SAN ANTONIO HOUSING TRUST FOUNDATION, INC.
(A Component Unit of the City of San Antonio, Texas)

SAN ANTONIO, TEXAS

FINANCIAL STATEMENTS
(With Independent Auditors' Report Thereon)

SEPTEMBER 30, 2022

SAN ANTONIO HOUSING TRUST FOUNDATION, INC.
(A Component Unit of the City of San Antonio, Texas)

Table of Contents

Page

Independent Auditors' Report..... 1-2

Management's Discussion and Analysis..... 3-7

Statement of Net Position 8

Statement of Revenues and Expenses and Changes in Net Position..... 9

Statement of Cash Flows..... 10-11

Notes to the Financial Statements..... 12-20

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying 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, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise SAHTF's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, of the SAHTF, as of September 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SAHTF, 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.

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 the SAHTF'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.

Auditor's 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 auditor's 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 generally accepted 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 generally accepted 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 the SAHTF'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 the SAHTF'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 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 auditing standards generally accepted in the United States of America, 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.

Leal & Carter, P.C.

San Antonio, Texas
September 11, 2024

MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the **San Antonio Housing Trust Foundation, Inc.'s (SAHTF)** annual financial report presents our discussion and analysis of SAHTF's financial activities for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with SAHTF's basic financial statements that follow this narrative.

Financial Highlights

- *Net Position* – The SAHTF's assets exceeded its liabilities by $6,577,519 (net position) for fiscal year ended September 30, 2022.
- *Changes in Net Position* – The SAHTF's total net position increased in fiscal year 2022 by $467,240.
- *Revenues*
    - Operating revenues for fiscal year 2022 increased by $847,669. This was primarily due to the timing of contributions received from the City of San Antonio for its Affordable Housing Programs.
    - Administrative fees are revenues earned from the San Antonio Housing Trust Public Facility Corporation (SAHTFC) and the San Antonio Housing Trust Finance Corporation (SAHTPFC). These revenues increased by $1,523,052 in fiscal year 2022. Recognition of administrative fee revenue is dependent upon the performance of its partnership entities that develop and operate multi-family housing in San Antonio.
- *Capital Assets* – There was a nominal increase in capital assets in the amount of $353, net of depreciation. Capital assets consist of land, a building (house), and furniture, all utilized as office space for SAHTF operations.
- *Liabilities* – Liabilities decreased by $206,625 during fiscal year 2022 which was primarily due to making the payment to the San Antonio Housing Trust corpus.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the SAHTF's basic financial statements. The basic financial statements consist of 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements.

Although the SAHTF is a nonprofit organization, it has prepared its financial statements in accordance with the governmental accounting and reporting provisions of the GASB, based on its relationship with the City of San Antonio (Note 1).

Financial Analysis

Net Position – The SAHTF's net position increased by $467,240 during fiscal year 2022. A comparison of the entity's net assets follows:

	2021	2022	$ Change
ASSETS			
Current Assets			
Cash and Cash Equivalents - Unrestricted	$ 4,139,530	$ 3,553,961	$ (585,569)
Cash and Cash Equivalents - Restricted	99,576	402,666	303,090
Accounts Receivable	-	539,200	539,200
Due from SAHTFC	21,132	38,017	16,885
Due from SAHTPFC	22,546	1,378,405	1,355,859
Prepaid Expenses	7,013	2,603	(4,410)
Total Current Assets	4,289,797	5,914,852	1,625,055
Non-Current Assets			
Loans Receivable	2,220,155	1,997,502	(222,653)
Mortgage Loans Receivable, Net of Allowance	108,732	31,087	(77,645)
Accrued Interest Receivable	138,797	154,577	15,780
Capital Assets:			
Land	30,000	30,000	-
Buildings and Improvements	177,575	177,575	-
Furniture and Equipment	69,046	76,394	7,348
Accumulated Depreciation	(87,329)	(94,324)	(6,995)
Total Capital Assets, Net of Depreciation	189,292	189,645	353
Equity Investment	336,192	-	(336,192)
Total Non-Current Assets	2,993,168	2,372,811	(620,357)
Total Assets	**$ 7,282,965**	**$ 8,287,663**	**$ 1,004,698**

