SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
(A Component Unit of the City of San Antonio, Texas)

SAN ANTONIO, TEXAS

FINANCIAL STATEMENTS AND OTHER REPORTS
(With Independent Auditors' Report Thereon)

SEPTEMBER 30, 2023

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

Table of Contents

Page

Independent Auditors' Report 1-3

Management's Discussion and Analysis 4-9

Statement of Net Position 10

Statement of Revenues and Expenses and Changes in Net Position 11

Statement of Cash Flows 12-13

Notes to the Financial Statements 14-38

Independent Auditor's Report On Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* 39-40

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 Commissioners
San Antonio Housing Trust Public Facility Corporation
San Antonio, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities of the San Antonio Housing Trust Public Facility Corporation (SAHTPFC), 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 the SAHTPFC'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 governmental activities, the business-type activities of the SAHTPFC 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 and the standards applicable to financial audits contained in *Government Auditing Standards* by the Comptroller General of the United States. 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 SAHTPFC, 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.

Emphasis of Matter – Prior Period Adjustment

As further described in Note 12 – Prior Period Adjustments, prior period adjustments were recorded in order to correct balances from prior years. Our opinion is not modified with respect to this matter.

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 SAHTPFC'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 opinion. 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 and *Government 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 and *Government 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 SAHTPFC'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 SAHTPFC'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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2026, on our consideration of the SAHTPFC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other

matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the SAHTPFC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SAHTPFC's internal control over financial reporting and compliance.

Leal & Carter, P.C.

San Antonio, Texas
February 18, 2026

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial activities, performance, and strategic impact of the **San Antonio Housing Trust Public Facility Corporation (SAHT PFC)** for the fiscal year ended September 30, 2023. This analysis should be read in conjunction with the Corporation's financial statements and accompanying notes.

The SAHT PFC was formed by the City of San Antonio under Chapter 303 of the Texas Local Government Code to support the creation and preservation of affordable housing through public-private partnerships, ownership structures, and bond-financed projects. The PFC operates as a nonprofit component unit of the City, working closely with the San Antonio Housing Trust Foundation, Inc. (SAHTF) and the San Antonio Housing Trust Finance Corporation (SAHTFC) to fulfill its mission.

Financial Highlights

For FY 2023, SAHT PFC continued to demonstrate financial stability and strong asset growth while expanding its affordable housing portfolio.

- *Assets* – $186 million, up from $172 million in FY 2022, primarily due to the issuance of bonds related to the construction of the Lofts at Creekview. SAHTPFC increased equity in housing partnerships during the year and saw new cash inflows from developer fees.
- *Liabilities* – $60 million, a decrease of $331,462 over FY 2022 as a result a decrease of prior year payables to affiliated entities and accrued liabilities.
- *Net Position* – $23.3 million, reflecting an increase of $7.9 million (33.79%) from FY 2022, was driven by strong operating income and limited expenditure growth.
- *Changes in Net Position* – $7.8 million, reflects the decrease of revenues totaling $1.1 million with a decrease in expenditures of $766,335. Tight monitoring of budgets kept the change in net position to less than 5%.
- *Revenues* – $10 million, composed primarily of a county grant for the purchase of land ($2.5 million), developer fees ($1.4 million), bond administration fees ($861,170), and ground lease revenues ($1.4 million).
- Expenses – $2.8 million, including property and partnership maintenance costs, administrative expenses, and equity contributions to new developments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the SAHTPFC'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 SAHTPFC 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 increase of $7.9 million in net position represents a continuation of steady financial growth and underscores the Corporation's flexibility to deploy funds toward mission-aligned development initiatives.

	2022	2023	$ Change
ASSETS			
Current assets			
Cash and Cash equivalents	$ 10,494,963	$ 15,468,766	$ 4,973,803
Accounts Receivable	1,485,538	268,630	(1,216,908)
Prepaid Expenses	-	15,000	15,000
Total current assets	11,980,501	15,752,396	3,771,895
Non-current assets			
Investments	50,547,780	46,409,387	(4,138,393)
Land	102,680,829	112,958,564	10,277,735
Construction in Progress	6,400,117	10,538,510	4,138,393
Interest Receivable	-	18,229	18,229
Note Receivable	-	500,000	500,000
Due from SAHTF (note 3)	949,119	435,316	(513,803)
Total non-current assets	160,577,845	170,860,006	10,282,161
Total Assets	$ 172,558,346	$ 186,612,402	$ 14,054,056
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 723,783	$ 7,349	$ (716,434)
Due to SAHTF	1,378,405	1,796,628	418,223
Prepaid deposits	29,345	-	(29,345)
Uearned revenue	3,906	-	(3,906)
Total current liabilities	2,135,439	1,803,977	(331,462)
Long-Term Liabilities			
Bonds Payable, net of issue discount	58,213,838	58,213,838	-
Total long-term liabilities	58,213,838	58,213,838	-
Total Liabilities	$ 60,349,277	$ 60,017,815	$ (331,462)
DEFERRED INFLOWS OF RESOURCES			
Lease payments received at commencement of lease terms related to future periods	96,721,277	103,202,006	6,480,729
Total Deferred Inflows of Resources	96,721,277	103,202,006	6,480,729
NET POSITION			
Net investment in capital assets	(45,854,169)	(37,918,770)	7,935,399
Unrestricted	61,341,961	61,311,351	(30,610)
Total Net Position	$ 15,487,792	$ 23,392,581	$ 7,904,789

Financial Analysis *(continued)*

	2022	2023	$ Change
OPERATING REVENUES			
Administration fee income	$ 189,583	$ 150,000	$ (39,583)
Application fee income	18,000	45,100	27,100
Annual Issuer Fees		8,100	8,100
Bond issuer fee	350,000	861,170	511,170
Developer fee Income	5,243,375	3,116,757	(2,126,618)
Origination fee	250,000	250,000	-
Partnership fee income	253,510	338,208	84,698
Incentive management fee	301,335	623,942	322,607
Supervisory Management fees		16,878	16,878
Distribution per cash flow	386,255	499,508	113,253
Cash Flow Fees		109,484	109,484
Rental Income	1,335,506	1,416,305	80,799
Asset Management fee		114,583	114,583
Total Operating revenues	8,327,564	7,550,035	(777,529)
OPERATING EXPENSES			
Administrative fees	2,224,169	1,996,077	(228,092)
Professional fees	208,109	244,943	36,834
Disbursement to CoSA	-	233,533	233,533
Affordability concession Program	250,000	-	(250,000)
Rent Expense	117,000	117,000	-
Project Expense	79,995	70,520	(9,475)
Subscriptions	153	1,418	1,265
Income Tax Expense	717,303	98,901	(618,402)
Property Tax Expense	-	68,002	68,002
Total Operating expenses	3,596,729	2,830,394	(766,335)
Operating income (loss)	4,730,835	4,719,641	(11,194)
NON-OPERATING REVENUES AND (EXPENSES)			
Gain on sale of partnership	3,382,195	-	(3,382,195)
Interest income - for bank deposit interest	1,143	18,229	17,086
Investment income	73,614	566,873	493,259
Net non-operating revenues and (expense)	3,456,952	585,102	(2,871,850)
Income (loss) before capital contributions	8,187,787	5,304,743	(2,883,044)
Capitial Contributions - Grant Bexar County	-	2,500,000	2,500,000
Increase (decrease) in net position	8,187,787	7,804,743	(383,044)
Net position at the beginning of year	7,246,330	15,487,792	8,241,462
Prior period adjustment	53,675	100,046	46,371
Net position at the end of the year	$ 15,487,792	$ 23,392,581	$ 7,904,789

Financial Analysis *(continued)*

Assets

- Cash and cash equivalents increased significantly in FY 2023 due to the results of operations. Investments decreased in FY 2023 due to funds used for the purpose of constructing the Lofts at Creekview. Construction in progress at year-end totaled $10 million.
- Land increased by over $10 million with the purchases of property related to Viento Apartments, Flats at Leon Creek, Palladium Crestway, Pavilion at Culebra and Southton Apartments.
- These assets reflect the Corporation's strategy to maintain high liquidity for new affordable housing transactions while sustaining long-term equity investments in multifamily developments.

