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, 2024

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

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
San Antonio Housing Trust 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, 2024, 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, 2024, 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.

Seal & Carter, P.C.

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, 2024. This 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.

Financial Highlights

For the year ended September 30, 2024, the Foundation demonstrated continued financial strength and effective program execution:

- *Assets* – Total assets increased to $9.38 million at September 30, 2024, compared to $8.37 million at the end of FY 2023.
- *Liabilities* – Total liabilities increased by $1.3 million in FY 2024 to $2.37 million.
- *Revenues* – Operating revenues totaled $1,8 million for FY 2024, a decrease of $217,006 from the prior year.
- *Expenses* – Operating Expenses totaled $2.37 million, reflecting expanded programmatic activity and administrative support.

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

Assets

- Cash and cash equivalents increased by $759,591 which was largely due to the payment of mortgage loans receivable
- Funds Held for Others was $1.02 million compared to zero in FY 2023 as a result of the City of San Antonio's loan for the Four25 San Pedro project. These funds were sourced from the SAHT interest earned on principal and were paid in FY 2025 to the developer during construction and upon submission and approval of draw requests.
- Intangible assets were recorded in FY 2024 in accordance with GASB 87 and in relation to the office space lease at Fountainhead.

Liabilities

- 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 down by $58,671 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.
- As in FY 2022, a significant loan which was sourced by the Trust Fund was paid. This resulted in loan proceeds due to the City of San Antonio in the amount of $502,248 being accrued at the end of FY 2024.

Revenues

- Administrative Fees is income earned from the SAHTPFC and SAHTFC and decreased by $236,650 in FY 2024. 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.
- Interest income increased by $110,619 as a result of investing through Stifel.

Expenses

- Operating expenses remained consistent with the prior year when you consider the aforementioned variable of loan proceeds due to the City of San Antonio. The payroll expense allocation was adjusted to realign cost with staff time actually spent across all three entities, SAHTF, the San Antonio Housing Trust Public Facility Corporation (SAHTPFC) and the San Antonio Housing Trust Finance Corporation (SAHTFC). The change in payroll allocation coupled with the COLA adjustment resulted in an increase cost of $254,786.
- In FY 2023, the SAHTF expended program funds for community land buys and SEED academy funding. The FY 2023 total was $140,000. This funding was not allocated for FY 2024.

Financial Analysis *(continued)*

	2023	2024	$ Change
ASSETS			
Current Assets			
Cash and Cash Equivalents - Unrestricted	$ 3,288,513	$ 4,016,751	$ 728,238
Cash and Cash Equivalents - Restricted	628,957	67,530	(561,427)
Funds Held for Others	-	1,025,000	1,025,000
Accounts Receivable	198,669	131,687	(66,982)
Due from SAHTFC	57,041	35,152	(21,889)
Due from SAHTPFC	1,796,628	1,178,225	(618,403)
Prepaid Expenses	33,563	38,078	4,515
Investments	-	592,780	592,780
Total Current Assets	6,003,371	7,085,203	1,081,831
Non-Current Assets			
Loans Receivable	1,931,957	1,523,426	(408,531)
Mortgage Loans Receivable, Net of Allowance	-		-
Accrued Interest Receivable	193,162	111,234	(81,928)
Capital Assets:			
Land	30,000	30,000	-
Buildings and Improvements	188,566	211,781	23,215
Furniture and Equipment	97,050	146,709	49,659
Accumulated Depreciation	(102,360)	(120,160)	(17,800)
Total Capital Assets, Net of Depreciation	213,256	268,330	55,074
Intangible Assets:			
Right of Use Asset	-	434,137	434,137
Accumulated Amortization - Right of Use Asset	-	(45,848)	(45,848)
Total Intangible Assets, Net of Amortization	-	388,289	388,289
Total Non-Current Assets	2,338,375	2,291,279	(47,096)
Total Assets	**$ 8,341,746**	**$ 9,376,482**	**$ 1,034,735**