Financial Analysis *(continued)*

	2021	2022	$ Change
LIABILITIES AND NET POSITION			
Liabilities:			
Current Liabilities			
Accounts Payable	$ 14,984	$ 155,791	$ 140,807
Accrued Expenses	16,717	27,977	11,260
Due to San Antonio Housing Trust	331,281	-	(331,281)
Agency Funds/Due to SAHTPFC	744,083	949,119	205,036
Agency Funds/Due to SAHTFC	744,083	702	(743,381)
Prepaid Deposits	65,621	717	(64,904)
Total Current Liabilities	1,916,769	1,134,306	(782,463)
Non-Current Liabilities			
Agency Funds/Due to SAHTPFC	-	575,838	575,838
Total Non-Current Liabilities	-	575,838	575,838
Total Liabilities	**1,916,769**	**1,710,144**	**(206,625)**
Net Position:			
Invested in Capital Assets, Net of Related Debt	189,292	189,645	353
Restricted	30,886	305,740	274,854
Unrestricted	5,890,101	6,082,134	192,033
Total Net Position	**$ 6,110,279**	**$ 6,577,519**	**$ 467,240**

	2021	2022	$ Change
OPERATING REVENUES			
Administrative Fees	$ 892,898	$ 2,415,950	$ 1,523,052
Contributions from the City of San Antonio - Affordable Housing Programs	1,660,322	983,295	(677,027)
Grants - Risk Mitigation	6,500	2,994	(3,506)
Grants - Post Purchase Counseling	1,946	-	(1,946)
Interest on Loans	52,358	70,669	18,311
Miscellaneous Income	11,215	-	(11,215)
Total Operating Revenues	2,625,239	3,472,908	847,669

Financial Analysis *(continued)*

	2021	2022	$ Change
OPERATING EXPENSES			
Grants to Others - Affordable Housing Programs	1,829,690	1,850,068	20,378
Grants to Others - Risk Mitigation	107,734	128	(107,606)
Disbursement to San Antonio Housing Trust	331,281	244,557	(86,724)
Accounting Services	11,400	91,220	79,820
Advertising	4,275	300	(3,975)
Audit	16,410	24,900	8,490
Auto Expense	6,550	6,231	(319)
Depreciation	5,479	6,995	1,516
Employee Benefits	73,685	87,266	13,581
Meals and Entertainment	429	3,855	3,426
Insurance	68,545	14,908	(53,637)
Membership Dues and Licenses	2,051	4,092	2,041
Occupancy	7,434	9,084	1,650
Office Supplies, Printing, Postage	6,997	7,947	950
Payroll Expenses	366,739	371,777	5,038
Professional Fees	80,623	153,667	73,044
Rental of Equipment and Storage	4,621	4,925	304
Repairs and Maintenance	27,510	28,253	743
Subscriptions	5,203	5,549	346
Telephone	4,585	3,621	(964)
Travel and Training	2,421	13,265	10,844
Other Expenses	100	606	506
Loss on Investment in Partnership	21,316	5,836	(15,480)
Allowance for Uncollectible Accounts Expense	134,434	67,123	(67,311)
Total Operating Expenses	3,119,512	3,006,173	(113,339)
Operating Income (Loss)	(494,273)	466,735	961,008
NONOPERATING REVENUES AND (EXPENSES)			
Interest Income	414	505	91
Interest Expense	(98)	-	98
Net Nonoperating Revenues and (Expenses)	316	505	189
Income (Loss) Before Capital Contributions and Transfers	(493,957)	467,240	961,197
Increase (Decrease) in Net Position	(493,957)	467,240	961,197
Net Position at the Beginning of Year	6,604,236	6,110,279	(493,957)
Net Position at the End of Year	**$ 6,110,279**	**$ 6,577,519**	**$ 467,240**