Liabilities and Deferred Inflows of Resources

- *Accounts* Payable dropped significantly from FY 2022 following the payment of taxes and penalties due to the Internal Revenue Service for Cevallos Lofts. The amount paid in FY 2023 exceeded $700,000.
- Ground leases increased by $6.4 million in direct correlation to the land purchases for new projects. We also amortized a portion of the prepaid rent.

Revenues

- Operating revenues was consistent with the prior year with only three exceptions. Bond issuer fees increased by 59%, while developer fees decreased by 68%. Both of these items are timing issues and not within the control of SAHTPFC. Bond issuer fees are paid when debt is issued and developer fees are paid when performance benchmarks are met. A county grant was received in the amount of $2.5 million for the purchase of land.

Expenses

- Administrative Fees paid to the SAHTF decreased by $228,092 in FY 2023. Recognition of administrative fee expense is dependent upon the performance of the SAHTPFC's partnership entities that develop and operate multi-family housing in San Antonio. Expense is recognized when the fees are received by the SAHTPFC.

Economic Factors and Impact

The FY 2023 SAHT Annual Report highlights how the Public Facility Corporation's financial results translated into significant community impact across San Antonio:

Affordable Housing Development and Preservation

- 904 new rental homes were completed in FY 2023, including Arthouse, Northview Apartments, Canyon Pass, and Villas at Echo East.
- 3,739 units remain under construction, including Los Arcos, Leon Creek, Palladium Crestway, and Pavilion at Culebra, targeting families earning 30–80% of AMI.
- Preserve at the Port (D4) resumed rehabilitation of 360 existing units, with 185 completed by year-end and the remainder expected in early 2024.

Economic Factors and Impact *(continued)*

Permanent Supportive Housing

- SAHT PFC approved 281 supportive housing units through partnerships with SAMM Ministries (Commons at Acequia) and Franklin Development (425 San Pedro), serving formerly homeless individuals.
- Towne Twin Village completed 28 new supportive homes, partially funded by SAHT.

Tenant Emergency Assistance Matters (TEAM) Program

The PFC capitalized the TEAM Fund with $2.77 million across seven developments to provide emergency rental aid for tenants below 60% AMI facing hardship or income disruption.

Workforce and Equity Initiatives

- Ready to Work SA: Implemented in partnership with the City, connecting 988 families in SAHT communities to job training and career opportunities.
- Inclusive Design Standards: Drafted guidelines to enhance accessibility and universal design in multifamily projects.
- SEED Academy: Funded to train emerging BIPOC and women developers to increase participation in affordable housing creation.

Economic Outlook

San Antonio's housing market continues to experience affordability challenges due to rising construction costs and limited inventory.

Despite these conditions, SAHT PFC's public-private partnership model positions it as a catalyst for cost-efficient, rent-restricted housing across income levels.

Future priorities include:

- Leveraging PFC ownership models to preserve affordability long-term.
- Expanding supportive housing partnerships with service providers.
- Implementing energy-efficient, inclusive design standards across developments.
- Strengthening community impact programs to sustain tenant stability and workforce.

Conclusion

The San Antonio Housing Trust Public Facility Corporation ended FY 2023 with strong financial performance, expanding program impact, and continued alignment with the City's housing affordability goals.

Through strategic asset management, public-private partnerships, and innovative community initiatives, the Corporation remains committed to creating equitable, affordable, and sustainable housing opportunities for San Antonio residents.

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 Public Facility 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 Public Facility 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	$ 15,468,766
Accounts Receivable - Administrative fees	79,167
Accounts Receivable - Developer fees and other fees	154,263
Accounts Receivable - Net cash flow rent fees	35,200
Prepaid Expenses	15,000
Total Current Assets	15,752,396
Noncurrent Assets	
Investments - Construction Project Funds & Reserves	46,409,387
Capital Assets - Land (Note 4)	112,958,564
Construction In Progress (Note 4)	10,538,510
Interest Receivable	18,229
Note Receivable (Note 9)	500,000
Agency Funds/Due from SAHTF (Note 3)	435,316
Total Noncurrent Assets	170,860,006
Total Assets	186,612,402
LIABILITIES	
Current Liabilities	
Accounts Payable	7,349
Due to SAHTF (Note 3)	1,796,628
Total current liabilities	1,803,977
Long Term Liabilities	
Bonds Payable - Construction Project, net of issue discount	58,213,838
Total Long Term Liabilities	58,213,838
Total Liabilities	60,017,815
DEFERRED INFLOWS OF RESOURCES	
Lease payments received at commencement of lease terms related to future periods	103,202,006
NET POSITION	
Net Investment in Capital Assets	(37,918,770)
Unrestricted	61,311,351
Total net position	$ 23,392,581

See accompanying notes to financial statements.

San Antonio Housing Trust Public Facility 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:		
Administration fee income	$	150,000
Application fee income		45,100
Annual Issuer Fees		8,100
Bond issuer fee		861,170
Developer fee Income		3,116,757
Origination fee		250,000
Partnership fee income		338,208
Incentive management fee		623,942
Supervisory Management fees		16,878
Distribution per cash flow		499,508
Cash Flow Fees		109,484
Rental Income		1,416,305
Asset Management fee		114,583
Total Operating Revenues		7,550,035
Operating Expenses:		
Administrative fees		1,996,077
Professional fees		244,943
Disbursements to Housing Trust		233,533
Rent Expense		117,000
Project Expense		70,520
Subscriptions		1,418
Income Tax Expense		98,901
Property Tax Expense		68,002
Total Operating Expenses		2,830,394
Operating Income (Loss)		4,719,641
Nonoperating Revenues and (Expenses):		
Interest Income - for bank deposit interest		18,229
Investment Income		566,873
Net Nonoperating Revenues and (Expenses):		585,102
Income (loss) before capital contributions		5,304,743
Capital Contributions:		
Grant - Bexar Country		2,500,000
Increase (Decrease) In Net Position		7,804,743
Net Position at the Beginning of Year		15,487,792
Prior period adjustment		100,046
Net Position at the End of Year	$	23,392,581

See accompanying notes to financial statements.

San Antonio Housing Trust Public Facility 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:		
Receipts from -		
Administration fees	$	150,000
Application fees		45,100
Annual Issuer fees		8,100
Bond issuer fees		861,170
Developer fees		3,116,757
Origination Fees		250,000
Partnership fees		338,208
Incentive management fees		623,942
Suversisory Management fees		16,878
Distribution per cash flow and cash flow fees		608,992
Asset management fee		114,583
Payments to suppliers		(4,245,029)
Net cash provided (used) by operating activities		1,888,701
Cash Flows From Capital and Related Financing Activities		
Purchase of Capital Assets		(14,416,128)
Prepayments Received on Ground Leases		10,277,735
Capital grants and contributions received		2,500,000
Net cash provided (used) by capital and related financing activities		(1,638,393)
Cash Flows From Investing Activities		
Decrease in Investments - Construction Project Funds & Reserves		4,138,393
Interest income		18,229
Investment Income		566,873
Net cash provided (used) by investing activities		4,723,495
Net increase (decrease) in cash and cash equivalents		4,973,803
Cash and cash equivalents, October 1, 2022		10,494,963
Cash and cash equivalents, September 30, 2023	$	15,468,766

See accompanying notes to financial statements.

San Antonio Housing Trust Public Facility Corporation
(A Component Unit of the City of San Antonio, Texas)

Statement of Cash Flows

For the Year Ended September 30, 2023

Reconciliation of Operating income (loss) to net cash used in operating activities:		
Operating income (loss)	$	4,719,641
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Prior period adjustment		100,046
Rental Income - Inflows of Resources from Prepaid leases		(3,797,006)
Changes in operating assets and liabilities -		
Accounts Receivable		1,212,481
Prepaid Expenses		(15,000)
Accounts Payable		(716,434)
Unearned Revenue		(33,250)
Due to SAHTF		418,223
Net cash provided (used) by operating activities	$	1,888,701

See accompanying notes to financial statements.