Financial Analysis *(continued)*

LIABILITIES AND NET POSITION

Liabilities:			
Current Liabilities			
Accounts Payable	$ 85,759	$ 26,579	$ (59,180)
Accrued Expenses	98,689	66,181	(32,508)
Due to San Antonio Housing Trust	135,286	2,284	(133,002)
Agency Funds/Due to SAHTPFC	435,316	110,805	(324,511)
Agency Funds/Due to SAHTFC	6,100	-	(6,100)
Prepaid Deposits	252,025	193,354	(58,671)
Present Value Lease Obligation	-	45,218	45,218
Other / Agency Liabilities	3,266	1,025,000	1,021,734
Total Current Liabilities	1,016,441	1,469,421	452,980
Non-Current Liabilities			
Present Value Lease Obligation	-	351,417	351,417
Due to San Antonio Housing Trust	51,829	554,077	502,248
Total Non-Current Liabilities	51,829	905,494	853,665
Total Liabilities	**1,068,270**	**2,374,915**	**1,306,645**
Net Position:			
Invested in Capital Assets, Net of Related Debt	213,256	268,330	55,074
Restricted	-	-	-
Unrestricted	7,060,220	6,733,237	(326,983
Total Net Position	**$ 7,237,476**	**$ 7,001,567**	**$ (271,909)**

	2023	2024	$ Change
OPERATING REVENUES			
Administrative Fees	$ 2,037,748	$ 1,801,098	$ (236,650)
Contributions from the City of San Antonio - Affordable Housing Programs	-	22,500	22,500
Grants - Risk Mitigation	2,139	-	(2,139)
Interest on Loans	48,063	47,346	(717)
Total Operating Revenues	2,087,950	1,870,944	(217,006)

Financial Analysis *(continued)*

OPERATING EXPENSES			
Grants to Others - Affordable Housing Programs	132,300	386,329	254,029
Grants to Others - Risk Mitigation	-	-	-
Disbursement to San Antonio Housing Trust	99,918	502,248	402,330
Accounting Services	52,320	57,605	5,285
Advertising	3,564	381	(3,183)
Amortization	-	45,848	45,848
Audit	13,625	14,665	1,040
Auto Expense	23,067	24,554	1,487
Depreciation	8,036	17,800	9,764
Employee Benefits	108,110	162,901	54,791
Meals and Entertainment	10,180	4,344	(5,836)
Insurance	85,099	107,850	22,751
Membership Dues and Licenses	2,164	7,551	5,387
Occupancy	15,814	3,806	(12,008)
Office Supplies, Printing, Postage	5,901	8,216	2,315
Payroll Expenses	575,906	775,901	199,995
Professional Fees	107,134	104,772	(2,362)
Rental of Equipment and Storage	4,403	3,664	(739)
Repairs and Maintenance	14,181	84,848	70,667
Subscriptions	23,678	15,108	(8,570)
Telephone	6,705	8,337	1,632
Travel and Training	38,667	26,404	(12,263)
Other Expenses	26,110	16,085	10,025
Program Expenses	140,000	-	(140,000)
Allowance for Uncollectible Accounts Expense	31,814	(10,910)	(42,724)
Total Operating Expenses	1,528,696	2,368,307	839,611
Operating Income (Loss)	559,254	(497,363)	(1,056,617)
NONOPERATING REVENUES AND (EXPENSES)			
Contributions Revenue - Lease	-	29,082	29,082
Contributions Expense - Lease	-	(29,082)	(29,082)
Gain on Sale	3,313	-	(3,313)
Interest Income	133,390	244,009	110,619
Interest Expense	-	(19,242)	(19,242)
Unrealized Gain on Investments	-	687	687
Net Nonoperating Revenues and (Expenses)	136,703	225,454	88,751
Income (Loss) Before Capital Contributions and Transfers	695,957	(271,909)	(967,866)
Increase (Decrease) in Net Position	695,957	(271,909)	(967,866)
Net Position at the Beginning of Year	6,577,519	7,273,476	695,957
Net Position at the End of Year	**$ 7,273,476**	**$ 7,001,567**	**$ (271,909)**

Financial Analysis *(continued)*

Cash Flow – Net cash provided by operating activities totaled $1.61 million. Investing activities resulted in a net cash outflow of $348,771, primarily related to investment purchases. Overall, cash balances increased by $1.19 million during the year.

