



A COMMUNITY OF POSSIBILITIES

JOIN MEETING
 818 S. Flores St.
 San Antonio, TX 78204

BOARD OF COMMISSIONERS

Gabriel Lopez
 Chair

Gilbert Casillas
 Vice Chair

Dalia Contreras
 Commissioner

PRESIDENT & CEO

Ed Hinojosa, Jr.

FINANCE COMMITTEE MEETING *OR SPECIAL BOARD MEETING 1:00 p.m. | Wednesday| August 16, 2023

If this meeting becomes a Special Board Meeting, at least four Commissioners will be physically present at this location and the Presiding Officer will also be present at this location.

MEETING CALLED TO ORDER

1. The Board of Commissioners or its Committee may hold a closed meeting pursuant to Texas Government Code § 551.071-076 for consultation concerning attorney-client matters, real estate, litigation, personnel, and security matters. The Board or Committee reserves the right to enter into closed meeting at any time during the course of the meeting.

CITIZENS TO BE HEARD

2. **Citizens to be Heard** at approximately 1:00 p.m. (may be heard after this time) Citizens wishing to speak on any issues, including ones not related to items posted on the agenda, should personally request to be placed on the Citizens to be Heard roster prior to 12:45 p.m. Citizens will be given up to three minutes to speak. Each citizen will be permitted to speak only once. A Spanish/English translator will be available to citizens needing translation.

Now is the time for Citizens to be Heard. The Board asks the public to address concerns related to Opportunity Home matters and policy and not include statements that may be considered defamatory of any individual. The Board encourages members of the public to direct specific concerns or problems to Opportunity Home staff for more prompt resolution. The Board will not discuss the comments of speakers or respond to speakers during the Citizens to be Heard portion of the agenda.

DISCUSSION ITEMS

3. Update and discussion regarding the Quarterly Financial Report (Diana Kollodziej Fiedler, Chief Financial Officer)
4. Update and discussion regarding the Quarterly Internal Audit Report (Allison Schlegel, Director of Internal Audit)
5. Adjournment

Posted on: 08/11/2023 01:00 PM

*Note: Whenever the Texas Open Meetings Act (Section 551.001 et seq. of the Texas Government Code) provides for a closed meeting in matters concerning legal advice, real estate, contracts, personnel matters, or security issues, the Board may find a closed meeting to be necessary. For convenience of the citizens interested in an item preceded by an asterisk, notice is given that a closed meeting is contemplated. However, the Board reserves the right to go into a closed meeting on any other item, whether it has an asterisk, when the Board determines there is a need and a closed meeting is permitted.

These committee meetings may become special board meetings if a quorum of the Board attends. No final action is contemplated at these meetings.

“Pursuant to § 30.06, Penal Code, (trespass by holder license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun.”

“Pursuant to § 30.07, Penal Code, (trespass by holder license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly.”

OPPORTUNITY HOME SAN ANTONIO**August 16, 2023****MEMORANDUM**

To: Finance Committee

From: Ed Hinojosa, Jr., President and CEO

Presented by: Diana Kollodziej Fiedler, Chief Financial Officer

RE: Update and discussion regarding the Quarterly Financial Performance Report for Opportunity Home San Antonio


SUMMARY:**Financial Performance Highlights**

The Quarterly Financial Report for Opportunity Home San Antonio for the fiscal year ended June 30, 2023 is attached. The Financial Performance Report provides separate condensed statements of revenue and expenses, one for Opportunity Home's core business activities of housing, management, and resident services ("Operations"), and another for the Capital Fund and Real Estate Services lines of business ("Capital"). The results for the fiscal year ended June 30, 2023 reflect a Surplus Before Non-Cash Items of \$24.7 million for Operations (\$30.5 million above budget) and \$24 million for Capital (\$5.7 million above budget). It is essential to emphasize that the surplus of \$24.7 million in Operations was mainly attributable to the utilization of HUD-Held MTW funds. These funds were used to address two significant financial purposes: firstly, to reduce the Beacon debt by approximately \$18.6 million; and secondly, to cover Public Housing expenses in the amount of \$10.7 million. Consequently, the reported surplus should be carefully considered, as it does not reflect an actual surplus but rather a redirection of funds to meet specific financial needs and objectives.

Total Operating Revenue for the Operations segment was approximately \$21.3 million above budget. Tenant revenue was \$7.6 million below budget, mainly due to unfavorable variances in the Beacon and Public Housing sectors. The Beacon sector's unfavorable variance was caused by several properties including Woodhill, Rosemont at Highland Park, Cottage Creek, Costa Valencia, and Burning Tree experiencing lower than normal occupancy levels. The portfolio's annual average occupancy was 86%; however, the rate for the aforementioned struggling properties ranged between 70% and 83%. Grant revenue exceeded the budget by \$3.8 million, primarily driven by favorable variances in Section 8 and Public Housing. This included administrative fees and operating subsidy. The Beacon portfolio also saw a positive variance in project-based Section HAP subsidies due to contract rent increases, partially offset by unfavorable variances in Emergency Housing Voucher service fees and the Jobs Plus Lincoln grant. Section 8 Housing Assistance Payment (HAP) Revenue and HAP Expense both ended the year with favorable variances. HAP Revenue was \$24.5 million higher due to funds requested from HUD-Held MTW funds for various purposes as detailed above. HAP expenses were lower than budgeted for the HCV program due to lower than expected voucher utilization.

Total Operating Expenses ended the year \$4.2 million below budget for Operations. Salaries and Benefits ended the year \$5.3 million below budget, attributed to staffing vacancies and positions

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on hold across all segments. Ordinary Maintenance and Operations ended the year \$10.9 million above budget, mainly due to unfavorable variances in Public Housing and Beacon. Public Housing expenses were adversely affected by lawn services, major repairs, and maintenance materials, while Beacon expenses increased due to maintenance contract costs and materials. Other Expenses ended the year \$1.6 million above budget, primarily driven by higher than expected protective services costs in both the Public Housing and Beacon sectors.

Total Operating Revenue for the Capital segment was approximately \$9.3 million above budget. Miscellaneous Revenue exceeded the budget by \$15 million, stemming from a favorable variance of \$9.1 million in development fee revenue earned from various projects. Additionally, there were positive variances of \$4.3 million in earned fees related to the closing of capital transactions for co-developed tax credit partnerships, \$0.8 million in bond issuer fees earned by Las Varas Public Facility Corporation, and \$1.1 million in favorable lease payments resulting from the routine amortization of prepaid ground leases. Partially offsetting the overall favorable variance was an unfavorable variance of \$5.7 million in Grant revenue, which was chiefly due to the timing of Capital Fund grant expenditures.

Total Operating Expenses ended the year \$1.1 million above budget for the Capital segment. Salaries and Benefits were \$0.7 million below budget, mainly due to a favorable variance in the Real Estate Services sector. Ordinary Maintenance and Operations were \$0.6 million above budget, primarily due to an unfavorable variance in Capital Funds related to major repairs and upgrades. Other Expenses were \$1.2 million above budget, primarily due to an unfavorable variance in the Real Estate Services sector. This was caused by higher consulting fees related to Snowden and pre-development for the Alazan Courts Expansion project.

Total Assets and Deferred Outflows of Resources increased by \$56.7 million, or 11.06 percent. This growth was driven by increases in all asset categories. The \$10.9 million rise in Current Assets was largely due to the refinance of Refugio, which resulted in proceeds used to pay down \$7.1 million of the HOPE VI note owed to Refugio Street Public Facility Corporation. The Science Park and O'Connor Road refinances also led to the payoff of land notes owed to San Antonio Housing Development Corporation, totaling \$4 million. Additionally, the resyndication of Rosemont at University Park resulted in a \$4.3 million distribution to Las Varas Public Facility Corporation from net sales proceeds. The \$28.5 million increase in Fixed Assets resulted primarily from \$52 million in building and site improvements and \$5.8 million in land. The building and site improvements were due to acquisitions of properties in the Beacon portfolio (The Ravello and San Juan Square II) and capitalization of projects in both the Beacon and Public Housing portfolios. However, this increase was offset by a \$32.4 million increase in accumulated depreciation. Land increased by \$5.8 million due to ground leases executed between San Antonio Housing Facility Corporation and two tax credit partnerships (Bristol at Somerset and Horizon Pointe). Other Non-Current Assets increased by \$17.5 million, primarily driven by an increase in development fees receivable of \$13.2 million and two notes of \$1.2 million and \$1 million loaned from San Antonio Housing Facility Corporation to the Snowden and Bristol at Somerset limited partnerships, respectively.