San Antonio Housing Trust Public Facility 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

A. Organization

San Antonio Housing Trust Public Facility Corporation ("SAHTPFC") is a Texas nonprofit public facility corporation and component unit of the City of San Antonio, incorporated on December 28, 2009 under the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended ("the Act"). The organization's primary purpose is to provide for financing, acquisition, and construction of public facilities.

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

Additionally, SAHTPFC follows GASB accounting pronouncements that provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's governing body as the basic criterion for including a possible component organization in the primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

SAHTPFC has formed limited liability companies (LLCs) to be involved in partnerships that develop and operate multi-family housing in San Antonio, that are described below. SAHTPFC is the sole member and owner of each of these LLCs, and has made no or minimal capital contributions to these limited partnerships; as of September 30, 2023, many of these housing projects are in service. Projects involving LLCs formed in FYs 2022 and 2023 were still under construction. Management has evaluated these LLCs under GASB pronouncements as described in the preceding paragraph and determined that they would be included in the SAHTPFC reporting entity as blended component units.

Note 1 – Summary of Significant Accounting Policies

A. Organization (Continued)

During 2016 through 2021, SAHTPFC formed SAHT Longhorn Quarry LP, LLC, SAHT Majestic Living GP, LLC, SAHT Foster Road LP, LLC, SAHT Pedcor, GP, LLC, SAHT San Pedro GP, LLC, SAHT Friedrich LP, LLC, and SAHT City Base GP, LLC all Texas limited liability companies, to be used in possible real estate development partnerships to be determined. SAHTPFC is the sole member and owner of these LLC entities.

During 2011, SAHTPFC formed Masters Living GP, LLC, a Texas limited liability company, to serve as the General Partner of Masters SA Apartments, LP a Texas limited partnership formed to develop and operate a 252-unit mixed income housing development project in San Antonio.

During 2015, SAHTPFC formed Palo Alto Apartments GP, LLC, a Texas limited liability company, to serve as the General Partner of Palo Alto Apartments Ltd, a Texas limited partnership formed to develop and operate a 322-unit affordable multi-family complex in San Antonio.

During 2015, SAHTPFC formed Ellison Hills Living GP, LLC, a Texas limited liability company, to serve as the General Partner of Freedom SA Apartments, LP, a Texas limited partnership formed to develop and operate a 252-unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Lookout LP, LLC, a Texas limited liability company, to be involved in the real estate development project with SA Creekside at Lookout MF, LP, a Texas limited partnership formed to develop and operate a 293-unit affordable multi-family complex in San Antonio.

During 2016, SAHTPFC formed SAHT Crockett Street LP, LLC, a Texas limited liability company, to be involved in the real estate development project with Crockett Street Lofts, LTD, a Texas limited partnership formed to develop and operate a 271-unit affordable multifamily complex and 503 parking spaces in San Antonio.

During 2016, SAHTPFC formed SAHT 222 Mitchell GP, LLC, a Texas limited liability company, to serve as the General Partner of 222 Mitchell Redevelopment, LP, a Texas limited partnership formed to develop and operate a 228-unit affordable multi-family complex in San Antonio. SAHTPFC leased the land from the Archbishop of San Antonio for 75 years and then subleased the land for 75 years to 222 Mitchell Redevelopment, LP.

During 2016, SAHTPFC formed SAHT Lord Road GP, LLC, a Texas limited liability company, to serve as the General Partner of Lord Road Apartments ltd, a Texas limited partnership formed to develop and operate a 324-unit affordable multi-family complex in San Antonio.

During 2017, SAHTPFC formed SAHT Brookwood GP, LLC, a Texas limited liability company, to serve as the General Partner of Westover Senior P3, LP a Texas limited partnership formed to develop and operate a 197-unit affordable multi-family complex in San Antonio.

Note 1 – Summary of Significant Accounting Policies

A. Organization (Continued)

During 2017, SAHTPFC formed SAHT Copper Pointe LP, LLC, a Texas limited liability company, to be involved in the real estate development project with LOG Copper Pointe, LP, a Delaware limited partnership formed to develop and operate a 252-unit affordable multi-family complex in San Antonio.

During 2018, SAHTPFC formed SAHT Leon Creek GP, LLC, a Texas limited liability company, to serve as the General Partner of PEDCOR lnvestments-2016-CLVI, LP a Texas limited partnership formed to develop and operate a 296-unit affordable multi-family complex in San Antonio.

During 2018, SAHTPFC formed SAHT Red Berry LP, LLC, a Texas limited liability company, to serve as the General Partner of Red Berry GL, LP a Texas limited partnership formed to develop and operate a 330-unit mixed income housing development project in San Antonio.

During 2018, SAHTPFC formed SAHT Broadway Jones LP, LLC, a Texas limited liability company, to be involved in the real estate development project with Broadway Jones Apartments, LP, a Delaware limited partnership formed to develop and operate a 283-unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Alsbury GP, LLC, a Texas limited liability company, to serve as the General Partner of VDC SA-Alsbury, LP a Texas limited partnership formed to develop and operate a 240-unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Culebra Creek GP, LLC, a Texas limited liability company, to serve as the General Partner of PEDCOR lnvestments-2018-CLXIX, LP a Texas limited partnership formed to develop and operate a 312-unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Pan American GP, LLC, a Texas limited liability company, to serve as the General Partner of Steele Pan American, LP a Texas limited partnership formed to develop and operate a 100-unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT West Cevallos LP, LLC, a Texas limited liability company, to be involved in the real estate development project with West Cevallos GL, LP, a Delaware limited partnership formed to develop and operate a 323-unit affordable multi-family complex in San Antonio.

During 2019, SAHTPFC formed SAHT Mesa West GP, LLC, a Texas limited liability company, to serve as the General Partner of PEDCOR lnvestments-2018-CLXX, LP a Texas limited partnership formed to develop and operate a 280-unit affordable multi-family complex in San Antonio.

During 2020, SAHTPFC formed Luna Flats GP, LLC, a Texas limited liability company, to serve as the General Partner of Luna Flats Ltd, a Texas limited partnership formed to develop and operate a 69-unit affordable multi-family complex in San Antonio.

Note 1 – Summary of Significant Accounting Policies

A. Organization (Continued)

During 2020, SAHTPFC formed SAHT Parkdale GP, LLC, a Texas limited liability company, to serve as the General Partner of ARDC Parkdale Ltd, a Texas limited partnership formed to develop and operate a 196-unit affordable multi-family complex in San Antonio.

During 2020, SAHTPFC formed SAHT South Flores LP, LLC, a Texas limited liability company, to be involved in the real estate development project with SF Cevallos MF, LP, a Texas limited partnership formed to develop and operate a 292-unit affordable multi-family complex in San Antonio.

During 2021, SAHTPFC formed SAHT Echo East Manager, LLC, a Texas limited liability company, to be involved in the real estate development project with Villas at Echo East, LP, a Texas limited partnership formed to develop and operate a 192-unit affordable multi-family complex in San Antonio.

During 2021, SAHTPFC formed SAHT Port SA GP, LLC, a Texas limited liability company, to be involved in the real estate development project with Port SA Redevelopment, LP, a Texas limited partnership formed to develop and operate a 384-unit affordable multi-family complex in San Antonio.

During 2021, SAHTPFC formed SAHT Canyon Pass GP, LLC, a Texas limited liability company, to be involved in a real estate development project with Pedcor Investments -2019-CLXXV, LP, which was formed to develop and operate a 264-unit affordable multi-family complex in San Antonio.

During 2021, SAHTPFC formed SAHT Hamilton Wolfe Lofts, GP, LLC, a Texas limited liability company, to be involved in the real estate development project with Hamilton Wolfe Lofts, Ltd., a Texas limited partnership formed to develop and operate a 74-unit affordable multi-family complex in San Antonio.

During 2020, SAHTPFC formed SAHT Northview GP, LLC, a Texas limited liability company, to be involved in the real estate development project with VCCPHC-San Antonio I, LP, a Texas limited partnership, formed to develop and operate a 156 -unit affordable multi-family complex in San Antonio.

