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

SAN ANTONIO, TEXAS

FINANCIAL STATEMENTS
(With Independent Auditors' Report Thereon)

SEPTEMBER 30, 2023

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

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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 Foundation, Inc.
San Antonio, Texas

Opinion

We have audited the accompanying financial statements of the business-type activities of the San Antonio Housing Trust Foundation, Inc. (SAHTF), a component unit of the City of San Antonio, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise SAHTF's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the SAHTF, as of September 30, 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 SAHTF, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 SAHTF's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SAHTF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the SAHTF's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Leal & Carter, P.C.

San Antonio, Texas
February 18, 2026

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance and major initiatives of the **San Antonio Housing Trust Foundation, Inc. (SAHTF)** for the fiscal year ended September 30, 2023. The discussion is intended to provide readers with insight into the Foundation's financial position, results of operations, and role within the broader mission of the San Antonio Housing Trust (SAHT).

SAHTF serves as the administrative and fiscal agent of the San Antonio Housing Trust, coordinating housing development, grantmaking, and strategic investment initiatives that advance affordable, accessible, and equitable housing opportunities across San Antonio. The Foundation operates as a nonprofit component unit of the City of San Antonio, governed by an eleven-member board of trustees appointed by the City Council.

Financial Highlights

For the year ended September 30, 2023, the Foundation demonstrated continued financial strength and effective program execution:

- *Assets* – $8.3 million, an increase of $54,083 from FY 2022. The change was primarily due to payments received from the City of San Antonio for reimbursements related to the Red Berry Project. The San Antonio Housing Trust Public Facility Corporation (SAHTPFC) and the San Antonio Housing Trust Finance Corporation (SAHTFC) continued to accrue expenses for FY 2023 administrative fees, professional services and payroll, however, payment was not made for the majority of these cash outflows until FY 2024.
- *Liabilities* – $1.07 million, a decrease in current liabilities of $117,865 and a decrease in non-current liabilities of $524,009.
    - Funds sourced from ICIF in the amount of $243,400 were received from the City of San Antonio and held in agency funds for the Red Berry project; $108,114 was expended in FY 2023.
    - $310,282 was advanced by the SAHTPFC and SAHTFC to the SAHTF in anticipation of budgeted expenditures for asset management software costs and compliance monitoring fees. This was not a policy followed in the prior year but was deemed necessary in FY 2023 for cash flow purposes.
    - The balance of funds held for distribution in accordance with the City of San Antonio's HIP 80, HIP 120, FRHAP and HOPE programs was up by $251,308 from the prior year. These balances are dependent upon the amount the City allocates for these programs each year and the applications approved for use of funds.
    - There was a significant amount paid to the City of San Antonio for repayment of loan proceeds received which were originally sourced from the Trust Fund. A loan in excess of $400,000 was paid early resulting in the unusual variance from prior years.

Financial Highlights (Continued)

- *Revenues* – $2.09 million, a decrease of $1.38 million from FY 2022
  - Administrative Fees is income earned from the SAHTPFC and SAHTFC and decreased by $378,202 in FY 2023. Recognition of administrative fee revenue is dependent upon the performance of its partnership entities that develop and operate multi-family housing in San Antonio. Revenue is recognized when the fees are received by the SAHTPFC.
  - In FY 2022, we recognized grant income and expense for the funds received and expended on behalf of the City of San Antonio in accordance with their HIP 80, HIP 120, FRHAP and HOPE programs. In FY 2023, it was determined that these funds were appropriately recorded as agency funds. This resulted in a decrease in both grant income ($983,295) and grant expense ($677,555) in FY 2023.
- *Expenses* – $1.5 million, a decrease of $1.48 million from FY 2022
  - Budgeted funds to be issued as grants to others was significantly reduced for FY 2023 due to projected cash available, a $1.7 million decrease.
  - The allocation of payroll and benefits was adjusted to better align with staff time spent across the three SAHT entities, a $224,973 increase.
  - Other operating expenses remained fairly consistent with prior years and controlled by the establishment and tight monitoring of budget to actual expenditures throughout the year.