Total Liabilities and Deferred Inflows of Resources increased by \$4.8 million, or 2.44 percent. The increase in Leased Assets was \$5.2 million, primarily due to the Facility Corporation

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entering into two ground leases with the Bristol at Somerset and Horizon Pointe limited partnerships. The net decrease in Total Liabilities of \$0.7 million was the result of a significant paydown of debt, which was mostly offset by new debt additions. New debt was added through construction draws related to 100 Labor, amounting to \$10.6 million, and refinances for Science Park, O'Connor, and Refugio, which resulted in an aggregate addition of \$13.6 million to debt. Debt reductions included the payoff of the Woodhill bonds (\$6.3 million), the debt payoff for nine Beacon properties (\$12.8 million), and scheduled principal payments (\$2.5 million). Additionally, trade payables, a component of Current Liabilities, decreased by \$3.1 million during the year.

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$51.9 million from June 30, 2022 to June 30, 2023 as a result of operations.

Supplemental Information—Funding Environment

On July 20, 2023, the Senate Appropriations Committee approved the fiscal year (FY) 2024 Transportation, Housing and Urban Development (THUD) spending bill. For the U.S. Department of Housing and Urban Development (HUD), the bill provides gross appropriations of \$73.3 billion, a \$2.76 billion (3.9%) increase from FY 2023 and \$1.79 billion (2.5%) more than the House FY 2024 THUD bill, but almost level with the FY 2024 President's request (just \$6 million or 0.01% less). Below are highlights of the bill:

- \$31.7 billion for Tenant-Based Rental Assistance, a \$1.48 billion (4.9%) increase over the FY23 enacted level. Of this amount, \$27.8 billion is for Section 8 Housing Choice Voucher contract renewals, which is 1.36 billion (5.2%) more than FY23 levels and should be sufficient to fund all renewals.
- \$3.2 billion for Public Housing Capital Fund, which is equal to FY 2023.
- \$5.53 billion for Public Housing operating subsidies, an increase of \$421 million (8.2%) compared to the FY23 enacted level.
- \$15.8 billion for project-based rental assistance, which is \$884 million (5.9%) more than FY 2023. The amount should be sufficient to renew contracts with a full 12 months of funding.
- \$150 million for the Choice Neighborhoods Initiative, \$200 million less than the FY23 enacted level.

PROPOSED ACTION:

None.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Financial Performance Report
 Cash and Investment Summary (Quarter Ended Mar. 31, 2023)
 Cash and Investment Summary (Quarter Ended Jun. 30, 2023)
 Grants Report
 Presentation

Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Operations
(For the Fiscal Year Ended 6/30/2023)
(Unaudited)

	OPERATIONS ACTUAL 6/30/2023	OPERATIONS BUDGET 6/30/2023	OPERATIONS Variance	%	Highlights Section
Operating Revenue					
Tenant Revenue	\$ 38,669,779	\$ 46,320,154	\$ (7,650,374)	-16.52%	I(a)(1)
Grants	47,010,151	43,227,097	3,783,054	8.75%	I(a)(2)
HAP Revenue	129,670,244	105,136,857	24,533,387	23.33%	I(a)(3)
Miscellaneous Revenue	1,538,779	932,389	606,390	65.04%	I(a)(4)
Total Operating Revenue	<u>\$ 216,888,953</u>	<u>\$ 195,616,496</u>	<u>\$ 21,272,457</u>	<u>10.87%</u>	
Operating Expenses					
Salaries and Benefits	\$ 40,974,285	\$ 46,294,527	\$ (5,320,242)	-11.49%	I(b)(1)
Ordinary Maintenance and Operations	27,960,468	17,042,112	10,918,357	64.07%	I(b)(2)
Utilities	9,444,509	9,622,208	(177,700)	-1.85%	I(b)(3)
Other Expenses	16,270,126	14,648,801	1,621,325	11.07%	I(b)(4)
HAP Expense	93,592,130	104,836,337	(11,244,207)	-10.73%	I(a)(3)
Total Operating Expenses	<u>\$ 188,241,517</u>	<u>\$ 192,443,985</u>	<u>\$ (4,202,468)</u>	<u>-2.18%</u>	
Net Operating Income	<u>\$ 28,647,436</u>	<u>\$ 3,172,512</u>	<u>\$ 25,474,924</u>	<u>802.99%</u>	
Non-Operating Income (Expenses)					
Interest Expense	\$ (5,811,729)	\$ (4,998,717)	\$ (813,012)	16.26%	I(c)(1)
Interest Income	2,752,759	1,026,558	1,726,201	168.15%	I(c)(1)
Other Income (Expenses)	(884,929)	(4,992,137)	4,107,208	-82.27%	I(c)(1)
Total Non-Operating Income (Expenses)	<u>\$ (3,943,899)</u>	<u>\$ (8,964,296)</u>	<u>\$ 5,020,397</u>	<u>-56.00%</u>	
Surplus (Deficit) Before Non-Cash Items	<u>\$ 24,703,537</u>	<u>\$ (5,791,784)</u>	<u>\$ 30,495,321</u>	<u>-526.53%</u>	
Non-Cash Items					
Depreciation and Amortization	\$ (14,299,196)	\$ (14,618,458)	\$ 319,263	-2.18%	I(c)(1)
Non-Operating Income (Expense)	11,591,672	11,881,243	(289,571)	-2.44%	
Total Non-Cash Items	<u>\$ (2,707,524)</u>	<u>\$ (2,737,215)</u>	<u>\$ 29,692</u>	<u>-1.08%</u>	
Change in Net Position	<u>\$ 21,996,013</u>	<u>\$ (8,528,999)</u>	<u>\$ 30,525,013</u>	<u>-357.90%</u>	I(c)(1)

**Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Capital Activities**
(For the Fiscal Year Ended 6/30/2023)
(Unaudited)

	CAPITAL ACTUAL 6/30/2023	CAPITAL BUDGET 6/30/2023	CAPITAL Variance	%	Highlights Section
Operating Revenue					
Grants	\$ 10,845,966	\$ 16,534,956	\$ (5,688,990)	-34.41%	II(a)(1)
Miscellaneous Revenue	22,276,221	7,277,921	14,998,300	206.08%	II(a)(2)
Total Operating Revenue	\$ 33,122,186	\$ 23,812,877	\$ 9,309,310	39.09%	
Operating Expenses					
Salaries and Benefits	\$ 1,702,417	\$ 2,446,186	\$ (743,769)	-30.41%	I(b)(1)
Ordinary Maintenance and Operations	777,006	157,770	619,236	392.49%	I(b)(2)
Utilities	1,814	2,850	(1,036)	-36.34%	
Other Expenses	2,449,920	1,202,718	1,247,203	103.70%	I(b)(3)
Total Operating Expenses	\$ 4,931,157	\$ 3,809,523	\$ 1,121,634	29.44%	
Net Operating Income	\$ 28,191,029	\$ 20,003,354	\$ 8,187,675	40.93%	
Non-Operating Income (Expenses)					
Interest Expense	\$ (303,579)	\$ (305,579)	\$ 2,000	-0.65%	
Interest Income	1,289,866	172,081	1,117,784	649.57%	II(c)(1)
Other Income (Expenses)	(5,202,612)	(1,603,003)	(3,599,609)	224.55%	II(c)(1)
Total Non-Operating Income (Expenses)	\$ (4,216,326)	\$ (1,736,500)	\$ (2,479,825)	142.81%	
Surplus (Deficit) Before Non-Cash Items	\$ 23,974,704	\$ 18,266,853	\$ 5,707,850	31.25%	
Non-Cash Items					
Depreciation and Amortization	\$ (154,661)	\$ (154,998)	\$ 337	-0.22%	
Non-Operating Income (Expense)	(2,586,443)	(13,544,337)	10,957,895	-80.90%	II(c)(1)
Total Non-Cash Items	\$ (2,741,104)	\$ (13,699,336)	\$ 10,958,232	-79.99%	
Change in Net Position	\$ 21,233,600	\$ 4,567,518	\$ 16,666,082	364.88%	II(c)(1)

