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, 2023

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION

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

Table of Contents

Page

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

Management's Discussion and Analysis..... 3-6

Statement of Net Position 7

Statement of Revenues and Expenses and Changes in Net Position 8

Statement of Cash Flows 9

Notes to the Financial Statements..... 10-13

LEAL & CARTER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

FRANK J. LEAL, CPA, MANAGING PARTNER
ROBERTO CARTER, CPA, SENIOR PARTNER
NORMA L. LITTLE, CPA, PARTNER
ROBERTO CARTER, JR., MANAGER

16011 UNIVERSITY OAK
SAN ANTONIO, TX / 78249-1409
TELEPHONE: (210) 696-6206
FAX: (210) 492-6209

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, 2023, 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, 2023, 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 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
February 18, 2026

MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the **San Antonio Housing Trust Finance Corporation's (SAHTFC)** annual financial statements presents management's discussion and analysis (MD&A) of the financial performance and key activities for the fiscal year ended September 30, 2023. It should be read in conjunction with the Corporation's financial statements and accompanying notes.

The SAHTFC is a nonprofit public corporation created by the City of San Antonio under the Texas Housing Finance Corporations Act. Its primary mission is to facilitate affordable housing by issuing revenue bonds on behalf of the City for multifamily and single-family developments. These bonds are conduit obligations payable solely from project revenues and do not constitute debt of the Corporation or the City.

Financial Highlights

- *Net Position* – The SAHTFC's assets exceeded its liabilities by $2.56 million for fiscal year ended September 30, 2023.
- *Revenues* – Operating revenues for fiscal year 2023 decreased by $604,834. Revenue is dependent upon the performance of the SAHTFC's partnership entities that develop and operate multi-family housing in San Antonio.
- *Expenses* – Professional fees remained consistent as expected while administrative fees fell in direct correlation with annual issuer and application fees received.
- *Conduit Debt* – Outstanding bonds at September 30, 2023 totaled $396,851,031. No new debt was issued in FY 2023.

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 $197,025 during fiscal year 2023 due to a 23% increase in annual issuer and application fees and a 99.8% increase in investment income because of changes made in investments with Frost Bank. A comparison of the entity's net assets follows:

	2022	2023	$ Change
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,844,930	$ 1,941,400	$ 96,470
Accounts receivable	8,400	98,220	89,820
Due from SAHTF	702	6,100	5,398
Total current assets	1,854,032	2,045,720	191,688
Non-current assets			
Interest receivable (Note 3)	65,014	80,014	15,000
Note receivable (Note 3)	500,000	500,000	-
Total non-current assets	565,014	580,014	15,000
Total assets	**$ 2,419,046**	**$ 2,625,734**	**$ 206,688**
LIABILITIES AND NET POSITION			
Liabilities:			
Current liabilities			
Accounts payable	$ 9,361	$ -	(9,361)
Due to SAHTF	38,017	57,041	19,024
Total current liabilities	47,378	57,041	9,663
Total liabilities	**$ 47,378**	**$ 57,041**	**$ 9,663**
Net Position:			
Unrestricted	2,371,668	2,568,693	197,025
Total net position	**$ 2,371,668**	**$ 2,568,693**	**$ 197,025**

Total Assets - $2.6 million, an increase of $206,688 from FY 2022. SAHTFC's assets are primarily liquid and low-risk, with $1.94 million in cash and equivalents and $500,000 in a long-term note receivable which reflects stable financial growth.

Total Liabilities - $57,041, which are the result of funds due to the San Antonio Housing Trust Foundation for administrative fees, and audit and accounting services. Liabilities remained minimal, with no long-term debt obligations, underscoring SAHTFC's conservative financial structure and prudent oversight.

Financial Analysis *(continued)*

	2022	2023	$ Change
OPERATING REVENUES			
Annual issuer fees and application fees	$ 131,780	$ 170,560	$ 38,780
Bond issuer fees	643,600	-	(643,600)
Interest income on loans	15,014	15,000	(14)
Total operating revenues	790,394	185,560	(604,834)
OPERATING EXPENSES			
Administrative fees	191,781	41,671	(150,110)
Other contractual fees and services	8,494	5,358	(3,136)
Professional fees	20,240	27,450	7,210
Total operating expenses	220,515	74,479	(146,036)
Operating income (loss)	569,879	111,081	(458,798)
NON-OPERATING REVENUES AND (EXPENSES)			
Interest income	144	85,944	85,800
Net non-operating revenues and (expenses)	144	85,944	85,800
Income (loss) before capital contributions and transfers	570,023	197,025	(372,998)
Increase (decrease) in net position	570,023	197,025	(372,998)
Net position at the beginning of year	1,801,645	2,371,668	570,023
Net position at the end of year	**$ 2,371,668**	**$ 2,568,693**	**$ 197,025**

Operating Revenues - $185,560 were derived mainly from issuer and application fees ($170,560) and interest income on loans ($15,000). In FY 2022, bond issuer fees in the amount of $393,600 and $250,000 were received for the Crosswinds and Arbors at West Ave. projects. There were no bonds issued in FY 2023 by the SAHTFC.

Operating Expenses - $74,479 consisted of administrative fees, professional services, and other contractual costs, reflecting continued efficiency in operations. Administrative fees of 25% are paid to the San Antonio Housing Trust Foundation on the cash basis. Fees paid were significantly less than FY 2022 due to the overall decrease in fee revenue accrued and received. Professional services were consistent with the prior year as expected. The Corporation's operating margin of $111,081 demonstrates continued operational efficiency.