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

- 1,102 new affordable rental homes were completed in FY 2024, as well as 150 existing units that were preserved.
- 30 acres of land was acquired on 3 parcels during the year.

Our Casa Resident Council

- With the extension of a one-year revolving fund, the Our Casa Resident Council, Inc., created 4 new single-family homes and 1 accessory dwelling unit. These homes will house families who earn 80% or less Average Median Income according to the area.

Tenant Emergency Assistance Matters (TEAM) Program

- Expanded the site-based emergency rental assistance fund $3.99 million across new developments, supporting tenants below 60% AMI experiencing financial hardship.

San Antonio Youth Summit

- Provided $15,000 to assist Close to Home and the City of San Antonio's department of Human Resources to organize a conference to promote stability in the youth within the area.
- The summit brought together service providers to identify gaps in the youth housing system and strengthen strategies to support housing stability for vulnerable youth populations. The effort focuses on coordinated solutions to prevent youth homelessness and expand access to supportive services, with a follow-up workshop planned for 2025 in partnership with the Urban Land Institute.

City Partnerships and Homebuyer Programs

- Administered $406,640 in City down payment assistance funds to support 22 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 2025, 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 concluded FY 2024 with continued programmatic impact and a stable financial position. Through disciplined fiscal management and strategic partnerships, SAHTF continues to advance housing stability and opportunity 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 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, 2024

ASSETS	
Current Assets	
Cash and Cash Equivalents - Unrestricted	$ 4,016,751
Cash and Cash Equivalents - Restricted (Note 2)	67,530
Funds Held for Others (Note 6)	1,025,000
Accounts receivable - CoSA RB-CDBG	131,021
Accounts receivable - Miscellaneous	666
Due from SAHTFC (Note 8)	35,152
Due from SAHTPFC (Note 8)	1,178,225
Prepaid Expenses	38,078
Investments	592,780
Total Current Assets	7,085,203
Non-current Assets	
Loans receivable (Note 4)	1,523,426
Mortgage Loans receivable, net of allowance of $136,552 (Note 4)	-
Accrued Interest receivable	111,234
Capital Assets:	
Land (Nondepreciable)	30,000
Buildings and improvements	211,781
Furniture and equipment	146,709
Accumulated depreciation	(120,160)
Total capital assets, net of accumulated depreciation	268,330
Intangible Assets:	
Right of Use Asset	434,137
Accumulated amortization - Right of Use Asset	(45,848)
Total intangible assets, net of accumulated amortization	388,289
Total Non-Current Assets	2,291,279
Total Assets	9,376,482
LIABILITIES AND NET POSITION	
Liabilities:	
Current Liabilities	
Accounts Payable	26,579
Accrued expenses	66,181
Agency Funds - ICIF Program	2,284
Agency Funds/Due to SAHTPFC (Note 8)	110,805
Prepaid Deposits - CoSA Homeownership Incentive Program	193,354
Present Value Lease Obligation	45,218
Agency Obligations (Note 6)	1,025,000
Total current liabilities	1,469,421
Non-Current Liabilities	
Present Value Lease Obligation	351,417
Due to San Antonio Housing Trust (Note 7)	554,077
Total Non-current liabilities	905,494
Total liabilities	2,374,915
Net Position:	
Invested in Capital Assets, Net of related debt	268,330
Restricted	-
Unrestricted	6,733,237
Total net position	$ 7,001,567