*Capital Fund column includes Capital Fund and Real Estate Services

**Opportunity Home San Antonio
Financial Performance Report
Comparative Balance Sheet
As of June 30, 2023
(Unaudited)**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Increase (Decrease)</u>	<u>%</u>	<u>Highlights Section</u>
Assets					
Current Assets	\$ 122,851,920	\$ 111,911,596	\$ 10,940,324	9.78%	
Fixed Assets	361,600,585	333,118,752	28,481,833	8.55%	
Other Non-Current Assets	85,165,467	67,703,736	17,461,731	25.79%	
Total Assets	<u>\$ 569,617,972</u>	<u>\$ 512,734,084</u>	<u>\$ 56,883,888</u>	<u>11.09%</u>	
Deferred Outflows of Resources					
Deferred Charges on Refunding	\$ 183,001	\$ 268,949	\$ (85,948)	-31.96%	
Deferred Swap Outflows	-	55,761	(55,761)	-100.00%	
Total Deferred Outflows of Resources	<u>\$ 183,001</u>	<u>\$ 324,710</u>	<u>\$ (141,709)</u>	<u>-43.64%</u>	
Total Assets and Deferred Outflows of Resources	<u>\$ 569,800,973</u>	<u>\$ 513,058,794</u>	<u>\$ 56,742,179</u>	<u>11.06%</u>	III(a)
Liabilities					
Current Liabilities	\$ 27,614,569	\$ 34,315,027	\$ (6,700,458)	-19.53%	
Non-Current Liabilities	117,789,674	111,834,409	5,955,265	5.33%	
Total Liabilities	<u>\$ 145,404,243</u>	<u>\$ 146,149,436</u>	<u>\$ (745,193)</u>	<u>-0.51%</u>	
Deferred Inflows of Resources					
Leased Assets	\$ 57,103,486	\$ 51,854,931	\$ 5,248,555	N/A	
Deferred Swap Inflows	519,738	186,451	333,287	N/A	
Total Deferred Inflows of Resources	<u>\$ 57,623,224</u>	<u>\$ 52,041,382</u>	<u>\$ 5,581,842</u>	<u>N/A</u>	
Total Liabilities and Deferred Inflows of Resources	<u>\$ 203,027,467</u>	<u>\$ 198,190,818</u>	<u>\$ 4,836,649</u>	<u>2.44%</u>	III(b)
Net Position					
Net Investment in Capital Assets	\$ 237,008,308	\$ 209,075,442	\$ 27,932,866	13.36%	
Restricted Net Position	50,547,110	33,879,148	16,667,962	49.20%	
Unrestricted Net Position	79,218,088	71,913,386	7,304,702	10.16%	
Total Net Position	<u>\$ 366,773,506</u>	<u>\$ 314,867,976</u>	<u>\$ 51,905,530</u>	<u>16.48%</u>	III(c)
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 569,800,973</u>	<u>\$ 513,058,794</u>	<u>\$ 56,742,179</u>	<u>11.06%</u>	

**Opportunity Home San Antonio
Financial Performance Report
As of June 30, 2023
(Unaudited)**

HIGHLIGHTS

For the fiscal year ended June 30, 2023, the Operations segment generated a surplus before non-cash items of \$24.7 million, which was \$30.5 million above budget. Total Operating Revenue was above budget by \$21.3 million, or 10.87 percent, and Total Operating Expenses were below budget by \$4.2 million, or 2.18 percent.

For the fiscal year ended June 30, 2023, the Capital segment produced a surplus before non-cash items of \$24.0 million, which was \$5.7 million above budget. Total Operating Revenue was above budget by \$9.3 million, or 39.09 percent, and Total Operating Expenses were above budget by \$1.1 million, or 29.44 percent.

Total Assets and Deferred Outflows of Resources increased by \$56.7 million, or 11.06 percent. Total Liabilities and Deferred Inflows of Resources increased by \$4.8 million, or 2.44 percent. Presented below are explanations which summarize the results of operations (Operations and Capital segments) and the combined changes in financial condition.

I. Income Statement (Operations)

Total Operating Revenue was above budget by \$21.3 million and Total Operating Expenses were below budget by \$4.2 million.

(a) **Operating Revenue**

- (1) Tenant revenue was below budget by \$7.6 million due to unfavorable variances in the Beacon and Public Housing sectors of \$6.6 million and \$1.0 million, respectively. The primary properties contributing to the unfavorable variance for the Beacon sector were Woodhill, Rosemont at Highland Park, Cottage Creek, Costa Valencia and Burning Tree. Occupancy remains an ongoing challenge with fiscal year-to-date occupancy for these properties ranging between 70 and 83 percent. Average occupancy for the Beacon portfolio was 86 percent.
- (2) Grant revenue was above budget by \$3.8 million primarily due to favorable variances of \$2.1 million in Section 8 and \$1.8 million in Public Housing. The \$2.1 million variance consisted of Section 8 administrative fees and the \$1.8 million variance consisted of operating subsidy. Additionally, the Beacon portfolio reported a favorable variance of \$0.6 million in project-based Section HAP subsidies due to contract rent increases. Partially offsetting this were unfavorable variances of \$0.3 million in Emergency Housing Voucher service fees and \$0.2 million in the Jobs Plus Lincoln grant due to timing of expenditures.

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- (3) Section 8 Housing Assistance Payment (HAP) Revenue ended the year with a favorable variance of \$24.5 million and HAP Expense ended the year with a favorable variance of \$11.2 million. HAP Revenue was favorable primarily due to the organization requesting \$33.6 million from HUD-Held MTW funds to support the Public Housing operating shortfall, pay off the Woodhill loan which matured in September 2022, and fund the Ravello acquisition and refinance in February 2023. In April 2023, MTW funds were used to pay off the debt for several Beacon properties: Bella Claire, Churchill Estates, Claremont, Homestead, Towering Oaks, Monterrey Park, La Providencia, Castle Point, and Warren House. HAP expenses were lower for the HCV program compared to what was budgeted related to a decrease in leasing.
- (4) Miscellaneous Revenue ended the year with a favorable variance of \$0.6 million primarily attributable to support services revenue earned by Community Initiatives.

(b) **Operating Expenses**

- (1) Salaries and Benefits ended the year \$5.3 million below budget. Staffing vacancies and positions placed on hold have led to all segments reporting favorably for Salaries and Benefits. The Central Office, Public Housing, and Beacon segments were the primary contributors to the favorable variance.
- (2) Ordinary Maintenance and Operations ended the year \$10.9 million above budget primarily due to unfavorable variances of \$8.7 million and \$2.3 million in Public Housing and Beacon, respectively. For Public Housing, significant unfavorable expenses arose from lawn services, major repairs, and maintenance materials. For Beacon, significant unfavorable expenses resulted from maintenance contract costs and materials.
- (3) Utilities ended the year \$0.2 million below budget primarily due to favorable variances for water and electricity expenses realized in the Public Housing segment.
- (4) Other Expenses ended the year \$1.6 million above budget primarily due to higher than anticipated protective services costs incurred in the Public Housing and Beacon sectors.

(c) **Summary of Changes in Net Position**

- (1) Change in Net Position ended the year \$30.5 million above budget. Net Operating Income was above budget by \$25.5 million. Interest Expense ended the year \$0.8 million above budget due to refinancing fees related to four properties. Interest Income performed \$1.7 million better than budgeted due to a rise in interest rates. Other Income

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(Expenses) was favorable by \$4.1 million primarily due to a net gain on insurance proceeds.

II. Income Statement (Capital)

Total Operating Revenue was above budget by \$9.3 million and Total Operating Expenses were above budget by \$1.1 million.

(a) **Operating Revenue**

- (1) Grant revenue was below budget by \$5.7 million primarily due to the timing of Capital Fund grant expenditures.
- (2) Miscellaneous Revenue was above budget by \$15.0 million due primarily to a favorable variance of \$9.1 million in development fee revenue earned for various projects. Additionally, there was a favorable variance of \$4.3 million for various earned fees associated with the closing of capital transactions for co-developed tax credit partnerships and a favorable variance of \$0.8 million in bond issuer fees earned by Las Varas Public Facility Corporation. Lease payments was also favorable by \$1.1 million and primarily resulted from the routine amortization of prepaid ground leases.

(b) **Operating Expenses**

- (1) Salaries and Benefits were below budget by \$0.7 million primarily due to a favorable variance in the Real Estate Services sector.
- (2) Ordinary Maintenance and Operations were above budget by \$0.6 million primarily due to an unfavorable variance in Capital Funds related to major repairs and upgrades.
- (3) Other Expenses were above budget by \$1.2 million primarily due to an unfavorable variance in the Real Estate Services sector. Unfavorable expenses arose from consulting fees related to Snowden and pre-development for the Alazan Courts Expansion project.

(c) **Summary of Changes in Net Position**

- (1) Change in Net Position ended the year with a \$16.7 million favorable variance. Net Operating Income was above budget by \$8.2 million. Interest income was favorable by \$1.1 million due to the unexpected increase in interest earnings. The Other Income (Expenses) line item was \$3.6 million unfavorable due to operating transfers.

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Additionally, there was an \$11.0 million favorable variance in Non-Operating Income (Expense) related to equity transfers budgeted but not realized.

III. Balance Sheet

Total Assets and Deferred Outflows of Resources increased by \$56.7 million, Total Liabilities and Deferred Inflows of Resources increased by \$4.8 million, and Total Net Position increased by \$51.9 million.