Economic Factors and Impact

The day-to-day administration of the Housing Trust Funds and its affiliated entities is performed by the SAHTF under contract with the City of San Antonio. Formed in 1991, the SAHTF is a 501(c)(3) non-profit organization. The Foundation's mission is to deliver affordable housing programs that serve disadvantaged populations through awards to charitable non-profits and social enterprises. In fiscal year 2022, funds totaling $1,168,309 were paid to three non-profit organizations, Habitat for Humanity SA, Our Casas Resident Council and The Housing First Community Coalition, in support of their mission to positively impact inequitably disadvantaged populations. In addition, SAHTF facilitated payments to recipients of funding through the City of San Antonio's Down Payment Assistance Programs totaling $677,555.

Contacting SAHTF's Financial Management

This financial report is designed to provide our citizens, taxpayers and partners with a general overview of the SAHTF's finances and to demonstrate our commitment to public accountability for funds received. Any questions or requests for more information should be directed to the San Antonio Housing Trust Foundation at 8200 IH-10 West Suite 501, San Antonio, TX 78230. The SAHTF's Executive Director, Pedro Alanis, may be reached by telephone at (210) 735-2772. Our website is www.sahousingtrust.org.

San Antonio Housing Trust Foundation, Inc.
(A Component Unit of the City of San Antonio, Texas)
Statement of Net Position
September 30, 2022

ASSETS

Current Assets	
Cash and Cash Equivalents - Unrestricted	$ 3,553,961
Cash and Cash Equivalents - Restricted (Note 2)	402,666
Accounts receivable - City of San Antonio	539,200
Due from SAHTFC (Note 8)	38,017
Due from SAHTPFC (Note 8)	1,378,405
Prepaid Expenses	2,603
Total Current Assets	5,914,852
Non-current Assets	
Loans receivable (Note 4)	1,997,502
Mortgages receivable, net of allowance of $148,652 (Note 4)	31,087
Accrued Interest receivable	154,577
Capital Assets:	
Land (Nondepreciable)	30,000
Buildings and improvements	177,575
Furniture and equipment	76,394
Accumulated depreciation	(94,324)
Total capital assets, net of accumulated depreciation	189,645
Total Non-Current Assets	2,372,811
Total Assets	8,287,663

LIABILITIES AND NET POSITION

Liabilities:	
Current Liabilities	
Accounts Payable	155,791
Accrued expenses	27,977
Agency Funds/Due to SAHTPFC (Note 8)	949,119
Agency Funds/Due to SAHTFC	702
Prepaid Deposits	717
Total current liabilities	1,134,306
Non-Current Liabilities	
Due to San Antonio Housing Trust (Note 6)	575,838
Total Non-current liabilities	575,838
Total liabilities	1,710,144
Net Position:	
Net Investment in Capital Assets	189,645
Restricted	305,740
Unrestricted	6,082,134
Total net position	$ 6,577,519

See accompanying notes to financial statements.

San Antonio Housing Trust Foundation, Inc.
(A Component Unit of the City of San Antonio, Texas)
Statement of Revenues, Expenses and
Changes in Net Position
Year Ended September 30, 2022

Operating Revenues:	
Administrative Fees	$ 2,415,950
Contributions from the City of San Antonio - Affordable Housing Programs	983,295
Grants - Risk Mitigation	2,994
Interest Income on Loans	70,669
Total Operating Revenues	3,472,908
Operating Expenses:	
Grants to Others - Affordable Housing Programs	1,850,068
Grants to Others - Risk Mitigation	128
Disbursement to San Antonio Housing Trust	244,557
Advertising	300
Audit	24,900
Auto expense	6,231
Contract bookkeeping	91,220
Depreciation	6,995
Employee Benefits	70,769
Meals and entertainment	3,855
Insurance	60,217
Membership dues and licenses	4,092
Occupancy	9,084
Office supplies, printing, postage	7,947
Payroll expenses	342,965
Professional fees	153,667
Rental of equipment and storage	4,925
Repairs and maintenance	28,253
Subscriptions	5,549
Telephone	3,621
Travel and training	13,265
Other expenses	606
Loss on investment in partnership	5,836
Allowance for uncollectible account expense	67,123
Total Operating Expenses	3,006,173
Operating Income (Loss)	466,735
Nonoperating Revenues and (Expenses):	
Interest income	505
Net Nonoperating Revenues and (Expenses):	505
Income (loss) before capital contributions and transfers	467,240
Increase (Decrease) In Net Position	467,240
Net Position at the Beginning of Year	6,110,279
Net Position at the End of Year	$ 6,577,519