During 2020, SAHTPFC formed SAHT West End on Frio, LLC, a Texas limited liability company, to be involved in the real estate development project comprised of a 24-unit affordable multi-family complex in San Antonio.

During 2022, SAHTPFC formed SAHT Arbors at West Avenue GP, LLC, a Texas limited liability company, to be involved in the real estate development project comprised of a 234-unit affordable multi-family complex in San Antonio.

During 2022, SAHTPFC formed SAHT Crosswinds GP, LLC, an Indiana limited liability company, to be involved in the real estate development project comprised of a 312-unit affordable multi-family complex in San Antonio.

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Organization (Continued)

During 2022, SAHTPFC formed SAHT Loma Vista GP, LLC, a Texas limited liability company, to be involved in the real estate development project comprised of a 212-unit multifamily housing facility.

During 2022, SAHTPFC formed, SAHT Creekview Lofts, LLC, a Texas limited liability company, to be involved in the real estate development project.

During 2023, SAHTPFC formed Viento Apartments GP, LLC, a Texas limited liability company, to be involved in the real estate development project.

During 2023, SAHTPFC formed SAHT Palladium Crestway GP, LLC, a Texas limited liability company, to be involved in the real estate development project.

During 2023, SAHTPFC formed SAHT Palladium Military GP, LLC, a Texas limited liability company, to be involved in the real estate development project.

During 2023, SAHTPFC formed Culebra Road Apartments GP, LLC, a Texas limited liability company, to be involved in the real estate development project.

During 2023, SAHTPFC formed SAHT Ellison GP, LLC, a Texas limited liability company, to be involved in the real estate development project.

During 2023, SAHTPFC formed SAHT Southton, LLC, a Texas limited liability company, to be involved in the real estate development project.

B. Basic Financial Statements

As a special purpose government involved primarily in business-type activities, SAHTPFC'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)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

SAHTPFC 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 SAHTPFC are prepared using the accrual basis of accounting with the economic resources measurement focus as prescribed by GASB. As SAHTPFC 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 SAHTPFC is revenue from developer, origination and other fees associated with the construction of public facilities. SAHTPFC also recognizes deferred inflows of resources for prepaid ground leases as rental income over the term of the ground leases. Operating expenses for enterprise funds include administrative and professional fees, revenue sharing, and grant/project expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Tax Exempt Status

SAHTPFC 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.

E. Cash and Cash Equivalents

SAHTPFC 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.

F. Receivables

All receivables are reported net of any estimated allowance for uncollectible accounts; SAHTPFC considers all accounts receivable as of September 30, 2023 collectible and no allowance for uncollectible accounts has been established.

G. Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual amounts could differ from these estimates.

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Property and Equipment

Property and Equipment reported on the accompanying financial statements are currently comprised only of land and construction in progress, which is not depreciated. Expenditures for property and equipment in excess of $500 are capitalized. Purchases of such assets are recorded at cost and any donated assets would be recorded at fair market value as of the date of donation. Depreciation is calculated on a straight-line basis over the estimated useful lives of depreciable assets which range from 5 to 40 years. There were no depreciable assets as of September 30, 2023.

I. Leases – Deferred inflows of Resources

SAHTPFC has purchased land in transactions with multiple limited partnerships which are generally involved in real estate development and which usually will develop and build apartment buildings on the land and rent those apartments to low to moderate income families in the San Antonio area to qualify for certain low-income housing tax credits. The general partners in these limited partnerships are LLCs of which the SAHTPFC is the sole member.

The partnerships sell the land to SAHTPFC and then in return pay to lease the land back from SAHTPFC for long terms ranging from 55 to 99 years in a ground lease. The partnerships will prepay the entire long-term ground lease for the same amounts as the land was sold to SAHTPFC. These funds received from the partnerships are recorded as deferred inflows of resources on the accompanying Statement of Net Position. Subsequently, the deferred inflows of resources are amortized using the straight-line method over the term of the lease and recognized as rental income each year as it is earned under the terms of the lease. See Note 3 for related party transactions disclosure and Notes 4 and 5 for further details regarding land and ground leases, respectively.

J. 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, if any, and any remaining debt used to finance those. SAHTPFC is reporting land less deferred inflows of resources as net investment in capital assets on the Statement of Net Position.
- Restricted net position – net position restricted by the creditors, by State enabling legislation, by grantors (both Federal and State), and by other contributors.
- Unrestricted – all other net position is reported in this category.

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

Note 1 – Summary of Significant Accounting Policies

K. Adoption of New Accounting Pronouncements – GASB 94

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, originally effective for fiscal year beginning after June 15, 2022, was adopted by SAHTPFC beginning with its fiscal year ending September 30, 2023.

SAHTPFC enters into public-private and public-public partnership (PPP) arrangements in which it conveys to an operator (generally partnerships) the right to operate or use certain nonfinancial assets (underlying PPP assets) to provide public services in exchange for consideration in an exchange or exchange-like transaction through ground leases. SAHTPFC accounts for these arrangements as transferor PPPs in accordance with GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements.

Recognition and Measurement - At the commencement of each PPP arrangement in the form of a ground lease, the underlying PPP asset, land, is reported as a capital asset of the SAHTPFC. For PPPs involving existing land, the asset continues to be reported at its carrying amount at the commencement of the PPP. Initial direct costs incurred by the government related to PPP arrangements (such as legal, consulting, or other professional fees) are expensed as incurred.

In Fy 2023, SAHTPFC implemented GASB 94 for all ground leases entered into as public-private partnerships. See Note 5 for further details.

L. Investments

SAHTPFC's Investments in equity and debt securities, and other assets are measured and recorded at fair value in accordance with US GAAP. This includes money market mutual funds and marketable securities whose fair values are readily determinable through sales of similar securities prices, sales prices or bid-and-asked quotations that are currently available from regulated securities exchanges or over-the counter markets that are publicly reported. As indicated within the below Fair Value measurements disclosure note (See Note 13), values derived from regulated securities markets or over-the-counter public quotations are a level 1 type of fair value measurement.

SAHTPFC's investment policy is governed by the Texas Public Funds Investment Act which authorizes local governments to invest in a prescribed set of investment instruments that can be utilized to promote the goals of safety of principal, liquidity and diversification, and maximum yield. Investments shall be made in compliance with the Texas Public Funds Investment Act as adopted by SAHTPFC's investment policy (in whole or in part) and any other applicable laws. SAHTPFC may elect not to participate in all the instruments allowed by the Act.

SAHTPFC's investments for construction project funds and reserves are reported as noncurrent assets since they are for construction of capital assets.

Note 2 – Deposits with Financial Institutions

SAHTPFC's cash balance in financial institutions in excess of the federally insured limits as of September 30, 2023 is collateralized by pledged securities.

Note 3 – Related Party Transactions

SAHTPFC and the San Antonio Housing Trust Foundation, Inc. ("SAHTF") shared the same Board of Directors and Executive Director during the year ended September 30, 2023. SAHTPFC pays SAHTF 25% of developer revenues to administer their programs. SAHTPFC accrued administrative fees in the amount of $1,996,007 to SAHTF for the year ending September 30, 2023, which $1,796,628 were not paid as of year end; and these are reported as Due to SAHTF on the accompanying Statement of Net Position as a current liability.

Additionally, an amount of $435,316 was held in agency accounts for SAHTPFC by SAHTF as of September 30, 2023, which is reported as Due from SAHTF on the accompanying Statement of Net Position as a noncurrent asset.

SAHTPFC has formed LLCs to be involved in limited partnerships, and SAHTPFC is the sole member and owner of each of these LLCs. During the fiscal year, one partnership sold land to SAHTPFC totaling $10,277,735 and then paid the same amount to SAHTPFC to lease the land back from SAHTPFC through ground leases. Accordingly, $10,277,735 was added each to the balance of land and deferred inflows of resources as of September 30, 2023. In regards to similar ground lease transactions from prior years, $1,299,305 was recognized as rental income based on the amortization of deferred inflows of resources.

On April 5, 2024, San Antonio Housing Trust Public Facility Corporation (SAHTPFC) entered into a promissory note with 222 Mitchell Redevelopment, LP (the "Maker") in the principal amount of $500,000. SAHTPFC is a member of SAHT 222 Mitchell GP, LLC, the general partner of 222 Mitchell Redevelopment, LP; therefore, the note is with a related party. See Note 9 for further details.