- (a) Total Assets and Deferred Outflows of Resources increased by \$56.7 million, or 11.06 percent. Current Assets and Fixed Assets increased by \$10.9 million and \$28.5 million, respectively. The \$10.9 million increase in Current Assets resulted largely from the refinance of Refugio, which resulted in refinance proceeds that were used to pay down \$7.1 million of the HOPE VI note owed from the limited partnership to Refugio Street Public Facility Corporation. The Science Park and O'Connor Road refinances also resulted in the payoff of the land notes owed to San Antonio Housing Development Corporation totaling \$4.0 million. Additionally, the resyndication of Rosemont at University Park resulted in a distribution of \$4.3 million to Las Varas Public Facility Corporation paid from net sales proceeds. The \$28.5 million increase in Fixed Assets resulted primarily from increases of \$52.0 million in buildings and site improvements and \$5.8 million in land. The \$52.0 million increase in buildings and site improvements resulted primarily from the acquisitions of The Ravello and San Juan Square II in the Beacon portfolio, as well as the capitalization of projects in both the Beacon and Public Housing portfolios. This increase was largely offset by an increase in accumulated depreciation of \$32.4 million. Land increased by \$5.8 million due to ground leases executed between San Antonio Housing Facility Corporation and two tax credit partnerships: Bristol at Somerset and Horizon Pointe. Other Non-Current Assets increased by \$17.5 million primarily due to an increase in development fees receivable of \$13.2 million and two notes of \$1.2 million and \$1.0 million loaned from San Antonio Housing Facility Corporation to the Snowden and Bristol at Somerset limited partnerships, respectively.
- (b) Total Liabilities and Deferred Inflows of Resources increased by \$4.8 million, or 2.44 percent. Leased Assets, which includes prepaid ground leases, increased by \$5.2 million due primarily to the Facility Corporation entering into two ground leases with the Bristol at Somerset and Horizon Pointe limited partnerships. The net decrease of \$0.7 million in Total Liabilities resulted from a significant paydown of debt which was largely offset by new debt additions. Construction draws related to 100 Labor added \$10.6 million of new debt. Furthermore, the Science Park, O'Connor, and Refugio refinances resulted in an aggregate addition to debt of \$13.6 million. Debt reductions included the \$6.3

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As of June 30, 2023
(Unaudited)**

million payoff of the Woodhill bonds, \$12.8 million debt payoff for nine Beacon properties (see section I(a)(3)), and scheduled principal payments of \$2.5 million. Additionally, trade payables, which are a component of Current Liabilities, decreased by \$3.1 million during the year.

(c) Total Net Position increased by \$51.9 million, or 16.48 percent, as a result of operations.

IV. MTW Expenditures

Projects	Cumulative Expenditure Balance as of 06/30/23	
Program Administration and Implementation of MTW Initiatives	\$	2,035,288
Public Housing Operating Shortfall		10,716,839
Expansion of Public Housing Wi-Fi		147,846
Lincoln Predevelopment Costs		231,395
Preservation and Expansion of Affordable and Public Housing:		
Development of Labor Street Multifamily Property		605,622
Alazan Courts Predevelopment Costs		141,638
Woodhill Bonds Pay-off		5,706,866
Investment in MTW units at Tax Credit/Beacon Properties:		
Acquisition of San Juan II		900,000
Acquisition of Ravello Apartments		1,584,638
Snowden Development Funding		1,071,465
Bristol at Somerset Loan		1,000,000
Beacon Debt Payoff		12,852,350
Total	\$	36,993,947

Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ending March 31, 2023

The overall cash and investment balance decreased by \$2.8 million over the previous quarter primarily due to payments to vendors in connection with operations as well as ongoing capital projects at various Beacon and Public Housing properties.

Unrestricted Cash and Investments

- **Central Office Cost Center** - There is a net cash decrease of approximately \$3.8 million over the previous quarter primarily due to a loan of \$3.0 million to the central bank account, paydown of funds due and transfers of \$3.2 million offset by internal fees collected of \$2.3 million.
- **Public Housing** - There is a net cash increase of approximately \$3.8 million due to the \$4.3 million transfer from MTW to cover the Public Housing operating shortfall which was partially offset by payment of outstanding intercompany balances.
- **Properties Under SAHFC** - There is a net cash decrease of approximately \$0.9 million primarily due to the payment of internal fees.
- **Development Activities - Las Varas** - There is a net cash decrease of approximately \$5.2 million due to the reclassification of \$4.5 million to Development Activities - Other Entities and \$0.7 million of operating transfers.
- **Development Activities - Other Entities** - There is a net cash increase of approximately \$4.5 million due the reclassification of \$4.5 million from Development Activities - Las Varas.

Restricted Cash and Investments

- **Section 8** - There is a net cash decrease of approximately \$1.4 million primarily due to a combination of a reduction in HAP funding and the funding of various projects including the Public Housing operating shortfall, the Ravello property acquisition, and additional funding for the construction of the 100 Labor Street property.

**Opportunity Home San Antonio
Cash and Investment Summary
March 31, 2023**

	Balance 12/31/2022	Deposits	Withdrawals	Balance 3/31/2023
Cash				
Unrestricted Cash:				
Central Office Cost Center (1)	2,853,546	2,438,230	6,217,530	(925,754)
Public Housing (1)	2,579,237	17,659,250	13,884,205	6,354,282
Section 8 (1)	7,040,597	3,352,575	3,930,747	6,462,425
Community Development Initiatives	538,224	6,635,101	7,144,794	28,531
Central Office- Health Insurance (2)	1,842,076	2,153,807	2,270,328	1,725,556
Homeownership	103,382	10,945	60,000	54,327
Project Based Properties (1)	3,883,045	1,621,565	1,369,666	4,134,944
Properties under SAHFC	7,574,763	3,898,039	4,818,304	6,654,498
Education Investment Foundation	182	2,493	203	2,473
Capital Fund Program (1)	-	1,991,885	1,991,885	-
Development Activities under SAHFC	1,983,677	1,802,432	1,574,139	2,211,970
Development Activities - Las Varas	17,618,046	314,147	5,509,087	12,423,106
Development Activities - Other Entities	4,750,578	7,230,488	2,726,028	9,255,038
Other Beacon Properties Cash	8,653,282	3,578,265	4,160,805	8,070,742
Other Unrestricted Cash	(149,821)	55,411,093	54,535,809	725,463
Sub-Total:	59,270,814	108,100,315	110,193,530	57,177,599
Restricted Cash:				
Central Office Cost Center	1,043,164			1,043,164
Public Housing	17,342,600	8,904,376	8,176,936	18,070,040
Section 8	2,740,702	32,366,320	33,783,926	1,323,095
Project Based Properties	2,017,782	76,522	-	2,094,304
Properties under SAHFC	11,887,489	207,414	96,609	11,998,294
Education Investment Foundation	5,896	6,316	6,093	6,118
Capital Fund Program	1,775,233	14,955	520,217	1,269,972
Development Activities under SAHFC	2,186,627	2,031	-	2,188,658
Development Activities - Refugio Street PFC	8,170,568	-	-	8,170,568
Non-Profit-Other Restricted	1,192,565	140,496	101,211	1,231,850
Other Restricted Cash	163,456	216,220	110,787	268,889
Endowment Trust	411,901	3,645	25,248	390,298
Sub-Total:	48,937,984	41,938,295	42,821,028	48,055,251
Total Unrestricted & Restricted Cash:	108,208,797	150,038,610	153,014,557	105,232,850
Investments				
Restricted Investments at Various Banks:				
Central Office Cost Center	75,788	301,264	313,549	63,502
Other Restricted Investments	684,742	1,071,651	898,915	857,478
Sub-Total:	760,529	1,372,915	1,212,465	920,980
Total Cash & Investments:	108,969,327	151,411,525	154,227,022	106,153,829

Footnotes:

- (1) Cash and Investments related to federal programs
(2) Cash and Investments related to self insurance program

**Opportunity Home San Antonio
Cash Held for Tax Credit Partnerships
March 31, 2023**

	12/31/2022	Deposits	Withdrawals	3/31/2023
Cash from Tax-Credit Partnerships	3,373,347	1,982,052	2,799,151	2,556,248
Total Cash Held for Partnerships Managed by Beacon:	\$ 3,373,347	\$ 1,982,052	\$ 2,799,151	\$ 2,556,248

**Opportunity Home San Antonio
Collateralization
March 31, 2023**

	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 98,275,810	\$ 500,000	\$ 98,275,810	\$ 137,084,420
Lument Capital, LLC	\$ 2,441,939	\$ 889,193	\$ -	\$ -
US Bank	\$ 1,011,853	\$ -	\$ -	\$ -
Bank of New York - Sendero	\$ 218,446	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ 236,769	\$ -	\$ -	\$ -
Wells Fargo - Rosemont at Highland Park	\$ 194,335	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 539,683	\$ 340,121	\$ -	\$ -
Walker & Dunlop - Bella Claire	\$ 35,227	\$ 35,227	\$ -	\$ -
Walker & Dunlop - SAHFC	\$ 264,727	\$ 264,727	\$ -	\$ -
Berkadia Commercial Mortgage, LLC	\$ 84,417	\$ 84,417	\$ -	\$ -
Total Collateralized deposits:	\$ 103,303,206	\$ 2,113,685	\$ 98,275,810	\$ 137,084,420

FDIC has made permanent the standard coverage - all funds in noninterest-bearing accounts are fully insured up to \$250,000. The accompanying Cash and Investment Summary Report has been prepared in accordance with the compliance requirements of the Texas Public Funds Investment Act, Chapter 2256. As the Investment Officer for the Opportunity Home San Antonio I certify that all investments in our portfolio comply with the investment strategy expressed in Opportunity Home's Investment Policy dated April 14, 2016 and with the relevant provisions of the State of Texas, Government Code, Chapter 2256, Public Funds Investment.