Overview of the Financial Statements

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

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

Financial Analysis

Net Position – The SAHTF's net position increased by $695,957 during fiscal year 2023. A comparison of the entity's net assets follows:

	2022	2023	$ Change
ASSETS			
Current Assets			
Cash and Cash Equivalents - Unrestricted	$ 3,553,961	$ 3,288,513	$ (265,448)
Cash and Cash Equivalents - Restricted	402,666	628,957	226,291
Accounts Receivable	539,200	198,669	(340,531)
Due from SAHTFC	38,017	57,041	19,024
Due from SAHTPFC	1,378,405	1,796,628	418,223
Prepaid Expenses	2,603	33,563	30,960
Total Current Assets	5,914,852	6,003,371	88,519
Non-Current Assets			
Loans Receivable	1,997,502	1,931,957	(65,545)
Mortgage Loans Receivable, Net of Allowance	31,087	-	(31,087)
Accrued Interest Receivable	154,577	193,162	38,585
Capital Assets:			
Land	30,000	30,000	-
Buildings and Improvements	177,575	188,566	10,991
Furniture and Equipment	76,394	97,050	20,656
Accumulated Depreciation	(94,324)	(102,360)	(8,036)
Total Capital Assets, Net of Depreciation	189,645	213,256	23,611
Equity Investment	-	-	-
Total Non-Current Assets	2,372,811	2,338,375	(34,436)
Total Assets	**$ 8,287,663**	**$ 8,341,746**	**$ 54,083**

Financial Analysis *(continued)*

LIABILITIES AND NET POSITION

Liabilities:			
Current Liabilities			
Accounts Payable	$ 155,791	$ 85,759	$ (70,032)
Accrued Expenses	27,977	98,689	70,712
Due to San Antonio Housing Trust	-	135,286	135,286
Agency Funds/Due to SAHTPFC	949,119	435,316	(513,803)
Agency Funds/Due to SAHTFC	702	6,100	5,398
Prepaid Deposits	717	252,025	251,308
Other Liabilities	-	3,266	3,266
Total Current Liabilities	1,134,306	1,016,441	(117,865)
Non-Current Liabilities			
Due to San Antonio Housing Trust	575,838	51,829	(524,009)
Total Non-Current Liabilities	575,838	51,829	(524,009)
Total Liabilities	**1,710,144**	**1,068,270**	**(641,874)**
Net Position:			
Invested in Capital Assets, Net of Related Debt	189,645	213,256	23,611
Restricted	305,740	-	(305,740)
Unrestricted	6,082,134	7,060,220	978,086
Total Net Position	**$ 6,577,519**	**$ 7,273,476**	**$ 695,957**

	2022	2023	$ Change
OPERATING REVENUES			
Administrative Fees	$ 2,415,950	$ 2,037,748	$ (378,202)
Contributions from the City of San Antonio - Affordable Housing Programs	983,295	-	(983,295)
Grants - Risk Mitigation	2,994	2,139	(855)
Grants - Post Purchase Counseling	-	-	-
Interest on Loans	70,669	48,063	(22,606)
Miscellaneous Income	-	-	-
Total Operating Revenues	3,472,908	2,087,950	(1,384,958)