Cash Flow – Operating activities provided $10,526 in net cash inflows, and investing activities contributed $85,944, reflecting disciplined liquidity management. The Corporation closed the year with $1.94 million in cash, providing sufficient reserves to support ongoing commitments to affordable housing initiatives and administrative functions.

Economic Factors and Impact

While San Antonio continues to face housing affordability challenges due to rising construction costs and constrained inventory, the demand for rent-restricted housing remains strong. SAHTFC and its affiliated entities are positioned to address these needs through innovative programs, cross-sector partnerships, and targeted investments.

Strategic priorities for continued growth and community impact include:

- Expanding the TEAM program across all SAHT-affiliated developments.
- Implementing the Multifamily Inclusive Design Standards.
- Supporting new land trust models and minority developer training programs.
- Leveraging bond issuance capacity to facilitate additional affordable housing production.

Conclusion

SAHTFC closed FY 2023 in a strong financial position, demonstrating disciplined fiscal management, minimal liabilities, and alignment with the City's housing and equity goals. The Corporation's partnership-based approach and innovative program development reflect its continued leadership in advancing affordable, accessible, and inclusive housing across San Antonio.

Through prudent financial stewardship and mission-driven initiatives, SAHTFC remains a vital conduit for housing opportunity and community stability.

Contacting SAHTF's Financial Management

This financial report is designed to provide our citizens, taxpayers and partners with a general overview of the SAHTFC'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, 2023

ASSETS

Current Assets		
Cash and Cash Equivalents	$	1,941,400
Accounts receivable - Annual Issuer Fees		98,220
Agency Funds/Due from SAHTF (Note 5)		6,100
Total Current Assets		2,045,720
Noncurrent Assets		
Interest receivable (Note 3)		80,014
Note receivable (Note 3)		500,000
Total Noncurrent Assets		580,014
Total Assets		2,625,734

LIABILITIES AND NET POSITION

Liabilities:		
Current Liabilities		
Due to SAHTF (Note 5)		57,041
Total current liabilities		57,041
Total liabilities		57,041
Net Position:		
Unrestricted		2,568,693
Total net position	$	2,568,693

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, 2023

Operating Revenues:		
Annual Issuer Fees and Application Fees	$	170,560
Interest Income on Loans		15,000
Total Operating Revenues		185,560
Operating Expenses:		
Administrative fees		41,671
Professional fees		27,450
Other contractual services and fees		5,358
Total Operating Expenses		74,479
Operating Income (Loss)		111,081
Nonoperating Revenues and (Expenses):		
Interest income		85,944
Net Nonoperating Revenues and (Expenses):		85,944
Income (loss) before capital contributions and transfers		197,025
Increase (Decrease) In Net Position		197,025
Net Position at the Beginning of Year		2,371,668
Net Position at the End of Year	$	2,568,693

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, 2023

Cash Flows From Operating Activities:		
Annual Issuer Fees	$	80,740
Cash Payments for:		
Administrative Fees		(41,671)
Professional Fees		(27,450)
Other contractual services and fees		(1,093)
Net cash provided (used) by operating activities		10,526
Cash Flows From Investing Activities		
Interest income		85,944
Net cash provided (used) by investing activities		85,944
Net decrease in cash and cash equivalents		96,470
Cash and cash equivalents at beginning of year		1,844,930
Cash and cash equivalents at end of year	$	1,941,400
Reconciliation of Operating income (loss) to net cash used in operating activities:		
Operating income (loss)	$	111,081
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable		(89,820)
Interest receivable		(15,000)
Other Assets		(5,398)
Due to SAHTF		19,024
Accounts payable		(9,361)
Net cash provided (used) by operating activities	$	10,526

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, 2023

Note 1 – Summary of Significant Accounting Policies

Organization

San Antonio Housing Trust Finance Corporation ("SAHTFC" or "Organization") 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, 2023 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, 2023 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 2023, and interest receivable as of September 30, 2023, is $80,014. 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, 2023, the Organization's conduit debt was as follows:

Balance, October 1, 2022	$417,709,494
Additions	-
Deletions	(20,858,463)
Balance, September 30, 2023	$396,851,031

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, 2023. SAHTFC pays SAHTF 25% of revenues to administer their programs. During FY 2023, SAHTFC paid administrative fees in the amount of $41,671 to SAHTF. SAHTFC is reporting an amount due to the SAHTF in the amount of $57,041 at year-end.

Additionally, an of amount of $6,100 was held in agency accounts for SAHTFC by SAHTF as of September 30, 2023, which is reported as Agency Funds/Due from SAHTF on the accompanying Statement of Net Position.

Note 6 – Subsequent Events

Management has evaluated subsequent events through February 18, 2026, which is the date the financial statements were available to be issued and noted the following:

- On July 18, 2025, SAHTFC entered into a deferred forgivable loan agreement with TG 301, Inc. (d/b/a Sutton Square Duplexes), a Texas nonprofit corporation, in the amount of $500,000 to fund renovation and remediation of the Sutton Square Duplexes, including interior and exterior improvements focused on sustainability, climate resilience, weatherization, and accessibility.

- On August 15, 2025, the Corporation entered into a loan agreement with Merced Housing Texas (Merced) in the amount of $440,650 to fund renovations at Elmhurst Place Apartment Homes.