8/3/2023

Diana K. Fiedler, CPA, CGMA
Investment Officer, Chief Financial Officer

Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ending June 30, 2023

The overall cash and investment balance decreased by \$2.1 million over the previous quarter due to payments in connection with ongoing capital projects at various Beacon and Public Housing properties as well as the funding of the construction draws for the 100 Labor St. property and the loans for both the Snowden and Bristol at Somerset limited partnerships.

Unrestricted Cash and Investments

- **Central Office Cost Center** - There is a net cash increase of approximately \$1.5 million over the previous quarter primarily due to the collection of internal fees.
- **Public Housing** - There is a net cash decrease of approximately \$4.2 million over the previous quarter primarily due to the settlement of internal fees and intercompany balances due in connection with general operating expenses and ongoing capital project work at various Public Housing properties.
- **Development Activities under SAHFC** - There is a net cash decrease of approximately \$1.4 million due to the settlement of intercompany balances due.
- **Development Activities - Las Varas** - There is a net cash decrease of approximately \$1.8 million due to funding \$0.9 million for San Juan Square losses, \$0.6 million for construction draws related to the 100 Labor St. property, and \$0.3 million for the purchase of additional interest in the Midcrown Senior property.
- **Other Unrestricted Cash** - There is a net cash increase of approximately \$1.8 million due to the settlement of intercompany balances.

Restricted Cash and Investments

- **Section 8** - There is a net cash increase of approximately \$2.4 million due to a combination of an increase in HAP funding as well as the receipt of MTW funding to support Snowden and Bristol at Somerset limited partnerships.
- **Properties under SAHFC** - There is a net cash decrease of approximately \$0.8 million due to the receipt of \$0.2 million related to the closeout of escrow accounts due to the payoff of the Towering Oaks mortgage loan and \$0.6 million related to the 100 Labor St. property.
- **Development Activities under SAHFC** - There is a net cash increase of approximately \$0.6 million related to the 100 Labor St. property.

**Opportunity Home San Antonio
Cash and Investment Summary
June 30, 2023**

	Balance 3/31/2023	Deposits	Withdrawals	Balance 6/30/2023
Cash				
Unrestricted Cash:				
Central Office Cost Center (1)	(925,754)	4,599,141	3,134,217	539,170
Public Housing (1)	6,354,282	14,481,667	18,670,603	2,165,346
Section 8 (1)	6,462,425	3,083,625	2,810,789	6,735,262
Community Development Initiatives	28,531	20,597,344	20,483,838	142,037
Central Office- Health Insurance (2)	1,725,556	2,026,277	2,524,017	1,227,816
Homeownership	54,327	36,049	52,951	37,424
Project Based Properties (1)	4,134,944	1,960,248	1,535,786	4,559,406
Properties under SAHFC	6,654,498	15,808,862	16,469,301	5,994,058
Education Investment Foundation	2,473	43,269	45,742	(0)
Capital Fund Program (1)	-	643,097	643,097	-
Development Activities under SAHFC	2,211,970	1,402,782	2,820,209	794,542
Development Activities - Las Varas	12,423,106	1,187,863	2,941,314	10,669,655
Development Activities - Other Entities	9,255,038	1,418,890	1,826,222	8,847,706
Other Beacon Properties Cash	8,070,742	5,259,221	5,143,061	8,186,901
Other Unrestricted Cash	725,463	57,466,185	55,665,134	2,526,514
Sub-Total:	57,177,599	130,014,520	134,766,282	52,425,837
Restricted Cash:				
Central Office Cost Center	1,043,164	-	-	1,043,164
Public Housing	18,070,040	742,782	268,951	18,543,871
Section 8	1,323,095	50,775,895	48,382,291	3,716,699
Project Based Properties	2,094,304	10,776	236,492	1,868,588
Properties under SAHFC	11,998,294	489,888	1,296,278	11,191,903
Education Investment Foundation	6,118	6,510	8,846	3,782
Capital Fund Program	1,269,972	14,925	-	1,284,897
Development Activities under SAHFC	2,188,658	606,190	-	2,794,848
Development Activities - Refugio Street PFC	8,170,568	-	-	8,170,568
Non-Profit-Other Restricted	1,231,850	34,312	9,492	1,256,670
Other Restricted Cash	268,889	106,711	64,754	310,846
Endowment Trust	390,298	3,852	32,987	361,163
Sub-Total:	48,055,251	52,791,841	50,300,091	50,547,000
Total Unrestricted & Restricted Cash:	105,232,850	182,806,361	185,066,373	102,972,837
Investments				
Restricted Investments at Various Banks:				
Central Office Cost Center	63,502	150,621	150,529	63,594
Other Restricted Investments	857,478	715,874	538,080	1,035,272
Sub-Total:	920,980	866,495	688,609	1,098,866
Total Cash & Investments:	106,153,829	183,672,856	185,754,982	104,071,703

Footnotes:

(1) Cash and Investments related to federal programs

(2) Cash and Investments related to self insurance program

**Opportunity Home San Antonio
Cash Held for Tax Credit Partnerships
June 30, 2023**

	3/31/2023	Deposits	Withdrawals	6/30/2023
Cash from Tax-Credit Partnerships	2,556,248	3,089,643	2,881,236	2,764,655
Total Cash Held for Partnerships Managed by Beacon:	\$ 2,556,248	\$ 3,089,643	\$ 2,881,236	\$ 2,764,655

**Opportunity Home San Antonio
Collateralization
June 30, 2023**

	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 96,192,398	\$ 500,000	\$ 96,192,398	\$ 121,695,953
Lument Capital, LLC	\$ 2,533,825	\$ 935,591	\$ -	\$ -
US Bank	\$ 1,011,853	\$ -	\$ -	\$ -
Bank of New York - Sendero	\$ 204,417	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ 258,971	\$ -	\$ -	\$ -
Wells Fargo - Rosemont at Highland Park	\$ 272,756	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 548,174	\$ 341,307	\$ -	\$ -
Walker & Dunlop - Bella Claire	\$ -	\$ -	\$ -	\$ -
Walker & Dunlop - SAHFC	\$ -	\$ -	\$ -	\$ -
Berkadia Commercial Mortgage, LLC	\$ 95,894	\$ 95,894	\$ -	\$ -
Total Collateralized deposits:	\$ 101,118,289	\$ 1,872,792	\$ 96,192,398	\$ 121,695,953

FDIC has made permanent the standard coverage - all funds in noninterest-bearing accounts are fully insured up to \$250,000. The accompanying Cash and Investment Summary Report has been prepared in accordance with the compliance requirements of the Texas Public Funds Investment Act, Chapter 2256. As the Investment Officer for the Opportunity Home San Antonio I certify that all investments in our portfolio comply with the investment strategy expressed in Opportunity Home's Investment Policy dated April 14, 2016 and with the relevant provisions of the State of Texas, Government Code, Chapter 2256, Public Funds Investment.