Financial Analysis *(continued)*

	2022	2023	$ Change
OPERATING EXPENSES			
Grants to Others - Affordable Housing Programs	1,850,068	132,300	(1,717,768)
Grants to Others - Risk Mitigation	128	-	(128)
Disbursement to San Antonio Housing Trust	244,557	99,918	(144,639)
Accounting Services	91,220	52,320	(38,900)
Advertising	300	3,564	3,264
Audit	24,900	13,625	(11,275)
Auto Expense	6,231	23,067	16,836
Depreciation	6,995	8,036	1,041
Employee Benefits	87,266	108,110	20,844
Insurance	14,908	85,099	70,191
Meals and Entertainment	3,855	10,180	6,325
Membership Dues and Licenses	4,092	2,164	(1,928)
Occupancy	9,084	15,814	6,730
Office Supplies, Printing, Postage	7,947	5,901	(2,046)
Payroll Expenses	371,777	575,906	204,129
Professional Fees	153,667	107,134	(46,533)
Properties Expense	-	25,380	25,380
Rental of Equipment and Storage	4,925	4,403	(522)
Repairs and Maintenance	28,253	14,181	(14,072)
Subscriptions	5,549	23,678	18,129
Telephone	3,621	6,705	3,084
Travel and Training	13,265	38,667	25,402
Other Expenses	606	730	124
Program Expenses	-	140,000	140,000
Loss on Investment in Partnership	5,836	-	(5,836)
Allowance for Uncollectible Accounts Expense	67,123	31,814	(35,309)
Total Operating Expenses	3,006,173	1,528,696	(1,477,477)
Operating Income (Loss)	466,735	559,254	92,519
NONOPERATING REVENUES AND (EXPENSES)			
Interest Income	505	133,390	132,885
Gain on Sale	-	3,313	3,313
Interest Expense	-		-
Net Nonoperating Revenues and (Expenses)	505	136,703	136,198
Income (Loss) Before Capital Contributions and Transfers	467,240	695,957	228,717
Increase (Decrease) in Net Position	467,240	695,957	228,717
Net Position at the Beginning of Year	6,110,279	6,577,519	467,240
Net Position at the End of Year	**$ 6,577,519**	**$ 7,273,476**	**$ 695,957**

Financial Analysis (continued)

Despite the year's investment and disbursement activity, the Foundation retained a healthy cash balance of $3.92 million, ensuring stability for ongoing commitments.

Economic Factors and Impact

The day-to-day administration of the Housing Trust Funds and its affiliated entities is performed by the SAHTF under contract with the City of San Antonio. Formed in 1991, the SAHTF is a 501(c)(3) non-profit organization. The Foundation's mission is to deliver affordable housing programs that serve disadvantaged populations through awards to charitable non-profits and social enterprises.

Housing Creation and Preservation

- 904 new rental homes were completed in FY 2023, including *Arthouse, Northview Apartments, Canyon Pass,* and *Villas at Echo East*.
- 360 units at *Preserve at the Port* were renovated, and 88 senior units rehabilitated through the *Roseville Trust*, preserving deeply affordable housing

Community Land Trusts

- *Awarded* $295,000 to the Mexican American Unity Council (MAUC) to launch the Westside Community Land Trust, advancing homeownership and preventing displacement.

Tenant Emergency Assistance Matters (TEAM) Program

- Established a $2.77 million site-based emergency rental assistance fund across seven new developments, supporting tenants below 60% AMI experiencing financial hardship.

Inclusive and Workforce Initiatives

- Launched Ready to Work SA, connecting 988 families across nine SAHT communities to job training and career opportunities.
- Developed Multifamily Inclusive Design Standards to promote universally designed, accessible housing.

Equity and Emerging Developer Support

- Partnered with Prosper West, LISC, and NDC to launch SEED Academy, empowering emerging BIPOC and women developers to deliver affordable housing.

City Partnerships and Homebuyer Programs

- Administered $596,870 in City down payment assistance funds to support 27 homebuyers, addressing barriers to homeownership for families below 80% AMI.

Economic Factors and Impact *(continued)*

Economic Outlook

San Antonio continues to face significant housing affordability challenges, driven by rising construction costs and high demand. SAHTF is strategically positioned to address these pressures through:

- Expanding affordable housing production and rehabilitation.
- Supporting community land trusts and preservation efforts.
- Investing in workforce training and inclusive housing design.
- Strengthening partnerships with City and nonprofit agencies to leverage funding and scale impact.