Note 4 – Property and Equipment - A summary of SAHTPFC's property and equipment as of September 30, 2023, which solely consists of land and construction in progress that is non-depreciable, by development project, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land - Woodlawn Ranch	$ 3,400,400	$ -	$ -	$ 3,400,400
Land - Cevallos Lofts	2,462,735	-	-	2,462,735
Land - ACME Road	810,000	-	-	810,000
Land - Oak Valley	925,000	-	-	925,000
Land - Montabella Pointe	800,000	-	-	800,000
Land - Lord Road	1,425,000	-	-	1,425,000
Land - Copper Pointe	1,870,000	-	-	1,870,000
Land - Brookwood Apts	1,350,000	-	-	1,350,000
Land - Trails at Leon Creek	4,025,000	-	-	4,025,000
Land - Alsbury Park	2,000,000	-	-	2,000,000
Land - Broadway Jones	5,167,664	-	-	5,167,664
Land - West Cevallos	11,981,813	-	-	11,981,813
Land - Culebra Creek	2,854,375	-	-	2,854,375
Land - Mesa West	3,165,364	-	-	3,165,364
Land - Park At 38Thirty	30,000	-	-	30,000
Land - Pan American Apts	500,000	-	-	500,000
Land - Greenline North Apts	485,000	-	-	485,000
Land - Luna Flats Apts	3,820,000	-	-	3,820,000
Land - South Flores Lofts	7,400,000	-	-	7,400,000
Land - Red Berry Lake and Trail	149,821	-	-	149,821
Land - Friedrich Lofts	6,419,558	-	-	6,419,558
Land - Baldwin Crocket St	3,888,826	-	-	3,888,826
Land - Brio at Lookout	2,900,000	-	-	2,900,000
Land - Freedom Hills	1,143,000	-	-	1,143,000
Land - Palo Alto	880,000	-	-	880,000
Land - Master Ranch	1,245,000	-	-	1,245,000
Land - Upton at Longhorn Quarry	2,193,357	-	-	2,193,357
Land - Salado at Red Berry	144,896	-	-	144,896
Land- Canyon Pass Apartments	3,267,000	-	-	3,267,000
Land- Hamilton Wolfe Lofts Apartments	3,600,000	-	-	3,600,000
Land- Northview Apartments	2,900,000	-	-	2,900,000
Land- Villas at Echo East	278,000	-	-	278,000
Land - West End on Frio Apartments	233,000	-	-	233,000
Land - Caroline at Longhorn Quarry	3,855,780	-	-	3,855,780
Land - Crosswinds	5,011,956	-	-	5,011,956
Land - Caroline at Rogers Ranch	5,354,831	-	-	5,354,831
Land - Arbors at West Avenue	2,077,512	-	-	2,077,512
Land - Loma Vista Apartments	1,400,000	-	-	1,400,000
Land - Viento Apartments	-	2,887,701	-	2,887,701
Land - Flats at Leon Creek	-	2,250,000	-	2,250,000
Land - Palladium Crestway	-	2,375,000	-	2,375,000
Land - Pavillion at Culebra	-	1,240,000	-	1,240,000
Land - Southton Apartments	-	1,525,034	-	1,525,034
Component Unit - Blended				
Land - Creekview Lofts	1,265,941	-	-	1,265,941
Total Land	$ 102,680,829	$ 10,277,735	$ -	$ 112,958,564

Note 4 – Property and Equipment (continued)

SAHT Creekview Lofts, LLC – Blended Component Unit

Construction In Progress

	Beginning Balance	Additions	Deletions	Ending Balance
SAHT Creekview Lofts, LLC	$ 6,400,117	$ 4,138,393	$ -	$ 10,538,510
Total Construction In Progress	$ 6,400,117	$ 4,138,393	$ -	$ 10,538,510

Note 5 - Ground Leases/Public-Private Partnerships (PPPs): Summary of Arrangements

As the owner of various land assets, as of September 30, 2023, SAHTPFC has PPPs related primarily to ground leases in which this land is leased to partnerships for them to construct, improve and operate upon the land, rental projects. These PPPs generally have terms ranging from 55-99 years.

Assets and deferred inflows related to PPPs
At September 30, 2023, land and deferred inflows of resources related to PPPs were as follows:

- Underlying PPP assets – Land: $111,692,623
- Deferred inflows of resources related to PPPs: $103,202,006

Rights retained, guarantees, and commitments
Under the PPP agreements, the SAHTPFC generally retains legal title to the underlying assets and related rights. The partnership operators are typically granted the right to collect rents and operate and maintain the facilities.
The government has not identified any impairments of underlying PPP assets or significant contract modifications during the year ended September 30, 2023.

Rental Income
The ground lease amount is for the purchase price of the land which is prepaid in full by the tenant at the time of the ground lease agreement. This prepaid amount is amortized over the term of the lease in order to recognize rental income. During FY 2023, $1,299,305 was recognized as rental income for these ground leases in the accompanying Statement of Revenues, Expenses and Changes in Net Position. A schedule of these prepaid leases, by development project property, as of September 30, 2023, follows

Note 5 - Ground Leases/Public-Private Partnerships (PPPs): Summary of Arrangements (Continued)

Property	Date	Lease Period	Prepaid Lease Amount	Prepaid Rent Beginning Balance	Additions	Amortized Rent	Prepaid Rent Ending Balance
Woodlawn Ranch	10/12/2011	2011 - 2087	$ 3,400,400	$ 2,903,165	$ -	$ 45,339	$ 2,857,826
Masters Ranch	3/24/2015	2015 - 2090	1,245,000	1,120,500	-	16,600	1,103,900
Palo Alto	7/3/2015	2015 - 2090	880,000	794,934	-	11,734	783,200
Freedom Hills	6/1/2016	2016 - 2091	1,143,000	1,046,480	-	15,240	1,031,240
Brio at Lookout	9/25/2019	2019 - 2095	2,900,000	2,784,000	-	38,667	2,745,333
Baldwin Crockett St	5/9/2016	2016 - 2091	3,888,826	3,558,276	-	51,851	3,506,425
Friedrich Lofts	8/7/2020	2020- 2095	6,419,558	6,234,104	-	85,594	6,148,510
Upton at Longhorn Quarry	2/26/2016	2016 - 2091	2,193,357	1,993,516	-	29,246	1,964,270
Salado at Red Berry	10/22/2018	2018 - 2094	144,896	137,329	-	1,933	135,396
Cevallos Lofts	4/6/2010	2010-2065	2,462,735	1,903,697	-	44,777	1,858,920
ACME Road	11/1/2016	2016 - 2116	810,000	761,591	-	8,182	753,409
Oak Valley	6/1/2017	2017 -2116	925,000	875,169	-	9,343	865,826
Montabella Pointe	8/31/2017	2017 - 2092	800,000	745,777	-	10,667	735,110
Lord Road	8/24/2018	2018-2093	1,425,000	1,347,021	-	19,000	1,328,021
Copper Pointe	7/17/2018	2018-2093	1,870,000	1,765,073	-	24,933	1,740,140
Brookwood	5/25/2018	2018-2093	1,350,000	1,271,655	-	18,000	1,253,655
Trails at Leon Creek	8/1/2018	2018-2117	4,025,000	3,855,597	-	40,657	3,814,940
Alsbury Park	7/1/2019	2019-2094	2,000,000	1,913,333	-	26,667	1,886,666
Broadway Jones	12/27/2018	2019-2094	5,167,664	4,909,281	-	68,902	4,840,379
West Cevallos	6/14/2019	2019-2094	11,981,813	11,455,944	-	159,758	11,296,186
Culebra Creek	7/1/2019	2019-2118	2,854,375	2,760,671	-	28,832	2,731,839
Mesa West	9/1/2019	2019-2118	3,165,364	3,066,780	-	31,973	3,034,807
Part At 38Thirty	6/1/2020	2020 - 2095	30,000	29,067	-	400	28,667
Pan American	6/17/2020	2020-2095	500,000	484,722	-	6,667	478,055
Greenline North	8/1/2020	2020-2095	485,000	470,989	-	6,467	464,522
Luna Flats	6/29/2020	2020- 2095	3,820,000	3,705,400	-	50,933	3,654,467
South Flores	9/3/2020	2020 - 2095	7,400,000	7,194,444	-	98,667	7,095,777
Canyon Pass	12/1/2020	2020 - 2119	3,267,000	3,207,875	-	33,000	3,174,875
Hamilton Wolfe Lofts	5/17/2021	2021 - 2096	3,600,000	3,534,000	-	48,000	3,486,000
Northview	10/1/2020	2020 - 2119	2,900,000	2,841,414	-	29,293	2,812,121
Villas at Echo East	4/13/2021	2021 - 2096	278,000	272,594	-	3,707	268,887
West End on Frio	11/12/2020	2020 - 2095	233,000	227,181	-	3,101	224,080
Caroline at Longhorn Quarry	8/5/2021	2021-2120	3,855,780	3,810,338	-	38,947	3,771,391
Crosswinds	1/1/2022	2022-2121	5,011,956	4,973,987	-	50,626	4,923,361
Caroline at Rogers Ranch	1/20/2022	2022-2121	5,354,831	5,318,772	-	54,089	5,264,683
Arbors at West Avenue	2/1/2022	2022-2097	2,077,512	2,059,045	-	27,700	2,031,345
Loma Vista Apartments	2/1/2022	2022-2097	1,400,000	1,387,556	-	18,667	1,368,889
Viento Apartments	12/1/2022	2022-2097	390,000	-	390,000	4,334	385,666
Flats at Leon Creek	7/1/2023	2023-2098	-	-	2,250,000	7,500	2,242,500
Palladium Crestway	7/1/2023	2023-2098	-	-	2,375,000	7,917	2,367,083
Pavillion at Culebra	8/1/2023	2023-2098		-	1,240,000	2,756	1,237,244
Southton Apartments	11/1/2022	2022-2097		-	1,525,034	18,639	1,506,395
Total			$ 101,655,067	$ 96,721,277	$ 7,780,034	$ 1,299,305	$ 103,202,006