See accompanying notes to financial statements.

San Antonio Housing Trust Foundation
(A Component Unit of the City of San Antonio, Texas)
Statement of Cash Flows
For the Year Ended September 30, 2022

Cash Flows From Operating Activities:	
Administrative Fees Received	$ 1,043,206
Contributions from the City of San Antonio	444,095
Grants - Risk Mitigation	2,994
Interest on Loans	54,889
Payments to suppliers	(1,988,415)
Payments to employees	(402,474)
Principal collections on notes receivable	222,653
Principal collections on mortgages receivable	10,522
Disbursement to San Antonio Housing Trust	702
Net cash provided (used) by operating activities	(611,828)
Cash Flows From Capital and Related Financing Activities:	
Acquisition of Equipment	(7,348)
Net cash provided (used) by capital and related financing activities	(7,348)
Cash Flows From Investing Activities	
Interest income	505
Proceeds from Equity on investment in partnership	336,192
Net cash provided (used) by investing activities	336,697
Net Increase (Decrease) in Cash and Cash Equivalents	(282,479)
Cash and Cash Equivalents at beginning of year	4,239,106
Cash and Cash Equivalents at end of year	$ 3,956,627

See accompanying notes to financial statements.

San Antonio Housing Trust Foundation
(A Component Unit of the City of San Antonio, Texas)
Statement of Cash Flows
For the Year Ended September 30, 2022

Reconciliation of Operating income (loss) to net cash used in operating activities:		
Operating income (loss)	$	466,735
Adjustments to reconcile operating income (loss) to net cash provided		
Depreciation Expense		6,995
Allowance for uncollectible accounts expens		67,123
Changes in operating assets and liabilities -		
Accounts Receivable		(539,200)
Interest receivable		(15,780)
Due from San Antonio Housing Trust Finance Corporatio		(16,885)
Due from San Antonio Housing Trust Public Facility Corporation		(1,355,859)
Prepaid Expenses		4,410
Loans receivable		222,653
Mortgage receivable		10,522
Accounts payable		140,807
Accrued expenses and liabilities		11,260
Due to San Antonio Housing Trust		244,557
Due to San Antonio Housing Trust Public Facility Corporation		205,036
Due to San Antonio Housing Trust Finance Corporatior		702
Prepaid Deposits		(64,904)
Net cash provided (used) by operating activities	$	(611,828)
Cash and Cash Equivalents at end of year consist of the following line items on the Statement of Net Position:		
Cash and Cash Equivalents - Unrestricted	$	3,553,961
Cash and Cash Equivalents - Restricted		402,666
Total Cash and Cash Equivalents	$	3,956,627

See accompanying notes to financial statements.

San Antonio Housing Trust Foundation, Inc
(A Component Unit of the City of San Antonio, Texas)

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Note 1 – Summary of Significant Accounting Policies

Organization

San Antonio Housing Trust Foundation, Inc. ("SAHTF"') is a nonprofit organization and component unit of the City of San Antonio (the City), incorporated under the laws of the State of Texas on January 30, 1990. The organization's primary purpose is to support charitable, educational and scientific undertakings, specifically to provide housing for low and middle-income families. All property, assets, profits and net revenue of the Foundation are dedicated irrevocably to charitable, educational and scientific purposes. Additionally, on November 1, 1990, the City passed an ordinance stating that the SAHTF is responsible for the administrative support of the operations of the City of San Antonio Housing Trust (the Trust), and under a separate City ordinance passed on September 26, 1991, the SAHTF was designated and approved to be the administrative and fiscal agent of the Trust for the disbursement of awards of Trust assistance to sponsors of affordable housing projects and programs.