As the Foundation enters FY 2024, it remains focused on compassion, equity, innovation, agility, and integrity, the core values that guide the Trust's mission.

Conclusion

The San Antonio Housing Trust Foundation ended FY 2023 with a strong financial position, disciplined fiscal management, and measurable community impact. Through its strategic alignment with the City of San Antonio and its affiliated entities, the Foundation continues to expand affordable housing access, foster economic mobility, and ensure that all San Antonians have a place to call home.

Contacting SAHTF's Financial Management

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

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

Statement of Net Position

September 30, 2023

ASSETS	
Current Assets	
Cash and Cash Equivalents - Unrestricted	$ 3,288,513
Cash and Cash Equivalents - Restricted (Note 2)	628,957
Accounts receivable - CoSA RB-CDBG/TIRZ	195,402
Accounts receivable - Miscellaneous	3,267
Due from SAHTFC (Note 7)	57,041
Due from SAHTPFC (Note 7)	1,796,628
Prepaid Expenses	33,563
Total Current Assets	6,003,371
Non-current Assets	
Loans receivable (Note 4)	1,931,957
Mortgage Loans receivable, net of allowance of $147,462 (Note 4)	-
Accrued Interest receivable	193,162
Capital Assets:	
Land (Nondepreciable)	30,000
Buildings and improvements	188,566
Furniture and equipment	97,050
Accumulated depreciation	(102,360)
Total capital assets, net of accumulated depreciation	213,256
Total Non-Current Assets	2,338,375
Total Assets	8,341,746
LIABILITIES AND NET POSITION	
Liabilities:	
Current Liabilities	
Accounts Payable	85,759
Accrued expenses	98,689
Agency Funds - ICIF Funds	135,286
Agency Funds/Due to SAHTPFC (Note 7)	435,316
Agency Funds/Due to SAHTFC (Note 7)	6,100
Prepaid Deposits - CoSA Homeownership Incentive Program	252,025
Other Liabilities	3,266
Total current liabilities	1,016,441
Non-Current Liabilities	
Due to San Antonio Housing Trust (Note 6)	51,829
Total Non-current liabilities	51,829
Total liabilities	1,068,270
Net Position:	
Invested in Capital Assets, Net of related debt	213,256
Restricted	-
Unrestricted	7,060,220
Total net position	$ 7,273,476

See accompanying notes to financial statements.

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

Statement of Revenues, Expenses and Changes in Net Position

Year Ended September 30, 2023

Operating Revenues:	
Administrative Fees	$ 2,037,748
Grants - Risk Mitigation	2,139
Interest Income on Loans	48,063
Total Operating Revenues	2,087,950
Operating Expenses:	
Grants to Others - Affordable Housing Programs	132,300
San Antonio Housing Trust Expenditures	99,918
Advertising	3,564
Audit	13,625
Auto expense	23,067
Contract bookkeeping	52,320
Depreciation	8,036
Employee Benefits	108,110
Meals and entertainment	10,180
Insurance	85,099
Membership dues and licenses	2,164
Occupancy	15,814
Office supplies, printing, postage	5,901
Payroll expenses	575,906
Professional fees	107,134
Rental of equipment and storage	4,403
Repairs and maintenance	14,181
Subscriptions	23,678
Telephone	6,705
Travel and training	38,667
Other expenses	26,110
Program Expenses	140,000
Allowance for uncollectible account expense	31,814
Total Operating Expenses	1,528,696
Operating Income (Loss)	559,254
Nonoperating Revenues and (Expenses):	
Interest income	133,390
Gain on Sale	3,313
Net Nonoperating Revenues and (Expenses):	136,703
Income (loss) before capital contributions and transfers	695,957
Increase (Decrease) In Net Position	695,957
Net Position at the Beginning of Year	6,577,519
Net Position at the End of Year	$ 7,273,476

See accompanying notes to financial statements.