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, 2024

Operating Revenues:	
Administrative Fees	$ 1,801,098
Contributions from the City of San Antonio - Affordable Housing Programs	22,500
Interest Income on Loans	47,346
Total Operating Revenues	1,870,944
Operating Expenses:	
Grants to Others - Affordable Housing Programs	386,329
San Antonio Housing Trust Expenditures	502,248
Advertising	381
Audit	14,665
Auto expense	24,554
Amortization	45,848
Contract bookkeeping	57,605
Depreciation	17,800
Employee Benefits	162,901
Insurance	107,850
Meals and entertainment	4,344
Membership dues and licenses	7,551
Occupancy	3,806
Office supplies, printing, postage	8,216
Payroll expenses	775,901
Professional fees	104,772
Rental of equipment and storage	3,664
Repairs and maintenance	84,848
Subscriptions	15,108
Telephone	8,337
Travel and training	26,404
Other expenses	16,085
Allowance for uncollectible account expense	(10,910)
Total Operating Expenses	2,368,307
Operating Income (Loss)	(497,363)
Nonoperating Revenues and (Expenses):	
Contributions Revenue - McIlvaine Farmhouse Lease (Note 12)	29,082
Contributions Expenses - McIlvaine Farmhouse Lease (Note 12)	(29,082)
Interest income	244,009
Interest expense	(19,242)
Unrealized Gain on Investments	687
Net Nonoperating Revenues and (Expenses):	225,454
Income (loss) before capital contributions and transfers	(271,909)
Increase (Decrease) In Net Position	(271,909)
Net Position at the Beginning of Year	7,273,476
Net Position at the End of Year	$ 7,001,567

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, 2024

Cash Flows From Operating Activities:	
Administrative Fees Received	$ 2,441,390
Contributions from the City of San Antonio	89,482
Interest on Loans	129,274
Payments to suppliers	(966,917)
Payments to employees	(971,310)
Principal collections on notes receivable	408,531
Disbursement to San Antonio Housing Trust	502,248
Net cash provided (used) by operating activities	1,632,698
Cash Flows From Capital and Related Financing Activities:	
Acquisition of Equipment	(72,874)
Net cash provided (used) by capital and related financing activities	(72,874)
Cash Flows From Investing Activities	
Interest income	244,009
Interest expense	(19,242)
Net Purchase in Investments	(592,780)
Net cash provided (used) by investing activities	(368,013)
Net Increase (Decrease) in Cash and Cash Equivalents	1,191,811
Cash and Cash Equivalents at beginning of year	3,917,470
Cash and Cash Equivalents at end of year	$ 5,109,281

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, 2024

Reconciliation of Operating income (loss) to net cash used in operating activities:		
Operating income (loss)	$	(497,363)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense		17,800
Unrealized gain on investments		687
Changes in operating assets and liabilities -		
Accounts Receivable		66,982
Interest receivable		81,928
Due from San Antonio Housing Trust Finance Corporation		21,889
Due from San Antonio Housing Trust Public Facility Corporation		618,403
Prepaid Expenses		(4,515)
Loans receivable		408,531
Intangible assets		(388,289)
Accounts payable		(59,180)
Accrued expenses and other liabilities		1,385,861
Due to City of San Antonio		(133,002)
Due to San Antonio Housing Trust		502,248
Due to San Antonio Housing Trust Public Facility Corporation		(324,511)
Due to San Antonio Housing Trust Finance Corporation		(6,100)
Prepaid Deposits		(58,671)
Net cash provided (used) by operating activities	$	1,632,698

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	$	4,016,751
Cash and Cash Equivalents - Restricted		67,530
Funds Held for Others		1,025,000
Total Cash and Cash Equivalents	$	5,109,281

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, 2024

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.

Additionally, SAHTF 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.

During FY 2024, SAHTF formed SAHTF Four25 San Pedro, LLC, a Texas limited liability company, to serve as a limited partner of ARDC San Pedro, Ltd. a Texas limited partnership formed to develop and operate an 80-unit multifamily rental housing development project in San Antonio. SAHTF is the sole member and owner of the LLC, and has made a $100 capital

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Organization (continued)

contribution to the limited partnership which is in the construction in progress phase. Management has evaluated the LLC under GASB pronouncements as described in the preceding paragraph and determined that it would be included in the SAHTF reporting entity as a blended component unit. Except for the $100 capital contribution, there is no significant financial activity to report.

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

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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, 2024, an allowance for doubtful accounts has been established by management in the amount of $136,552 of which $124,867 is for the total amount of mortgages due under the Down Payment Assistance Loan Program which are not expected to be repaid to SAHTF.

