SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
(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 FINANCE CORPORATION

(A Component Unit of the City of San Antonio, Texas)

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the business-type activities of the San Antonio Housing Trust Finance Corporation (SAHTFC), 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 SAHTFC'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 SAHTFC, 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 SAHTFC, 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 opinion.

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 SAHTFC'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 SAHTFC'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 SAHTFC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Seal & Carter, P.C.

San Antonio, Texas
September 11, 2024

MANAGEMENT'S DISCUSSION & ANALYSIS

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

Financial Highlights

- *Net Position* – The SAHTFC's assets exceeded its liabilities by $2,371,668 (net position) for fiscal year ended September 30, 2022.
- *Changes in Net Position* – The SAHTFC's total net position increased in fiscal year 2022 by $570,023.
- *Revenues* - Operating revenues for fiscal year 2022 decreased by $127,036. Revenue is dependent upon the performance of the SAHTFC's partnership entities that develop and operate multi-family housing in San Antonio.
- *Liabilities* – Liabilities increased by $26,246 during fiscal year 2022 which was primarily due to administrative fees accrued but unpaid to the Foundation at year-end.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the SAHTFC'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 SAHTFC 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 SAHTFC's net position increased by $570,023 during fiscal year 2022. A comparison of the entity's net assets follows:

	2021	2022	$ Change
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,272,777	$ 1,844,930	$ 572,153
Accounts receivable	-	8,400	8,400
Interest receivable (Note 3)	50,000	65,014	15,014
Due to SAHTF	-	702	702
Total current assets	1,322,777	1,919,046	596,269
Non-current assets			
Note receivable (Note 3)	500,000	500,000	-
Total non-current assets	500,000	500,000	-
Total assets	**$ 1,822,777**	**$ 2,419,046**	**$ 596,269**
LIABILITIES AND NET POSITION			
Liabilities:			
Current liabilities			
Accounts payable	$ -	$ 9,361	9,361
Due to SAHTF/SAHT	21,132	38,017	16,885
Total current liabilities	21,132	47,378	26,246
Total liabilities	**$ 21,132**	**$ 47,378**	**$ 26,246**
Net Position:			
Unrestricted	1,801,645	2,371,668	570,023
Total net position	**$ 1,801,645**	**$ 2,371,668**	**$ 570,023**

Financial Analysis *(continued)*

	2021	2022	$ Change
OPERATING REVENUES			
Annual issuer fees and application fees	$ 154,930	$ 131,780	$ (23,150)
Bond issuer fees	747,500	643,600	(103,900)
Interest income on loans	15,000	15,014	14
Total operating revenues	917,430	790,394	(127,036)
OPERATING EXPENSES			
Administrative fees	226,382	191,781	(34,601)
Other contractual fees and services	-	8,494	8,494
Professional fees	9,050	20,240	11,190
Total operating expenses	235,432	220,515	(14,917)
Operating income (loss)	681,998	569,879	(112,119)
NON-OPERATING REVENUES AND (EXPENSES)			
Contributions from COSA	59,150	-	(59,150)
Contributions from COSA - Risk Mitigation	(500,000)	-	500,000
Interest income	98	144	46
Net non-operating revenues and (expenses)	(440,752)	144	440,896
Income (loss) before capital contributions and transfers	241,246	570,023	328,777
Increase (decrease) in net position	241,246	570,023	328,777
Net position at the beginning of year	1,560,399	1,801,645	241,246
Net position at the end of year	**$ 1,801,645**	**$ 2,371,668**	**$ 570,023**

Economic Factors and Impact

Multifamily Bonds Issued

In FY 2022, the SAHT and its partners closed on six new affordable multi-family housing developments; Crosswinds Apartments, Arbors at West Avenue, Loma Vista, Country Club Village, Lofts at Creekview, and Caroline at Rogers Ranch which totals 1,680 units providing 1,077 units for residents at incomes between 30%-60% AMI, 278 units for residents at incomes of less than 80% AMI and 325 market rate units. Together, the San Antonio Housing Trust Public Facility Corporation and the San Antonio Housing Trust Finance Corporation issued a total of $185 million in multi-family tax-exempt bonds to support the aforementioned projects.

Contacting SAHTF's Financial Management

This financial report is designed to provide our citizens, taxpayers and partners with a general overview of the SAHTPFC'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 Finance Corporation 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 Finance Corporation
(A Component Unit of the City of San Antonio, Texas)
Statement of Net Position
September 30, 2022

ASSETS

Current Assets	
Cash and Cash Equivalents	$ 1,844,930
Accounts receivable	8,400
Other Assets	702
Total Current Assets	1,854,032
Noncurrent Assets	
Interest receivable (Note 3)	65,014
Note receivable (Note 3)	500,000
Total Noncurrent Assets	565,014
Total Assets	2,419,046

LIABILITIES AND NET POSITION

Liabilities:	
Current Liabilities	
Accounts Payable	9,361
Due to San Antonio Housing Trust Foundation	38,017
Total current liabilities	47,378
Total liabilities	47,378
Net Position:	
Unrestricted	2,371,668
Total net position	$ 2,371,668

See accompanying notes to financial statements.

