent - Canyon Pass Apartments	26,125.00	
	Prepaid rent - Hamilton Wolfe Loft Apartments	18,000.00	
	Prepaid rent - Northview Apartments	29,292.93	
	Prepaid rent - Villas at Echo East	1,698.89	
	Prepaid rent - West End on Frio Apartments	2,718.33	
	Rental income - Canyon Pass Apartments		26,125.00
	Rental income - Hamilton Wolfe Loft Apartments		18,000.00
	Rental income - Northview Apartments		29,292.93
	Rental income - Villas at Echo East		1,698.89
	Rental income - West End on Frio Apartments		2,718.33
	(To record realized income on new properties in FY 2021.)		
(6)	Prepaid rent - Canyon Pass Apartments	33,000.00	
	Prepaid rent - Hamilton Wolfe Loft Apartments	48,000.00	
	Prepaid rent - Northview Apartments	29,292.93	
	Prepaid rent - Villas at Echo East	3,706.67	
	Prepaid rent - West End on Frio Apartments	3,106.67	
	Prepaid rent - Canyon Pass Apartments - Current		33,000.00
	Prepaid rent Hamilton Wolfe Lofts Apartments - Current		48,000.00
	Prepaid rent - Northview Apartments - Current		29,292.93
	Prepaid rent - Villas at Echo East - Current		3,706.67
			3,106.67
	(To reclass current portion of liability on new leases in FY 2021.)		
(7)	Net assets prior year adjustment	70,702.39	
	Due from COSA for CDBG Funds		70,702.39
	('To record prior year adjustment not posted to the trial balance.)		

	SAHTPFC				
	Adjusting and Reclassification Entries Schedule				
	September 30, 2021				
		Account Description	Dr.		Cr.
(8)	Asset management fee		2,083.33		
	Administrative fee income				2,083.33
	(To reclassify administrative fee income earned.)				
(9)	Administrative Fees		22,546.00		
	Due to San Antonio Housing Tr.				22,546.00
	(To record due to SAHTF for administrative fee earned but not paid at year-end.)				
(10)	Revenue Sharing due to COSA		124,068.90		
	Due to COSA				124,068.90
	(To record amounts due to the COSA related to Greeline Revenue Sharing Agreeement not paid at year-end.)				