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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 1 – Summary of Significant Accounting Policies (Continued)

L. Adoption of New Accounting Pronouncements

The following GASB Statement was implemented in FY2024:

GASB Statement No. 87, "*Leases"* - The objective of GASB Statement No. 87 ("the Statement") is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

In FY2024, SAHTF implemented GASB Statement No. 87, "Leases." Accordingly, for all applicable, material leases, SATHF is recognizing the present value of the lease obligations as a liability and intangible right-to-use assets in the accompanying Statement of Net Position as of September 30, 2024**.** Additionally, related interest and amortization expense amounts are included in total expenses in the accompanying Statement of Activities for the fiscal year ended September 30, 2024. See Note 11 for further details.

M. Investments in Marketable Securities

SAHTF's Investments in equity and debt securities, and other assets are measured and recorded at fair value in accordance with US GAAP. This includes 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 10), values derived from regulated securities markets or over-the-counter public quotations are a level 1 type of fair value measurement.

SAHTF'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 SAHTF's investment policy (in whole or in part) and any other applicable laws. SAHTF may elect not to participate in all the instruments allowed by the Act.

Note 2 –Deposits with Financial Institutions

Deposits with Financial Institutions

The Foundation's cash balances in financial institutions in excess of the federally -insured limits as of September 30, 2024 were collateralized by pledged securities. Additionally, the SAHTF is reporting $67,530 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 $1,523,426 are comprised of the following:

a. $1,421,364 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, 2024, 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.

Note 4 - Loans & Mortgages Receivable (Continued)

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, 2024, mortgage receivables of $136,552, net of allowance of $136,522 is reported on the Statement of Net Position.

Note 5 - Capital Assets

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning 10/1/2023	Acquisitions/ Increases	Dispositions/ Decreases	Ending 9/30/2024
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	188,565	23,213	-	211,778
Equipment and furniture	97,052	49,660	-	146,712
Total assets being depreciated	285,617	72,873	-	358,490
Less accumulated depreciation:				
Buildings and improvements	36,245	6,505	-	42,750
Equipment	66,115	11,295	-	77,410
Total accumulated depreciation	102,360	17,800	-	120,160
Total capital assets being depreciated, net	183,257	55,073	-	238,330
Capital assets, net	$ 213,257	$ 55,073	$ -	$ 268,330
Depreciation expense				$ 17,800

Total depreciation expense for the fiscal year ended September 30, 2024 was $17,800.

Note 6 – Agency Obligations

In relation to the Four25 SanPedro affordable housing project (Project) for which the City of San Antonio is involved in part by authorizing funding for the Project, during FY 2024, San Antonio Housing Trust Foundation, fiscal and administrative agent of the San Antonio Housing Trust (SAHT), received a payment of $1,025,000 from SAHT. On May 9, 2024, through a City ordinance, this payment which was authorized by the City to be made through the SAHTF directly to the redeveloper of the Project. Accordingly, $1,025,000 is being reported as Funds Held for Others on the accompanying Statement of Net Position and a corresponding current liability, Agency Obligation, is also being reported as of September 30, 2024.

Note 7 – 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 $502,248 was accrued for the year ending September 30, 2024, and the total amount due to the Trust as of September 30, 2024 is $554,077. Activity for FY 2024 is as follows:

Beginning Balance -	$ 51,829
Increases -	502,248
Decreases -	-
Ending Balance -	$554,077

Also see Note 8 Related Party Transactions.

Note 8 – 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, 2024 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, 2024.

SAHTF has an amount due to the Trust - see Note 7, for additional details.

Note 8 – Related Party Transactions (continued)

SAHTF earned administrative fee income from San Antonio Housing Trust Public Facility Corporation (SAHTPFC) in the amount of $1,735,303, with $1,178,225 due at year end. SAHTF also earned administrative fee income in the amount of $65,795 from San Antonio Housing Trust Finance Corporation (SAHTFC), with $35,152 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, 2024, SAHTF held funds for SAHTPFC in the amount of $110,805. These are reported as Agency Funds/Due to SAHTPFC on the accompanying Statement of Net Position.

Note 9 - 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 $94,491 for the year ended September 30, 2024.

Note 10 – Fair Value Measurements

SAHTF 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, 2024, SAHTF had the following investments and recurring and nonrecurring fair value measurements:

Asset Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Valuation Technique
U.S. Treasury Securities	$589,444.32	X			Quoted market prices

Valuation Techniques:

- U.S. Treasury securities are valued using quoted market prices (Level 1)

There were no changes in valuation techniques during the period.