Note 6 – 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	$ 33,710,000
Additions	85,229,000
Deletions	-
Balance, September 30, 2023	$ 118,939,000

Note 7 – Bonds Payable

During Fy 2022, the SAHTPFC issued senior and subordinate bonds to provide financial assistance to the SAHT Creekview Lofts, LLC, a blended component unit, for the acquisition and construction of low-income housing facilities. The bonds are obligations of the SAHTPFC, payable solely from the revenues of the Lofts at Creekview Project; and are being reported as long-term liabilities in the amount of $58,213,838, in the accompanying financial statements. The detail of these bonds is as follows:

A. San Antonio Housing Trust Public Facility Corporation Senior Bonds (Lofts at Creekview) Series 2022-A, interest rate of 5.25% and maturity date of January 1, 2060. These bonds, with a principal amount of $44,650,000, were issued at a discount of $1,786,000; the balance of these bonds payable, net of the discount as of the beginning and end of year is $42,864,000.

B. San Antonio Housing Trust Public Facility Corporation Subordinate Bonds (Lofts at Creekview) Series 2022-B, interest rate of 7.5% and maturity date of January 1, 2062. These bonds had a principal amount of $15,349,837.92 and the balance of these bonds as of the beginning and end of year is $15,349,837.92. There is no payment required on these bonds until maturity, however, interest is compounded and accrued monthly. If no monthly payment of the accrued interest on these bonds is made, then the amount due on January 1, 2062 will be the accreted value at maturity which is $272,112,000.

Note 7 – Bonds Payable (continued)

Annual principal and interest requirements to maturity for the bonds are as follows:

Bond Series 2022-A

For the Year Ended September 30,	Principal	Interest	Total
2024	-	2,344,125	2,344,125
2025	-	2,344,125	2,344,125
2026	-	2,344,125	2,344,125
2027	-	2,344,125	2,344,125
2028		2,344,125	2,344,125
2029-2033	-	11,720,625	11,720,625
2034-2038	-	11,720,625	11,720,625
2039-2043	-	11,720,625	11,720,625
2044-2048	-	11,720,625	11,720,625
2049-2053	-	11,720,625	11,720,625
2054-2058	-	11,720,625	11,720,625
2059-2060	42,864,000	4,688,250	47,552,250
	$ 42,864,000	$ 86,732,625	$ 129,596,625

Note 7 – Bonds Payable (continued)

Bond Series 2022-B

For the Year Ended September 30,	Accreted Value	Principal	Interest for the year	Interest accreded to Date
2024	$ 18,732,110	$ 15,349,838	$ 1,306,057	$ 3,382,272
2025	20,139,091	15,349,838	1,406,981	4,789,253
2026	21,649,205	15,349,838	1,510,114	6,299,367
2027	23,271,219	15,349,838	1,622,014	7,921,381
2028	25,017,978	15,349,838	1,746,759	9,668,140
2029-2033	35,916,069	15,349,838	10,898,091	20,566,231
2034-2038	51,562,503	15,349,838	15,646,434	36,212,665
2039-2043	74,023,549	15,349,838	22,461,046	58,673,711
2044-2048	106,276,027	15,349,838	32,252,478	90,926,189
2049-2053	152,573,200	15,349,838	46,297,173	137,223,362
2054-2058	219,009,276	15,349,838	66,436,076	203,659,438
2059-2062	272,112,000	15,349,838	53,102,724	256,762,162
	$ 1,037,708,280	$ 199,547,894	$ 255,902,288	$ 838,160,386

Changes in Long-Term Liabilities

	September 30, 2022		FY 2023		September 30, 2023	
	Current Portion	Long-Term Portion	Increases	Decreases	Current Portion	Long-Term Portion
Bond Series 2022-A	$ -	$ 42,864,000	$ -	$ -	$ -	$ 42,864,000
Bond Series 2022-B	-	15,349,838	-	-	-	15,349,838
	$ -	$ 58,213,838	$ -	$ -	$ -	$ 58,213,838

Note 8 – Condensed Financial Information – Blended Component Units

The following presents condensed financial statement information for the SAHTPFC's blended component units: Note – In FY2023, all blended component units had no significant financial activity except SAHT Creekview Lofts, LLC which is presented below:

(a) Condensed Statement of Net Position

	SAHT Creekview Lofts, LLC	Total
Assets		
Due from PFC	$ -	$ -
Land	1,265,941	1,265,941
Construction in progress	10,538,510	10,538,510
Total Assets	11,804,451	11,804,451
Liabilities		
Accrued Expenses	-	-
Due to PFC	-	-
Long Term Debt - Note Payable to PFC	11,804,451	11,804,451
Total Liabilities	11,804,451	11,804,451
Net Position		
Unrestricted	-	-
Total Net Position	$ -	$ -

Note 8 – Condensed Financial Information – Blended Component Units (continued)

(b) Condensed Statement of Revenues, Expenses and Changes in Net Position

	SAHT Creekview Lofts, LLC	Total
Operating Revenues	$ -	$ -
Total Operating Revenues	-	-
Operating Expenses		-
Operating Expenses	-	-
Total Operating Expenses	-	-
Operating Income(Loss)	-	-
Nonoperating Revenues (Expenses)		
Gain of Sale of LTD	-	-
Investment Income	-	-
Total Nonoperating Revenues (Expenses)	-	-
		-
Changes in Net Position	-	-
Net Position, Beg. Of Year	-	-
Net Position, End of Year	$ -	$ -

(c) Condensed Statement of Cash Flows

Cash Flows from Operating Activities:		
Net cash provided (used) by operating activities	$ -	$ -
Cash and Cash equivalents, September 30, 2023	$ -	$ -

Reconciliation of Operating income (loss) to net cash used in operating activities:

Operating income (loss)	$ -	$ -
Changes in operating assets and liabilities -	-	-
Increase in Accounts Payable	-	-
Investing	-	-
Net cash provided (used) by operating activities	$ -	$ -

Note 9 – Note Receivable

On April 5, 2023, SAHTPFC (lender) entered in to a promissory note with 222 Mitchel Redevelopment, LP (maker), in the principal amount of $500,000 together with interest from the date thereof on the principal amount from time to time remaining unpaid hereunder the Interest Rate (defined in that certain loan agreement of even date therewith (the "Loan Agreement") by and between the maker as borrower and Payee as Lender) applicable to the Advance outstanding hereunder, with interest payable on the Interest Payment Dates as provided in the Loan Agreement in the Interest Rate until its Maturity Date on November 1, 2038. Payments of principal and interest are to be made solely from Net Cash From Operating and Net Cash from Sales or Refinancings, not to exceed 75% of such net cash after deductions for operating expenses, reserve fund contributions, and senior debt service. Payments are applied first to accrued unpaid interest, then to principal. All outstanding principal and interest are due at maturity. The note is not a revolving note; amounts repaid may not be reborrowed. The note receivable balance as of September 30, 2023 is $518,229. Also see Note 3 Related Party Transactions.