8/3/2023

Diana K. Fiedler, CPA, CGMA
Investment Officer, Chief Financial Officer

GRANTS REPORT AS OF June 30, 2023

Grant Number	Obligation End Date	Expenditure End Date	CAPITAL GRANTS									
			Amount to be Obligated by End Date	LOCCS Authorized	Cumulative PHA Obligated	Unobligated Amount	Obligation Percentage	Cumulative GL PHA Expended	Expended Percentage	LOCCS Disbursement		
Capital Fund Program (CFP)												
Capital Projects at various PH Properties												
TX59P006501-10	07/14/12	07/14/14	\$ 8,770,114.80	\$ 9,744,572.00	\$ 9,744,572.00	\$ -	100%	\$ 9,744,572.00	100%	\$ 9,744,572.00	(1)	
*Major Project: Marie McGuire												
TX59P006501-11	08/02/13	08/02/15	\$ 7,336,199.70	\$ 8,151,333.00	\$ 8,151,333.00	\$ -	100%	\$ 8,151,333.00	100%	\$ 8,151,333.00	(1)	
*Major Projects: Blanco, Marie McGuire, Westway												
TX59P006501-12	03/11/14	03/11/16	\$ 6,669,297.00	\$ 7,410,330.00	\$ 7,410,330.00	\$ -	100%	\$ 7,410,330.00	100%	\$ 7,410,330.00	(1)	
*Major Projects: Fair Avenue, South San, Sun Park												
TX59P006501-13	09/08/15	09/08/17	\$ 6,472,918.80	\$ 7,192,132.00	\$ 7,192,132.00	\$ -	100%	\$ 7,192,132.00	100%	\$ 7,192,132.00	(1)	
*Major Projects: Lewis Chatham, Jewett Circle, Westway												
TX59P006501-14	05/12/16	05/12/18	\$ 6,564,698.10	\$ 7,294,109.00	\$ 7,294,109.00	\$ -	100%	\$ 7,294,109.00	100%	\$ 7,294,109.00	(1)	
*Major Projects: Westway, Charles Andrews, Cassiano Homes												
TX59P006501-15	04/12/17	04/12/19	\$ 6,785,826.30	\$ 7,539,807.00	\$ 7,539,807.00	\$ -	100%	\$ 7,539,807.00	100%	\$ 7,539,807.00	(1)	
*Major Projects: Charles Andrews, HB Gonzalez												
TX59E006501-11	03/04/13	3/4/14	\$ 225,000.00	\$ 250,000.00	\$ 250,000.00	\$ -	100%	\$ 250,000.00	100%	\$ 250,000.00	(1)	
*Safety and Security Grant at Lincoln Heights												
TX59P006501-16	04/12/18	04/12/20	\$ 7,024,842.00	\$ 7,805,380.00	\$ 7,805,380.00	\$ -	100%	\$ 7,805,380.00	100%	\$ 7,805,380.00	(1)(2)	
*Major Projects: Westway, WC White												
TX59P006501-17	08/15/19	08/15/21	\$ 7,176,040.20	\$ 7,973,378.00	\$ 7,973,378.00	\$ -	100%	\$ 7,973,378.00	100%	\$ 7,973,378.00	(1)(2)	
*Major Projects: Victoria Plaza, Villa Tranchese												
TX59P006501-18	05/28/21	05/28/23	\$ 11,098,890.00	\$ 12,332,100.00	\$ 12,332,100.00	\$ -	100%	\$ 12,332,100.00	100%	\$ 12,332,100.00	(1)(2)	
*Major Projects: Victoria Plaza, Fair Avenue												
TX59P006501-19	10/15/22	10/15/24	\$ 11,636,649.90	\$ 12,929,611.00	\$ 12,929,611.00	\$ -	100%	\$ 12,929,611.00	100%	\$ 12,929,611.00	(1)(2)	
*Major Projects: Victoria Plaza, Fair Avenue												
TX59P006501-20	09/25/23	09/25/25	\$ 11,827,386.00	\$ 13,141,540.00	\$ 13,141,540.00	\$ -	100%	\$ 10,329,535.35	79%	\$ 9,682,636.54	(2)	
*Major Projects: Madonna, L.C. Rutledge												
TX59P006501-21	02/22/23	02/22/25	\$ 11,865,870.90	\$ 13,184,301.00	\$ 13,184,301.00	\$ -	100%	\$ 10,550,674.89	80%	\$ 9,134,119.67	(2)	
*Major Projects: Mirasol, Francis Furey												
TX59P006501-22	05/11/24	05/11/26	\$ 14,541,291.90	\$ 16,156,991.00	\$ 8,029,367.73	\$ 8,127,623.27	50%	\$ 3,487,123.25	22%	\$ 3,645,321.25	(3)	
*Major Projects: Villa Veramendi, Riverside												
TX59P006501-23	02/16/25	02/16/27	\$ 14,835,747.60	\$ 16,484,164.00	\$ -	\$ 16,484,164.00	0%	\$ -	0%	\$ -		
*Major Projects: Fair Avenue, Villa Hermosa												
TX59E006501-18	08/12/21	08/12/22	\$ 225,000.00	\$ 250,000.00	\$ 250,000.00	\$ -	100%	\$ 250,000.00	100%	\$ 250,000.00	(1)	
*Major Projects: Riverside, Villa Veramendi												
TX59E006501-22	09/25/23	09/25/24	\$ 225,000.00	\$ 250,000.00	\$ -	\$ 250,000.00	0%	\$ -	0%	\$ -		
*Major Projects: Springview, Villa Tranchese												
TX59L006501-20	05/10/23	05/10/25	\$ 4,374,949.50	\$ 4,861,055.00	\$ 148,050.00	\$ 4,713,005.00	3%	\$ 31,760.00	1%	\$ 31,760.00	(4)	
*Major Projects: Lincoln Heights, Mission Park, Riverside												
Urban Revitalization Program (Hope 6) (URP)												
Choice Neighborhood Grant												
TX6J006CNG112	09/30/19	09/30/19	\$ 29,652,649.09	\$ 29,652,649.09	\$ 29,652,649.09	\$ -	100%	\$ 29,652,649.09	100%	\$ 29,652,649.09	(1)	
*Implementation grant for Wheatley Neighborhood												

(1) These grants are expended and disbursed at 100% however, HUD still requests monthly updates in eLOCCS.
 (2) A portion of the grant contains DDTF funding. Total DDTF funding has been expended.
 (3) A portion of the 2022 CFP grant contains DDTF funding of \$304,850. \$255,725 of DDTF funding has been expended.
 (4) A request to extend the obligation requirement was submitted to HUD.

GRANTS REPORT AS OF June 30, 2023

HUD - PROGRAM GRANTS									
Grant Number	Effective Date	Expenditure End Date	LOCCS Authorized	Cumulative Expended	PROGRAM GRANTS		Remaining to Expend	LOCCS Disbursement	
					Expended Percentage	Grant expenditure is not progressing as planned.			
Resident Opportunities & Self Sufficiency (ROSS) Funding for Family Self Sufficiency (FSS) Coordinators									
ROSS221724-01-00	06/01/22	05/31/25	\$ 621,050.50	\$ 182,031.03	29%		\$ 439,019.47	\$ 168,287.83	(5)
*2021 ROSS Service Coordinators									
FSS23TX5042	01/01/23	12/31/23	\$ 1,166,035.00	\$ 429,205.00	37%		\$ 736,830.00	\$ 385,072.33	(6)
*PH & HCV Combined FSS 2022									
Jobs Plus Funding for PHAs to develop locally-based approaches to increase earnings and advance employment outcomes for Public Housing residents									
TX006FJP6JPH20	05/14/21	09/30/28	\$ 2,300,000.00	\$ 363,852.00	16%		\$ 1,936,148.00	\$ 353,733.65	(7)
*Jobs Plus - Lincoln Heights									
EDI CPF Economic Development Initiative/Community Project Funding grants provide investment in a wide variety of projects such as housing, homelessness prevention, workforce training, public facilities, parks, resilience planning and other critical infrastructure and services									
B-22-CP-TX-0861	09/30/22	08/30/30	\$ 1,000,000.00	\$ 163,006.00	16%		\$ 836,994.00	\$ -	
EDI CPF - Resident Internet Service									

NON-HUD - PROGRAM GRANTS							
Grant Number	Performance Date	Award Amount	Cumulative Expended	Expended Percentage	Remaining to Expend	Reimbursement Received	
VIA Metropolitan Transit Authority Capital Assistance Program For Elderly Persons and Persons With Disabilities							
TX-2021-010-00	09/25/2020 - 09/30/2023	\$ 79,110.00	\$ 60,738.00	77%	\$ 18,372.00	\$ -	(8)
*VIA Grant 2021							

- (5) Grant expenditures are approximately \$39K short of the projected average cumulative expended amount or expected percentage of 36.1%
- (6) Grant expenditures are approximately \$134K short of the projected average cumulative expended amount or expected percentage of 50.0%
- (7) Grant expenditures are approximately \$300K short of the projected average cumulative expended amount or expended percentage of 29.2%.
- (8) Grant expenditures are approximately \$12K short of the projected average cumulative expended amount or expended percentage of 91.7%.