Note 11 – Leases

San Antonio Housing Trust Foundation, Inc. (SAHTF) leases office space from EOS at Fountainhead, LLC, a Delaware limited liability company, under a noncancelable office lease agreement (the Office Lease). The leased premises consist of office space used for administrative and program activities. The lease conveys to SAHTF the right to use the office space for a specified term in exchange for fixed lease payments.

The initial noncancelable term of the Office Lease is 89 months, beginning on November 1, 2023 and ending on March 31, 2031. Lease payments consist of fixed base rent due monthly and variable payments for certain operating costs such as real estate taxes, insurance, utilities, and common area maintenance. Variable payments based on actual operating costs are excluded from the measurement of the lease liability and are recognized as outflows of resources in the period to which the obligation relates. Provided certain requirements are met, SAHTF can extend the lease for an additional term of five years commencing on the date following the expiration of the lease term.

Lease Assets

At September 30, 2024, the carrying amount of the right-to-use asset related to the Office Lease was:

- Office building right-to-use asset (cost): $434,137
- Accumulated amortization: $(45,848)
- Net carrying amount: $388,289

Lease Liability

The lease liability is initially measured at the present value of payments expected to be made during the lease term, discounted using the SAHTF's incremental borrowing rate of 5 percent as of the lease commencement date. At September 30, 2024, the lease liability related to the Office Lease was $396,635.

For the year ended September 30, 2024, SAHTF recognized the following outflows of resources related to the Office Lease:

- Amortization of right-to-use asset: $45,848
- Interest on lease liability: $19,242
- Variable lease payments (operating costs, taxes, insurance, and other amounts not included in the lease liability): $29,887

Note 11 – Leases (Continued)

Annual requirements to amortize long-term obligations and related interest are as follows:

Lease Description: Office Lease
Classification: Buildings
Principal and Interest Requirements to Maturity:

FY	Total	Principal	Interest
2025	64,137	45,218	18,919
2026	66,060	49,496	16,564
2027	68,050	54,061	13,989
2028	70,080	58,901	11,179
2029	78,757	70,915	7,842
2030-2031	122,806	118,044	4,762
Total	469,890	396,635	73,255

Note 12 – Donated Use of McIlvaine Farmhouse

SAHTF entered into an agreement to provide the McIlvaine Farmhouse to disABILITYsa (the Tenant) for use as program and office space. The agreement commenced March 1, 2024 and has an initial noncancellable term of five years, ending February 29, 2029, with one optional renewal term of one year. Under the agreement, the Tenant pays a fixed base rent of $1 per year.

Because the consideration is only a nominal amount, the arrangement does not constitute an exchange or exchange-like transaction and is therefore accounted for as a nonexchange transaction (donated use of property) in accordance with GASB guidance on nonexchange transactions, rather than as a lease under GASB Statement No. 87. SAHTF has determined that the fair rental value of the space is $4,155 per month, or $49,860 per year, and recognizes this amount as contributions expense each year of the term. During FY2024, SAHTF recognized $29,082 as contributions revenue and contributions expense for the period from March 1, 2024 to September 30, 2024.

SAHTF retains ownership of the McIlvaine Farmhouse and continues to report it as a capital asset in the Statement of Net Position.

Note 13 – Commitments

On July 11, 2024, the Foundation entered into a promissory note and related loan agreement with ARDC San Pedro, Ltd., a Texas limited partnership, under which the Foundation has committed to lend up to $1,025,000. The loan is expected to be funded pursuant to the terms and conditions of the loan agreement, which governs the timing and amount of advances and other conditions to disbursement. The loan is nonrecourse to the borrower and is subordinate to specified senior indebtedness, and principal and interest are payable only from available cash flow of the underlying project, as defined in the partnership and financing agreements. As of September 30, 2024, no amounts had been advanced under this commitment, and therefore no loan receivable is recorded in the accompanying financial statements.

Note 14 – Subsequent Events

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

- 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 Receivable Paid in Full - On October 4, 2024, the Foundation received full payments on a note receivable with principal and interest balances of $121,595.16.

- 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.

Note 14 – Subsequent Events (continued)

- 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.