The Board of Directors of the SAHTF consists of eleven persons duly appointed by the City Council of the City of San Antonio to serve on the City of San Antonio Housing Trust Board of Trustees. Although the SAHTF is a nonprofit organization, it has prepared its financial statements in accordance with the governmental accounting and reporting provisions of the GASB, based upon this relationship with the City of San Antonio. Such relationship requires that SAHTF's separately issued financial statements be based upon GAAP as promulgated by GASB Statements and Pronouncements. Under the provisions of GASB Statement 34, the SAHTF has prepared its financial statements as a special purpose local government involved in business-type (enterprise/proprietary fund) activities. Under the business-type activity reporting model of the GASB, a governing body decides that periodic determination of revenues earned, expenses incurred, and /or net income earned is most appropriate for capital maintenance, public policy, management control and accountability.

Basic Financial Statements

As a special purpose government involved primarily in business-type activities, SAHTF's basic financial statements consist of the following:

- Management's Discussion and Analysis
- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

SAHTF meets the definition of a governmental entity, as set forth in the American Institute of Certified Public Accountants' Audit and Accounting Guide, State and Local Governments. The financial statements of SAHTF are prepared using the accrual basis of accounting with the economic resources measurement focus as prescribed by GASB. As SAHTF operates as a business-type activity, applying applicable GASB pronouncements, under this approach all assets, deferred outflows of resources, liabilities and deferred inflows of resources of are reported on the statement of net position; revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of SAHTF is revenue from administrative fees earned. (See Note 8 for further details.) SAHTF also receives interest on loans, grants and contributions from the City. Operating expenses for enterprise funds include grants; disbursements to the Trust for specified note principal and interest amounts; payroll and related expenses; and other administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates (depreciation, allowance for bad debts) and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management estimates the allowance for bad debt based on its review of the types of loans outstanding and performance of specific loans.

Tax Exempt Status

SAHTF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any tax positions that would have a significant impact on its financial position. SAHTF is subject to routine examinations by taxing authorities; however, there are currently no examinations for any tax periods in progress. Its federal tax returns for the last 3 years remain subject to examination.

Note 1 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, SAHTF considers all cash, demand deposits and highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents

Interest Income

Interest income is recognized as interest is accrued on loans bearing interest.

Receivables & Allowance for Doubtful Accounts

All receivables are reported net of any estimated allowance for uncollectible accounts.

Regarding mortgages receivables, as of September 30, 2022, an allowance for doubtful accounts has been established by management in the amount of $148,652 of which $129,214 is for the total amount of mortgages due under the Down Payment Assistance Loan Program which are not expected to be repaid to SAHTF.

Bad Debt Expense

SAHTF writes off a loan once it has been determined to be uncollectible, which is determined by various factors such as first-lien foreclosure without sufficient funds to pay SAHTF in a second-lien position, bankruptcy or likelihood of bankruptcy, failure to pay and inability to pay, or all other reasonable means of collection have been pursued unsuccessfully.

Capital Assets

Buildings and equipment are recorded at cost for purchased assets and fair market value as of the date of donation for donated assets. Additions, improvements and other purchases that significantly extend the useful life of an asset are capitalized. Depreciation is computed using the straight- line method over the useful lives of the assets as follows: Furniture, Fixtures and Equipment – 3 to 7 years; Building & Building Improvements – 39 years; and Other Improvements – 7 to 15 years

Note 1 – Summary of Significant Accounting Policies (Continued)

Net position

Net position represents the difference between assets less liabilities, and is divided into three components as follows:

- Invested in capital assets, net of related debt – consist of historical cost of capital assets less depreciation and less any remaining debt used to finance those assets.