Note 10 – 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 November 27, 2023, the Board approved the acquisition of 19.68 acres of vacant land located along the West Side of S. Zarzamora, South of 410 in phase II of the Vida Project Development. In addition, the board authorized a drawdown in the maximum amount of $2.4 Million from the SAHTPFC Frost bank credit facility for purposes of acquisition of real property necessary for Project Vida.

- On December 21, 2023, SAHTPFC and Southstar at Verano Investment, LLC entered into a settlement agreement for the purchase of 2.28 acres for the Vida Project Development. In relation to this sale, SAHTPFC recorded the following balances: Construction in Progress $248,592, Note payable for Vida $2,201,018 and Property Development Vida cost $3,536,327.

- On February 16, 2024, the Boad approved the purchase of 8.6 acres of real property located Southeast of the intersection of Eisenhauer Rod and Midcrown Drive. In addition, the Board authorized related financing and budget matters, authorizing the creatin of an LLC to hold the property.

- On February 16, 2024, the Boad authorized the South Hausman Apartment transaction, authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of the membership interest in SAHT S Hausman PFC, LLC. In addition, the Board approved SAHTPFC to enter into a joint venture agreement to serve as the general contractor.

Note 10 – Subsequent Events (continued)

- On May 17, 2024, the Board approved the purchase of approximately 1.57 acres of real property located at 811 W. Houston, in San Antonio, TX. In addition, the board authorized related financing and budget matters, the creating of an LLC for property holding, authorizing signatories, and addressing related matters.

- On June 21, 2024, the Board approved the following:

    - Approved resolution authorizing the Four25 San Pedro Apartments Transaction, including the execution of all documents necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of membership interest in SAHT San Pedro GP, LLC and its admission as the general partner of ARDC San Pedro, LTD, and authorizing the financing for such transaction, and authorizing San Antonio Housing Trust PFC to serve as the general contractor and other matters in connection therewith.

    - Approved resolution authorizing the Sageland Flats (f/k/a Brooks Family Apartments) transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of all of the membership interest of SAHT Brooks Family GP, LLC and its admission as the general partner of Brooks Family Apartments limited partnership; and authorizing the financing for such transaction; and authorizing the San Antonio Housing Trust Public Facility Corporation to serve as the general contractor; and other matters in connection therewith.

    - Approved resolution authorizing the Cedar Ridge Terrace Apartments (f/k/a Brooks Senior apartments) transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of all of the membership interest of SAHT Brooks Senior GP, LLC and its admission as the general partner of Brooks Senior Apartments Limited Partnership; and authorizing the financing for such transaction; and authorizing the San Antonio Housing Trust Public Facility Corporation to serve as the general contractor; and other matters in connection therewith.

    - Approved resolution authorizing the Legacy Senior Residences transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of all of the membership interest of SAHT Legacy GP, LLC. and its admission as the general partner of Legacy-San An New Braunfels, LP; and authorizing the financing for such transaction; and authorizing the San Antonio Housing Trust Public Facility Corporation to serve as the general contractor; and other matters in connection therewith

Note 10 – Subsequent Events (continued)

- Approved resolution authorizing the Palladium San Antonio transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of all the membership interest of SAHT Palladium Military GP, LLC and its admission as the general partner of Palladium San Antonio, LTD; and authorizing the financing for such transaction; and authorizing the SAHTPFC to serve as the general contractor; and other matters in connection therewith.

- On July 11, 2024, a loan agreement between ARDC San Pedro, Ltd (as Borrower) and the SAHFPFC (as lender) was executed for a maximum amount of $7,476,210.78 that may be reimbursed from bond funds and loaned pursuant to the agreement.

- On July 26, 2024, a promissory note between Palladium San Antonio, Ltd. (Maker) and the SAHTPFC (lender) was executed for a principal amount of $1,367,640.

- On July 26, 2024, the SAHTPFC entered into an agreement for $1,367,640 to be paid to the City of San Antonio for CDBG funds loaned.

- On July 26, 2024, the Board approved a resolution authorizing the Residences at Pearsall Park transaction including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction, and authorizing the acquisition of all the membership interest of SAHT Pearsall Park GP, LLC and its admission as the general partner of Pearsall Park Limited Partnership, and authorizing the financing for such transaction; and authorizing the San Antonio Housing Trust Public Facility Corporation to serve as the general contractor; and other matters in connection therewith.

- On August 30, 2024, the Board approved the following:

  - Approved a resolution authoring the acquisition of approximate approximately 8.6 acres of real property located Southeast of the intersection of Eisenhauer Road and Midcrown Drive and the acceptance of TIRZ funds from the City of San Antonio for payment and expenses for said acquisition.
  - Approved resolution authorizing the Good Homes San Antonio Apartments transaction, including the execution of all documents necessary to carry out the transaction, authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing SAHTPFC to serve as the general contractor, and other matters in connection therewith.
  - Approved a resolution approving the award of a recoverable grant from the SAHTPFC to Merced Housing Texas in the amount of $500,000, to be used for rehabilitation cost at the Oscar Eason Senior Apartments.

Note 10 – Subsequent Events (continued)

- On September 30, 2024, the Board approved the following:
  - Approved a resolution authorizing to finalize the acquisition of 1.57 acres of real property located near the Northeast corner of W. Houston Street and North Frio (811 W Houston); accepting funding form the City of SA for the acquisition of same; authorizing a drawdown in the maximum amount of $1 Million from the PFC Frost Bank credit facility for the acquisition of same and authorizing the execution by the Assistant
  - Approval of a resolution inducing the Commons at Acequia Trails transaction, authorizing filings and agreements for low-income housing tax credits, a memorandum of understanding, and execution of the American Rescue Plan Act grant agreement.

- A $289,961 gain on sale of land was recorded in FY2024 in relation to George Gervin Youth Center.

- In FY 2024, the SAHTPFC entered into note agreements with Frost Bank in relation to the VIDA and 811 W. Houston Projects in the amounts of $2,201,018 and $798,276, respectively.

- In Fy 2024, the SAHTPC received capital contributions from the City of San Antonio in the form of TIRX, ICIF Grants and other grants as follows:
  - $7,476,211 for the Four25 San Pedro Project
  - $2,525,986 for the Midcrown project
  - $2,535,000 for the 811 W. Houston Project

- On October 18, 2024, Joint FY 2025 Notice of Funding Announcement (NOFA) for both the SAHT PFC and the SAHT Trust Fund for a total of $1,200,000.

- On November 25, 2024, the Board approved the following:

  - Authorization regarding the Commons at Acequia Trails Apartments transaction, including execution of all documentation, purchase and lease of land, acquisition of membership interest, financing, and serving as general contractor.

  - Amendment of the FY 2025 PFC capital budget to expend up to $105,000 in reimbursable Inner City TIRZ funds for community engagement, site concept design services, and environmental site clearing activities at the Midcrown Property.

  - Authorized to negotiate and execute the following purchase sale agreements:
    - The purchase of 4.6 acres of land at Medina St between W. Martin and W. Commerce St.
    - The purchase of 1.3 acres of land at the corner of North Frio and W. Houston Streets.
    - The purchase of approximately 0.54 acres at 1600 & 1610 Buena Vista St.
    - The purchase of approximately 0.91 acres of land at 217 Warren St.