GRANTS REPORT AS OF June 30, 2023

LIST OF GRANT APPLICATIONS						
Grant Name	Award Amount	Date Submitted	Match Amount	Term of the Grant	Application Status	Description
FY22 Special Unsheltered CoC Program	\$171,531	09/20/22	N/A	N/A	Not Awarded	South Alamo Regional Alliance for the Homeless CoC Program
City of San Antonio FY22 Housing Bond	\$1,093,276	10/04/22	N/A	N/A	Pending	City of San Antonio Housing Bond - Homeownership Westside
City of San Antonio FY22 Housing Bond	\$8,227,426	10/03/22	N/A	N/A	Pending	City of San Antonio Housing Bond - Alazan
FY23 Lead-Based Paint Capital Fund Program	\$4,764,665	04/04/23	N/A	N/A	Pending	HUD Lead-Based Paint Grant
FY23 Housing-Related Hazards Capital Fund Program	\$4,516,200	04/04/23	N/A	N/A	Pending	HUD Housing-Related Hazards Capital Fund Grant
FY23 AARP Community Challenge - Flagship Grants	\$16,007	03/15/23	N/A	N/A	Not Awarded	AARP Community Challenge Grant
City of San Antonio FY23 Housing Bond	\$2,500,000	03/17/23	N/A	N/A	Awarded 5/3/23	City of San Antonio Housing Bond - Victoria Plaza
City of San Antonio FY23 Housing Bond	\$9,889,917	03/17/23	N/A	N/A	Not Awarded	City of San Antonio Housing Bond - Snowden
City of San Antonio FY23 Housing Bond	\$2,500,000	03/17/23	N/A	N/A	Awarded 5/3/23	City of San Antonio Housing Bond - Ravello
City of San Antonio FY23 Housing Bond	\$2,500,000	03/17/23	N/A	N/A	Awarded 5/3/23	City of San Antonio Housing Bond - Midcrown
City of San Antonio FY23 Housing Bond	\$801,144	03/17/23	N/A	N/A	Awarded 5/5/23	City of San Antonio Housing Bond - Westside Redevelopment Initiative
FY23 Emergency Safety and Security Grant	\$250,000	06/23/23	N/A	N/A	Pending	HUD Safety & Security Grant
FY23 Texas Cavaliers Charitable Foundation Grant	\$6,860	07/21/23	N/A	N/A	Pending	Texas Cavaliers Charitable Foundation
FY23 TPS Safety Grant Program	\$6,158	04/24/23	N/A	N/A	Awarded 7/25/23	Texas Political Subdivision Safety Grant

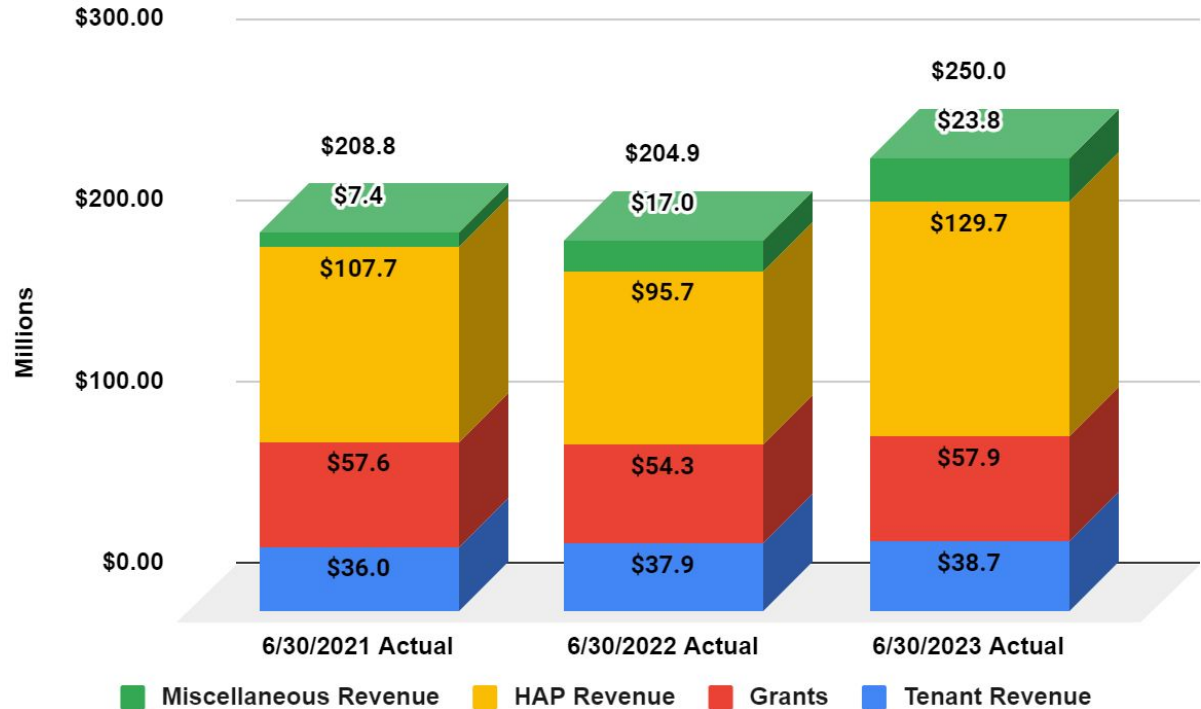
Financial Performance Report

For the Fiscal Year Ended June 30, 2023

Fiscal Year Comparison

Consolidated Revenue

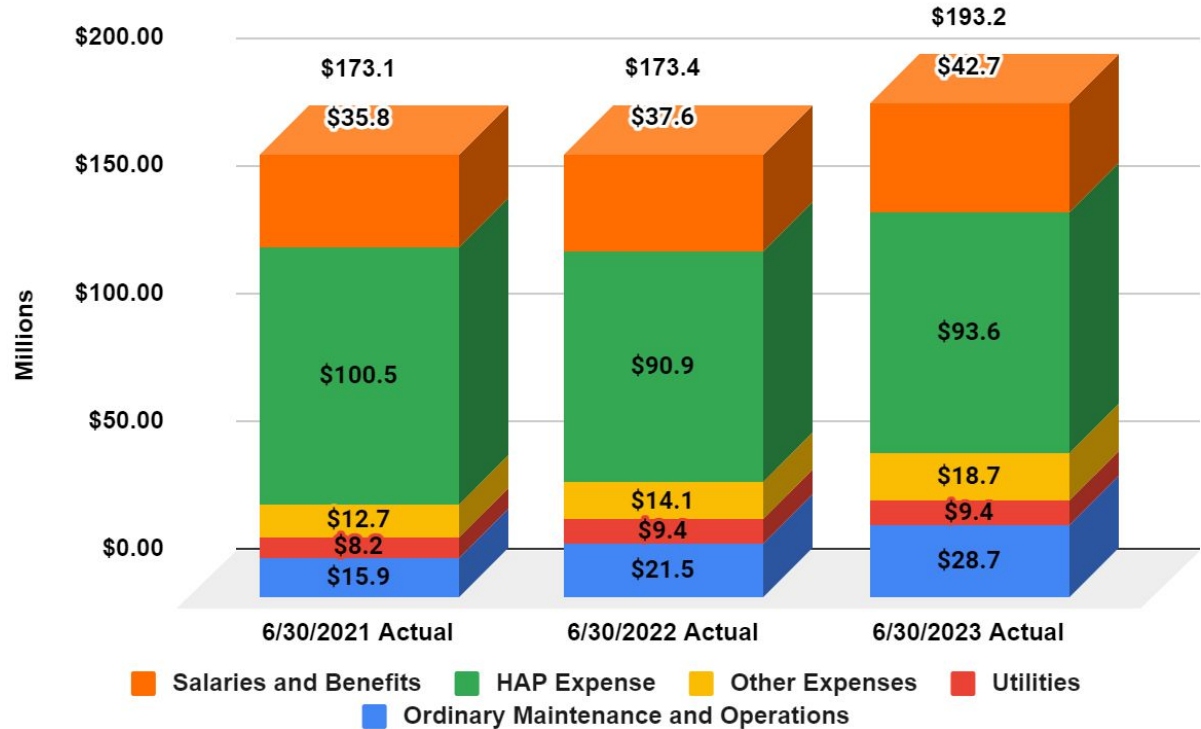
Total Revenue was approximately **22% greater** compared to the previous year primarily due to an increase in HAP Revenue.



Fiscal Year Comparison

Consolidated Expenses

Total Expenses increased by 11% compared to the previous year. Ordinary Maintenance and Operations experienced the **largest percentage increase of 33%**.