- Restricted net position – net position restricted by the creditors, by State enabling legislation, by grantors (both Federal and State), and by other contributors. Contributions received by the City for the Housing Incentive Program that were not spent as of September 30, 2022 in the amount of $305,740 are being reported as restricted net position.

- Unrestricted – all other net position is reported in this category.

SAHTF applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 2 –Deposits with Financial Institutions

The Foundation's cash balances in financial institutions in excess of the federally -insured limits as of September 30, 2022 were collateralized by pledged securities.

Additionally, the SAHTF is reporting $402,666 in cash for use in City programs as restricted cash.

Note 3 - Concentration of Credit Risk

SAHTF's mortgage receivables are typically secured by a second-lien on the borrower's home. In addition, SAHTF's notes receivable are concentrated in the low-income housing sector to further SAHTF's purpose. These are considered concentrations of credit risk.

Note 4 - Loans & Mortgages Receivable

Loans Receivable

Total loans receivable reported on the accompanying Statement of Net Position in the amount of $1,997,502 are comprised of the following:

a. $1,870,723 in notes due from various housing projects in installments at various dates through 2035. These notes are collateralized by deeds of trust on the properties. Annual interest rates on the notes range from 0% to 6%.

b. $126,779 due to SAHTF for the principal balance as of September 30, 2022, regarding a loan made by the Organization in 2013 to VDC Babcock, LP in the original principal amount of $750,000 at an interest rate of 4.4% annually. The principal amount and accrued interest are due and payable in annual installments beginning April 1, 2014 and continuing on the first day of each April thereafter until the expiration of forty (40) years, being April 1, 2057. The Organization shall apply each annual payment first to accrued interest and the remainder to the principal amount.

Mortgages Receivable

Net mortgages receivable of $31,087 reported on the accompanying Statement of Net Position primarily represent $10,000 second-lien mortgages made to qualifying new homebuyers and various other MRB/MCC down payment or closing costs assistance loans. The $10,000 loans are due in 360 monthly (30 years) installments with varying maturity dates through 2029. The down-payment assistance loans are due in 60 monthly installments with payments starting after the first mortgages are paid. The notes are collateralized by deeds of trusts on the homes being purchased. Annual interest rates on these notes are 3.5% on the $10,000 second- lien mortgages and 0% on the down-payment assistance loans. Other second-lien mortgage loans were funded between 1999 and 2003 from the George Gervin Youth Center funding round. These loans carry a 3% annual interest rate with principal and interest due over 30 years.

Note 5 - Capital Assets

	Beginning 10/01/2021	Acquisitions/ Increases	Dispositions/ Decreases	Ending 9/30/2022
Capital assets, not being depreciated:				
Land	$ 30,000	$ -	$ -	$ 30,000
Total capital assets not being depreciated	30,000	-	-	30,000
Capital assets being depreciated:				
Buildings and improvements	177,574	-	-	177,574
Equipment and furniture	69,047	7,349	-	76,396
Total assets being depreciated	246,621	7,349	-	253,970
Less accumulated depreciation:				
Buildings and improvements	24,879	5,594	-	30,473
Equipment	62,451	1,401	-	63,852
Total accumulated depreciation	87,330	6,995	-	94,325
Total capital assets being depreciated, net	159,291	354	-	159,645
Capital assets, net	$ 189,291	$ 354	$ -	$ 189,645
Depreciation expense				$ 6,995

Note 6 – Non-Current Liability - Due to San Antonio Housing Trust

In FY 2005, San Antonio Housing Trust (the "Trust") determined that each year SAHTF will set aside the interest received on notes funded by the Trust up to 1% of the loan portfolio balance due for the purpose of funding any future loan losses. The Executive Director can determine whether additional funds are available to fund above the 1% amount. The remaining interest and principal payments received each year are to be paid to the Trust. An amount of $244,557 was accrued for the year ending September 30, 2022, and the total amount due to the Trust as of September 30, 2022 is $575,838. Activity for FY 2022 is as follows:

Beginning Balance -	$331,281
Increases -	244,557
Decreases -	-
Ending Balance -	$575,838

Also see Note 7 Related Party Transactions.