San Antonio Housing Trust Foundation
(A Component Unit of the City of San Antonio, Texas)
Statement of Cash Flows
For the Year Ended September 30, 2023

Cash Flows From Operating Activities:	
Administrative Fees Received	$ 1,600,501
Contributions from the City of San Antonio	315,151
Grants - Risk Mitigation	2,139
Interest on Loans	9,478
Payments to suppliers	(980,347)
Payments to employees	(663,758)
Principal collections on notes receivable	65,545
Principal collections on mortgages receivable	31,087
Disbursement to San Antonio Housing Trust	(524,009)
Net cash provided (used) by operating activities	(144,213)
Cash Flows From Capital and Related Financing Activities:	
Acquisition of Equipment	(31,647)
Net cash provided (used) by capital and related financing activities	(31,647)
Cash Flows From Investing Activities	
Interest income	133,390
Proceeds from sale of partnership	3,313
Net cash provided (used) by investing activities	136,703
Net Increase (Decrease) in Cash and Cash Equivalents	(39,157)
Cash and Cash Equivalents at beginning of year	3,956,627
Cash and Cash Equivalents at end of year	$ 3,917,470

See accompanying notes to financial statements.

San Antonio Housing Trust Foundation
(A Component Unit of the City of San Antonio, Texas)
Statement of Cash Flows
For the Year Ended September 30, 2023

Reconciliation of Operating income (loss) to net cash used in operating activities:		
Operating income (loss)	$	559,254
Adjustments to reconcile operating income (loss) to net cash provided		
Depreciation Expense		8,036
Changes in operating assets and liabilities -		
Accounts Receivable		340,531
Interest receivable		(38,585)
Due from San Antonio Housing Trust Finance Corporation		(19,024)
Due from San Antonio Housing Trust Public Facility Corporation		(418,223)
Prepaid Expenses		(30,960)
Loans receivable		65,545
Mortgage receivable		31,087
Accounts payable		(70,032)
Accrued expenses and liabilities		73,978
Due to City of San Antonio		135,286
Due to San Antonio Housing Trust		(524,009)
Due to San Antonio Housing Trust Public Facility Corporation		(513,803)
Due to San Antonio Housing Trust Finance Corporation		5,398
Prepaid Deposits		251,308
Net cash provided (used) by operating activities	$	(144,213)

Cash and Cash Equivalents at end of year consist of the following line items on the Statement of Net Position:		
Cash and Cash Equivalents - Unrestricted	$	3,288,513
Cash and Cash Equivalents - Restricted		628,957
Total Cash and Cash Equivalents	$	3,917,470

See accompanying notes to financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 1 – Summary of Significant Accounting Policies

A. Organization

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

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

B. Basic Financial Statements

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Measurement Focus and Basis of Accounting

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

Financial Statement Presentation

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of SAHTF is revenue from administrative fees earned. (See Note 7 for further details.) SAHTF also receives interest on loans, grants and contributions from the City. Operating expenses for enterprise funds include grants; disbursements to the Trust for specified note principal and interest amounts; payroll and related expenses; and other administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Estimates

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

E. Tax Exempt Status

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

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, SAHTF considers all cash, demand deposits and highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. Portions of SAHTF's cash are restricted for City of San Antonio Homeownership Program Funds.

G. Interest Income

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

H. Accounts Receivables & Allowance for Doubtful Accounts

Accounts receivables, Loans Receivables and Mortgage Loans Receivables are reported net of any estimated allowance for uncollectible accounts on the Statement of Net Position.

Regarding mortgages receivables, as of September 30, 2023, an allowance for doubtful accounts has been established by management in the amount of $147,462 of which $127,434 is for the total amount of mortgages due under the Down Payment Assistance Loan Program which are not expected to be repaid to SAHTF.

I. Bad Debt Expense

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

J. Capital Assets

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

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Net position

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

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

- Restricted net position – net position restricted by the creditors, by State enabling legislation, by grantors (both Federal and State), and by other contributors.