San Antonio Housing Trust Finance Corporation
(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:		
Annual Issuer Fees and Application Fees	$	131,780
Bond Issuer Fees		643,600
Interest Income on Loans		15,014
Total Operating Revenues		790,394
Operating Expenses:		
Administrative fees		191,781
Professional fees		20,240
Other contractual services and fees		8,494
Total Operating Expenses		220,515
Operating Income (Loss)		569,879
Nonoperating Revenues and (Expenses):		
Interest income		144
Net Nonoperating Revenues and (Expenses):		144
Income (loss) before capital contributions and transfers		570,023
Increase (Decrease) In Net Position		570,023
Net Position at the Beginning of Year		1,801,645
Net Position at the End of Year	$	2,371,668

See accompanying notes to financial statements.

San Antonio Housing Trust Finance Corporation
(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:		
Annual Issuer Fees	$	123,380
Bond Issuer Fees		643,600
Cash Payments for:		
Administrative Fees		(191,781)
Professional Fees		(20,240)
Other contractual services and fees		17,050
Net cash provided (used) by operating activities		572,009
Cash Flows From Investing Activities		
Interest income		144
Net cash provided (used) by investing activities		144
Net decrease in cash and cash equivalents		572,153
Cash and cash equivalents at beginning of year		1,272,777
Cash and cash equivalents at end of year	$	1,844,930
Reconciliation of Operating income (loss) to net cash used in operating activities:		
Operating income (loss)	$	569,879
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable		(8,400)
Interest receivable		(15,014)
Other Assets		(702)
Due to San Antonio Housing Trust Foundation		16,885
Building and improvements inventory		-
Accounts payable		9,361
Net cash provided (used) by operating activities	$	572,009

See accompanying notes to financial statements.

San Antonio Housing Trust Finance Corporation
(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 Finance Corporation ("SAHTFC") is a nonprofit organization and component unit of the City of San Antonio incorporated on August 22, 1997 under the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended ("the Act"). The organization's primary purpose is to carry out the purposes of the Act, including the issuance of single family and multi-family revenue bonds on behalf of the City of San Antonio. Such bonds do not constitute an obligation of the Organization, but shall be payable solely out of the revenues and receipts derived from any residential development or mortgages financed by the bonds. SAHTFC receives the majority of its revenue from issuer fees related to the bonds.

SAHTFC 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.

Although the SAHTFC 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 SAHTFC's separately issued financial statements be based upon GAAP as promulgated by GASB Statements and Pronouncements. Under the provisions of GASB Statement 34, the SAHTFC 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, SAHTFC'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

SAHTFC 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 SAHTFC are prepared using the accrual basis of accounting with the economic resources measurement focus as prescribed by GASB. As SAHTFC 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 SAHTFC is revenue from various fees associated with the issuance of single family and multi-family revenue bonds. SAHTFC also receives interest income on loans. Operating expenses for enterprise funds include administrative fees and professional fees. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Tax Exempt Status

SAHTFC 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

For purposes of the statement of cash flows, SAHTFC 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.

Accounts Receivable and Notes Receivable

All receivables are reported net of any estimated allowance for uncollectible accounts; SAHTFC considered receivables reported as of September 30, 2022 to be fully collectible and no allowance for doubtful accounts has been established.

Note 1 – Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates 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.

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 accumulated 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, and by other contributors.
- Unrestricted – all other net position is reported in this category. SAHTFC's net position is being reported as unrestricted.

SAHTFC 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

SAHTFC's cash balance in excess of the federally insured limits as of September 30, 2022 is collateralized by pledged securities.

Note 3 - Note Receivable & Interest Receivable

A loan agreement was entered in with Rio Lofts, Ltd. on May 31, 2018 in which SAHTFC loaned $500,000 to be used to acquire, construct and operate land and improvements. This note is collateralized by deeds of trust on the properties and is payable from 50% of the distributable net cash flow of the partnership and no payments on this note have been received by SAHTFC. Annual interest rate on the note is 3% per annum due on maturity date of December 1, 2048 or prior redemption; under this loan agreement, interest income of $15,000 was accrued for FY 2022, and interest receivable as of September 30, 2022, is $65,014. Accordingly, this interest receivable balance and the note receivable balance of $500,000 are reported as noncurrent on the accompanying Statement of Net Position.

Note 4 - Conduit Debt

The Organization is authorized by the City of San Antonio to issue single family and multi-family mortgage revenue bonds used to provide affordable housing to the City of San Antonio. These bonds do not constitute an obligation of the Organization, but are payable solely out of the revenues and receipts derived from any residential development or home mortgage financed by the bonds. For the year ended September 30, 2022, the Organization's conduit debt was as follows:

Balance, October 1, 2021	$377,589,219
Additions	409,726,000
Deletions	(63,702,854)
Balance, September 30, 2022	$723,612,365

Note 5 - Related Party Transactions

SAHTFC and the San Antonio Housing Trust Foundation, Inc. ("SAHTF") shared the same Executive Director during the year ended September 30, 2022. SAHTFC pays SAHTF 25% of revenues to administer their programs. During FY 2022, SAHTFC paid administrative fees in the amount of $191,781 to SAHTF. Additionally, SAHTFC is reporting an amount due to the SAHTF in the amount of $38,017 at year-end.

Note 6 – 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 SAHTFC has been little to non-existent to the valuation of its inventory. SAHTFC 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 7 – Subsequent Events

Management has evaluated subsequent events through September 11, 2024, which is the date the financial statements were available to be issued.