Note 7 – Related Party Transactions

San Antonio Housing Trust (the "Trust") and SAHTF board of directors were comprised of the same board members during the year ended September 30, 2022 although there are no requirements by the organizations' by-laws that the board members must be identical. Additionally, SAHTF shares a common board of directors and the same Executive Director with San Antonio Housing Trust Public Facility Corporation (SAHTFPFC) and San Antonio Housing Trust Finance Corporation (SAHTFC), for the year ended September 30, 2022.

SAHTF has an amount due to the Trust - see Note 6.

SAHTF earned administrative fee income from San Antonio Housing Trust Public Facility Corporation (SAHTPFC) in the amount of $2,224,169, with $1,378,405 due at year end. SAHTF also earned administrative fee income in the amount of $191,781 from San Antonio Housing Trust Finance Corporation (SAHTFC), with $38,017 due at year end.

In FY 2020, SAHTF became an agent of funds for related parties SAHTPFC and SAHTFC due to the related parties' bank accounts being converted into "deposit only" accounts. As of year-end September 30, 2022, SAHTF held funds for SAHTPFC in the amount of $949,119. These are reported as Agency Funds/Due to SAHTPFC on the accompanying Statement of Net Position.

Note 8 - Deferred Compensation Plan

San Antonio Housing Trust Foundation, Inc. offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is available to all Foundation employees, permits them to defer a portion of their compensation until termination, retirement, death or unforeseen emergency. The Foundation's contributions to the plan totaled $41,958 for the year ended September 30, 2022.

Note 9 – Commitments and Contingencies

Agreements for Foundation Assistance - During FY 2021, Agreements for Foundation Assistance were executed between SAHTF and agencies authorized to receive funding by SAHTF Board Resolution. These agreements contained terms under which the funds would be disbursed. As of September 30, 2022, some of the awards were not disbursed due to certain conditions remaining to be fulfilled. Accordingly, these balances are being disclosed as commitments. A summary of the agencies, award amounts, amounts paid as of year-end and amounts remaining to be paid follows:

		As of September 30, 2022	
Agency	**Award Amount**	**Amount Paid (cummulative)**	**Commitment**
Housing First Community Coalition	$ 1,093,000	$ 828,969	$ 264,031
Esperanza Community	$ 300,000	$ 100,000	$ 200,000
Our Casas Resident	$ 239,340	$ 239,340	$ -
Habitat for Humanity	$ 200,000	$ 200,000	$ -

Note 10 – COVID-19 Financial Statements Impacts

The COVID-19 pandemic, whose effects first became known in January 2020, has had a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on SAHTF has been little to non-existent to the valuation of its inventory. SAHTF will continue to monitor in relation to its contracts and agreements with developers as those have been impacted by delays potentially both in financing and development. The accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note 11 – Subsequent Events

Management has evaluated subsequent events through September 11, 2024, the date the financial statements were available to be issued and noted the following:

- Professional Services Contract with the City of San Antonio – FY 23 – A professional services contract for the "San Antonio Housing Trust Administration and Staffing" project was executed by the SAHTF and the City of San Antonio with the term of the agreement beginning on October 1, 2022, or when the approved program statement and budget are received by the City, whichever occurs later. The FY 2023 Program Work Statement and Scope of Work attached to the agreement states that the funding plan under the contract is for Neighborhood & Housing Services Dept. Payment Assistance Program up to $920,000.

- Professional Services Contract with the City of San Antonio – FY 24 – A professional services contract for the "San Antonio Housing Trust Administration and Staffing" project was executed by the SAHTF and the City of San Antonio with the term of the agreement beginning on October 1, 2023, or when the approved program statement and budget are received by the City, whichever occurs later. The FY 2024 Program Work Statement and Scope of Work attached to the agreement states that the funding plan under the contract is for Homebuying program in the amount of $1,220,000 and purchase of equipment and resources in the amount of $15,000.