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

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

Note 2 –Deposits with Financial Institutions

The Foundation's cash balances in financial institutions in excess of the federally -insured limits as of September 30, 2023 were collateralized by pledged securities.

Additionally, the SAHTF is reporting $628,957 in cash for use in City programs as restricted cash.

Note 3 - Concentration of Credit Risk

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

Note 4 - Loans & Mortgages Receivable

Loans Receivable

Total loans receivable reported on the accompanying Statement of Net Position in the amount of $1,931,957 are comprised of the following:

a. $1,829,895 in notes due from various housing projects in installments at various dates through 2035. These notes are collateralized by deeds of trust on the properties. Annual interest rates on the notes range from 0% to 6%.

b. $102,062 due to SAHTF for the principal balance as of September 30, 2023, regarding a loan made by the Organization in 2013 to VDC Babcock, LP in the original principal amount of $750,000 at an interest rate of 4.4% annually. The principal amount and accrued interest are due and payable in annual installments beginning April 1, 2014 and continuing on the first day of each April thereafter until the expiration of forty (40) years, being April 1, 2057. The Organization shall apply each annual payment first to accrued interest and the remainder to the principal amount.

Mortgages Receivable

Mortgages receivable reported on the accompanying Statement of Net Position primarily represent $10,000 second-lien mortgages made to qualifying new homebuyers and various other MRB/MCC down payment or closing costs assistance loans. The $10,000 loans are due in 360 monthly (30 years) installments with varying maturity dates through 2029. The down-payment assistance loans are due in 60 monthly installments with payments starting after the first mortgages are paid. The notes are collateralized by deeds of trusts on the homes being purchased. Annual interest rates on these notes are 3.5% on the $10,000 second- lien mortgages and 0% on the down-payment assistance loans. Other second-lien mortgage loans were funded between 1999 and 2003 from the George Gervin Youth Center funding round. These loans carry a 3% annual interest rate with principal and interest due over 30 years. As of September 30, 2023, mortgage receivables of $147,462, net of allowance of $147,462 is reported on the Statement of Net Position.

Note 5 - Capital Assets

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning 10/1/2022	Acquisitions/ Increases	Dispositions/ Decreases	Ending 9/30/2023
Capital assets, not being depreciated:				
Land	$ 30,000	$ -	$ -	$ 30,000
Total capital assets not being depreciated	30,000	-	-	30,000
Capital assets being depreciated:				
Buildings and improvements	177,574	10,991	-	188,565
Equipment and furniture	76,396	20,656	-	97,052
Total assets being depreciated	253,970	31,647	-	285,617
Less accumulated depreciation:				
Buildings and improvements	30,473	5,772	-	36,245
Equipment	63,852	2,264	-	66,116
Total accumulated depreciation	94,325	8,036	-	102,361
Total capital assets being depreciated, net	159,645	23,611	-	183,256
Capital assets, net	$ 189,645	$ 23,611	$ -	$ 213,256
Depreciation expense				$ 8,036

Total depreciation expense for the fiscal year ended September 30, 2023 was $8,036.

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

In FY 2005, San Antonio Housing Trust (the "Trust") determined that each year SAHTF will set aside the interest received on notes funded by the Trust up to 1% of the loan portfolio balance due for the purpose of funding any future loan losses. The Executive Director can determine whether additional funds are available to fund above the 1% amount. The remaining interest and principal payments received each year are to be paid to the Trust. An amount of $51,829 was accrued for the year ending September 30, 2023, and the total amount due to the Trust as of September 30, 2023 is $51,829. Activity for FY 2023 is as follows:

Beginning Balance -	$575,838
Increases -	51,829
Decreases -	(575,838)
Ending Balance -	$ 51,829

Also see Note 7 Related Party Transactions.

Note 7 – Related Party Transactions

San Antonio Housing Trust (the "Trust") and SAHTF board of directors were comprised of the same board members during the year ended September 30, 2023 although there are no requirements by the organizations' by-laws that the board members must be identical. Additionally, SAHTF shares a common board of directors and the same Executive Director with San Antonio Housing Trust Public Facility Corporation (SAHTFPFC) and San Antonio Housing Trust Finance Corporation (SAHTFC), for the year ended September 30, 2023.