Note 10 – Subsequent Events (continued)

- On February 21, 2025, the Board approved the following:
    - Approval to award $728,500 in available funds, allocated as follows: $150,000 to Culturingua to create a new community land trust; $213,000 to Merced Housing Texas for rehabilitation of the Kings Court; $250,000 to Opportunity Home of San Antonio for rehabilitation to Dietrich; $25,500 to Bethel AME for Swiss Street Affordable Housing Project.

- On March 21, 2025, the Board approved the following:

    - Approved resolution authorizing the SAHTPFC to obtain an extension of its credit facility with Frost Bank.

    - Approved a budget amendment to fund and transfer the final purchase price plus all necessary closing costs to the San Antonio Housing Trust Foundation for the acquisition of the Robert E. Lee Apartments, a 72-unit multifamily property at 111 W. Travis Street.

    - Approved the acquisition of 4.9 acres of real property located at 421 N. Medina St; authorizing the drawdown purchase funds form the PFC Frost bank credit facility; authorizing the creation of a Single-Asset LLC to hold title to the property; authorizing the assistant secretary to execute all closing documents; and addressing related matters
    - Approved the acquisition of approximately 0.54 acres of real property located at 1600 and 1610 Buena Vista St; authorizing the creation of a Single-asset, LLC to hold title to the property; authorizing the assistant secretary to execute all closing documents; and addressing related matters.

    - Approved the acquisition of approximately 0.907 acres of real property located at 217 Warren St; authorizing the drawdown of purchase fund form the PFC Frost Bank credit facility; authorizing the creation of a Single-Asset LLC to hold title to the property; the assistant secretary to execute all closing documents; and addressing related matters.

- On May 16, 2025, the Board approved the following:

    - Approval of a resolution authorizing the closure of the transaction to acquire approximately 1.3 acres of real property located at 900 W Houston St., 907 W Commerce St., and 118 N Medina St.; acceptance of Community Development Block Grant funds; authorization for creation of a single-asset LLC to hold title to the property; delegation of authority to the Assistant Secretary to execute all closing documents; and addressing related matters
    - Approval of a resolution authorizing an amendment to the Fiscal Year 2025 Public Facility Corporation operating budget and authorizing the establishment of the FY 2025-2030 multi-year SAHT PFC consolidated capital budget for the following projects: VIDA Master Plan; Judy at VIDA Phase I; Project DC Master Plan; 421 Medina St; 811 W. Houston; 900/911 W. Houston; 1600 Buena Vista; Midcrown; and 217 Warren St.

Note 10 – Subsequent Events (continued)

- On June 13, 2025 the Board approved the following:
    - Authorization to execute an option agreement with Versa Terra Development, LLC, to acquire approximately 30 acres of vacant land in the Rosillo Creek TIRZ #41.
    - Authorization of the Homestead Transaction, including land purchase, lease, and partnership with NXSTEP, and for the Corporation to serve as general contractor.

- On August 15, 2025, the board authorized a loan from SAHTPFC to SAHTF in the amount of $5.3M for the acquisition, improvements, and predevelopment cost associated with the 111 W. Travis Building (Robert E. Lee Apartments).

- On September 15, 2025, the SAHTPFC and San Antonio Housing Trust (SAHT) entered into a loan agreement with San Antonio Housing Development Corporation to loan $650,000, WITH $400,000 from SAHT and $250,000 from SAHTPFC. The loan is structured as a forgivable loan with no interest accrual with 10 years from the disbursement date. Funds must be used exclusively for capital repairs at the Dietrich Road Apartments.

- On September 19, 2025, the Board approved the following:
    - Approved resolution authorizing the Orion Apartment homes transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land for the transaction; and authorizing the acquisition of the membership interest in SAHT Orion I, GP, LLC; and authorizing the financing for such transaction; and authorizing SAHTPFC to enter into a joint venture agreement to serve as the general contractor; and other matters in connection therewith.
    - Approved resolution authorizing the Lofts at Creekview transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the lease of the land for the transaction; and authorizing the acquisition of all of the membership interest in SAHT Creekview Lofts GP, LLC and its admission as the general partner of SAHT Creekview Lofts, LP; and authorizing the financing for such transaction; and other matters in connection therewith

- September 19, 2025
    - Approved resolution for up to $45,000,000 in financing for The Jane at VIDA.
    - Approved multiple Lofts at Creekview actions: authorization of multifamily housing revenue bonds (Series 2025A-1, 2025A-2, 2025A-3), transaction structure (lease, acquisition of membership interest, financing), and up to $10,000,000 in financing.
    - Approved inducement resolution for the Maya Apartments in partnership with American Agape Foundation, including authorization to negotiate and execute a term sheet.

Note 10 – Subsequent Events (continued)

- Approved Orion Apartment Homes actions: authorization of multifamily housing revenue bonds (Series 2025A and 2025B) and authorization of the overall transaction (land purchase, lease, acquisition of membership interest, financing, joint venture).

- On October 17, 2025
  - Approved resolution authorizing the Maya Apartments transaction. Authorization to close deal on acquisition of the rehab building.

- December 1, 2025
  - Approved resolution for the GoodHomes 425 Bonham (The Whitney Apartments) transaction, including land purchase, lease, and serving as general contractor.
  - Approved resolution authorizing multifamily housing revenue bonds for the Stones Crossing Apartment Homes Project (Series 2026A & 2026B).
  - Approved resolution for the Stones Crossing Apartment Homes transaction (land purchase, lease, acquisition of membership interest, financing, joint venture).

Note 11 – Commitment/Contingency

- Federal funds received are subject to a compliance examination audit. As of the date of this report a program specific audit is in the process of being completed any related adjustments as a result of the examination are not known as of the date of this report.

- In relation to the Lofts at Creekview Project, during FY 2022, SAHT Creekview Lofts, LLC entered into a construction contract in the amount of $39,200,000. As of September 30, 2023, approximately $5,453,340 was paid towards the construction contract.

- On March 30, 2022, SAHTPFC, and SAHT Creekview Lofts, LLC (owner), a single-purpose entity wholly owned by SAHTPFC entered into a development agreement with a developer to develop a 301-unit multi-family apartment complex known as Lofts at Creekview Apartments. SAHT Creekview Lofts, LLC acquired the land for $1.7M to be financed through the issuance of Series 2022 tax-exempt bonds, with a total project budget of $39,200,000. As a result of this agreement SAHTPFC will receive a structuring fee of $250,000 at closing. The Developer will receive $2,707,452 to be paid under schedule:25% at closing; 15% in equal installments as construction progresses, monthly; balance or 15% at completion and 10% at occupancy; and 50% deferred at testing date.

Note 12 – Prior Period Adjustment

Prior period adjustment was recorded in the amount of $100,046 in order to correct prior period account balances as follows:

• Adjust balance due to CoSA related to CDBG program activity from prior years	$70,702
• Reverse balance from prior year related to prepaid deposits	29,344
	$100,046

Note 13 – Fair Value Measurements

SAHTPFC categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2023, SAHTPFC had investments in U.S. Treasury securities, government money market mutual funds that had the following recurring and nonrecurring fair value measurements:

Asset Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Valuation Technique
Government Money Market Mutual Funds	$17,484,613	X			Quoted market prices
U.S. Treasury Notes	$28,924,774	X			Quoted market prices

Valuation Techniques:

- Government Money Market Mutual Funds are valued using quoted market prices (Level 1)
- U.S. Treasury Notes are valued using quoted market prices (Level 1)

There were no changes in valuation techniques during the period.

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 AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, of the San Antonio Housing Trust Public Facility Corporation (SAHTPFC), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the SAHTPFC's basic financial statements, and have issued our report thereon dated February 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the SAHTPFC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SAHTPFC's internal control. Accordingly, we do not express an opinion on the effectiveness of the SAHTPFC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SAHTPFC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the SAHTPFC in a separate letter dated February 18, 2026.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Antonio, Texas
February 18, 2026