SAHTF has an amount due to the Trust - see Note 6, for additional details.

SAHTF earned administrative fee income from San Antonio Housing Trust Public Facility Corporation (SAHTPFC) in the amount of $1,996,077, with $1,796,628 due at year end. SAHTF also earned administrative fee income in the amount of $41,671 from San Antonio Housing Trust Finance Corporation (SAHTFC), with $57,041 due at year end.

In FY 2020, SAHTF became an agent of funds for related parties SAHTPFC and SAHTFC due to the related parties' bank accounts being converted into "deposit only" accounts. As of year-end September 30, 2023, SAHTF held funds for SAHTPFC in the amount of $435,316 and for SAHTFC in the amount of $6,100. These are reported as Agency Funds/Due to SAHTPFC and SAHTFC, respectively, on the accompanying Statement of Net Position.

Note 8 - Deferred Compensation Plan

San Antonio Housing Trust Foundation, Inc. offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is available to all Foundation employees, permits them to defer a portion of their compensation until termination, retirement, death or unforeseen emergency. The Foundation's contributions to the plan totaled $57,062 for the year ended September 30, 2023.

Note 9 – Commitment

Office Lease Agreement – During FY2023, the Foundation entered into a noncancelable lease agreement for office space that did not commence as of September 30, 2023. The lease term is expected to begin on November 1, 2023, or the date the premises are delivered to the Foundation in the required condition. The initial term of the lease is 89 months with monthly installments of $5,674.38 for months 1 to 12 and increasing annually. No lease liability or lease asset have been recognized as of September 30, 2023, as the lease term has not yet begun.

Note 10 – Subsequent Events

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

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

- Professional Services Contract with the City of San Antonio – FY 25 – A professional services contract for the "San Antonio Housing Trust Administration and Staffing" project was executed by the SAHTF and the City of San Antonio with the term of the agreement beginning on October 1, 2024, or when the approved program statement and budget are received by the City, whichever occurs later. The FY 2025 Program Work Statement and Scope of Work attached to the agreement states that the funding plan under the contract is for Homebuying program in the amount of $1,220,000 and to expedite sponsorship contribution of $3,000.

- Note Receivables Paid in Full - On November 30, 2023 and October 4, 2024, the Foundation received full payments on two of its note receivables with principal and interest balances of $471,761.68 and $121,595.16, respectively.

- On February 16, 2024, the Board approved a resolution to award a grant of $45,000 to Emmanuel United Methodist Church.

Note 10 – Subsequent Events (Continued)

- On March 1, 2024, the SAHTF entered into a lease agreement with disABILITYsa to lease the property on 2515 Blanco Road for an initial term of five years for $1.00 per year commencing on March 1,2024.

- Loan Agreement between ARDC San Pedro, LTD. (Borrower) and San Antonio Housing Trust Foundation (Lender) – Effective July 11, 2024, the Foundation entered into a loan agreement with a Texas limited partnership in the amount of $1,025,000 to finance the construction of an 80-unit, multifamily low-income affordable housing project.

- On January 17, 2025, the Board approved renewal of the term of the agreement for Foundation Assistance Single Family Infill New Construction Program between SAHTF and Our Casas Resident Council.

- On February 21, 2025, the Board approved a resolution to award a grant of up to $50,000 to Impact Guild.

- Company Agreement of SAHTF 111 W Travis, LLC – In June 2025, the Foundation formed SAHTF 111 W Travis, LLC, a Texas limited liability company.

- On August 15, 2025, the Board authorized a loan to SAHTF from the SAHTPFC 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 8, 2025, the SAHTF 111 W Travis, LLC purchased the property on 111 W. Travis Street, San Antonio, TX 78205 for a purchase price of $4,345,000.