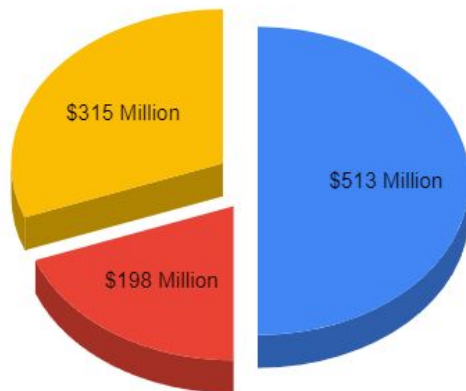


Financial Ratios

Financial Strength

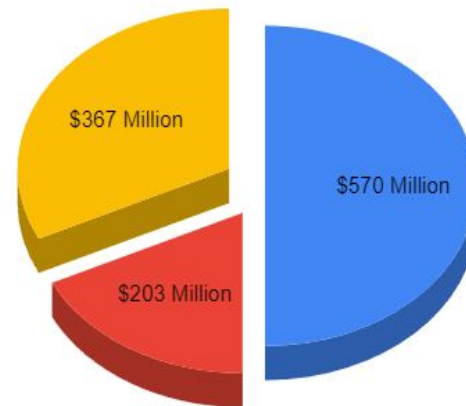
The debt-to-equity ratio decreased from **.46 to .39** and signifies a strong solvency position.

June 30, 2022



● Assets ● Debt ● Equity

June 30, 2023



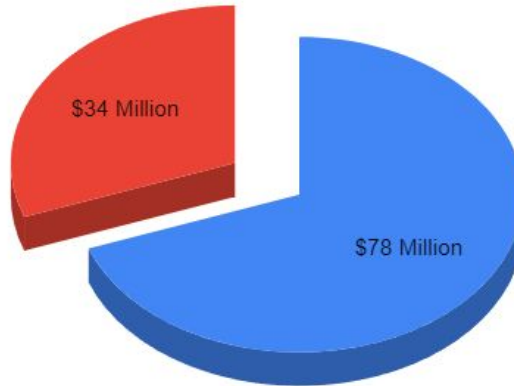
● Assets ● Debt ● Equity

Financial Ratios

Financial Liquidity

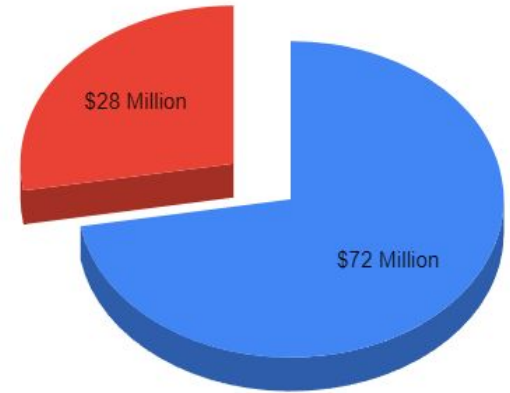
The current ratio increased from **2.29** to **2.57** and remains an indicator of Opportunity Home's strong capacity to meet its short-term financial commitments.

June 30, 2022



● Current Assets ● Current Liabilities

June 30, 2023



● Current Assets ● Current Liabilities

Moving to Work Uses

Moving to Work Uses
as of 6/30/2023

Project

Program Administration and Implementation of MTW Initiatives	\$2,035,288
Public Housing Operating Shortfall	\$10,716,839
Expansion of Public Housing Wi-Fi	\$147,846
Lincoln Predevelopment Costs	\$231,395
Development of Labor Street Multifamily Property	\$605,622
Alazan Courts Predevelopment Costs	\$141,638
Payment of Matured Woodhill Bond Debt	\$5,706,866
San Juan II Las Varas Bridge Loan	\$900,000
Ravello Apartments Acquisition and Refinance	\$1,584,638
Snowden Development Funding	\$1,071,465
Bristol at Somerset Loan	\$1,000,000
Beacon Debt Payoff (Nine Properties)	\$12,852,350
Total	\$36,993,947

Questions?



OPPORTUNITY HOME SAN ANTONIO**August 16, 2023****MEMORANDUM**

To: Finance Committee

From: Ed Hinojosa, Jr., President and CEO

Presented by: Allison Schlegel, Director of Internal Audit

RE: Update and Discussion Regarding Internal Audit

SUMMARY:

Internal Audit provides independent and objective assurance, auditing, and consulting services to add value, improve internal controls, and strengthen the organization's operations. The function helps the organization accomplish its objectives by using a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. In addition to its oversight activities, internal audit serves as a resource for identifying opportunities for best practices and efficiencies. The mission of the Opportunity Home San Antonio's Internal Audit Department is to:

- Ensure the organization remains a good steward of the public trust by working with all levels of management and staff, as well as the Board of Commissioners, to identify significant risk areas and the internal controls in place to mitigate those risks;
- Provide continuous quality improvement through the review of processes and procedures to identify operational efficiencies and best practices; and,
- Perform all assurance and consulting activities with the highest level of integrity and objectivity.

In accordance with the approved Internal Audit Charter, the Director of Internal Audit (i.e., the Chief Audit Executive), is required to communicate any significant deviation from the approved internal audit plan to the Audit Committee, the President and CEO, and the Legal and Compliance Officer, or equivalent, through periodic activity reports.

This update provides the required communication, as follows:

- Internal Audit Department Update
- Internal Audit Plan Status - FY 2023-2024 Quarter 1
- Summary and Status of Management Corrective Action Plans (related to Internal Audit reporting)

Management Corrective Action Plans resulting from internal audits are entered into a spreadsheet to allow for easier tracking of the status of open items. A copy of the spreadsheet is attached. Each of the action items are color-coded to indicate their status as follows: green indicates the action has a due date 30 days or more in the future; red indicates that the action is behind schedule; and yellow indicates the action has a due date less than 30 days in the future.

PROPOSED ACTION:

OPPORTUNITY HOME SAN ANTONIO

August 16, 2023

None at this time.

STRATEGIC OUTCOME:

Supports all strategic outcomes.

ATTACHMENTS:

Status of Management Corrective Action Plans
Presentation

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 8/1/22

Audit Plan Year	Final Report Date	Audit Title	Finding Type	Finding Number and Title	Finding / Condition Description and Recommendation	Management's Corrective Action Plan	Original Estimated Completion Date	Revised Estimated Completion Date	Status	Resp. Officer's Initials	Comments
Fiscal Year 2021-2022											
FY 21-22	3/8/23	Audit of the Redevelopment/Modernization Process of Victoria Plaza Draft Final Report	Other Internal Control Deficiency	Finding 1 - Missing the updated Certificates of Insurance (COI)	Recommendation Develop a clear and defined written procedure of who is responsible for ensuring, collecting, and saving the updated Certificate of Insurance in the file or folder.	The Procurement Department will work with Risk Management to develop procedures for obtaining updated insurance certificates after the award stage.	11/17/2022	9/1/2023	In Progress	MR	The completion of the SOP is dependent on the hiring of a Contract Manager. The new manager will oversee the COI process.
FY 21-22	3/8/23	Audit of the Redevelopment/Modernization Process of Victoria Plaza Draft Final Report	Observation	Observation 3 - Missing a Relocation Directive or Standard Operating Procedure (SOP) for Public Housing Specific to Redevelopment Projects	Recommendation Develop an SOP for the relocation of residents due to redevelopment or significant modernization of a community. The SOP should be written clearly, providing step-by-step instructions to guide staff through the process based on HUD Regulations and from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The guidance should also cover the end of a modernization project, and steps to bring residents back to their original community	Operations Support will collaborate with Public Housing management to establish a Relocation SOP for future redevelopment and modernization projects.	3/31/23	07/01/2024	In Progress	BP	The completion of the Relocation SOP has been moved to July 2024 due to HUD mandates scheduled to be implemented beginning June 2023.
Fiscal Year 2022-2023											
FY 22-23		Audit of the AHP Waitlist, Eligibility and Admissions Process	Significant Deficiencies	Finding 2 - Issues incorrect voucher unit sizes, and the initial voucher term is less than 60 calendar days.	Recommendation Review and reinforce the procedures found in the Admin Plan, Section 5.2.B: Determining Family Unit (Voucher) Size, and Section 5.2.E: Voucher Term and Extension to ensure staff has reviewed the voucher contents for accurate information. Management should consider updating the Admin Plan to include a process in which senior management will QC voucher contents for accuracy prior to the staff reviewing the contents with the family.	Staff will be retrained on Voucher and URE procedures in order to ensure staff understands Voucher and UREs should match for size, and voucher dates should be 60 or 120 days depending on the program	9/30/23			BP	
FY 22-23		Audit of the AHP Waitlist, Eligibility and Admissions Process	Significant Deficiencies	Finding 4 - Missing EIV existing and former tenant search.	Recommendation Ensure procedures are reviewed and reinforced with staff to ensure all required documents are pulled and maintained in the tenant file.	Operations Support will retrain relevant staff on how to correctly pull EIV former and existing, and reinforce this role's importance and expectation.	9/1/23			BP	
FY 22-23		Audit of the AHP Waitlist, Eligibility and Admissions Process	Other Internal Control Deficiencies	Finding 1 - Staff signatures and dates were missing in the Registered Sex Offender (RSO) section of the Pre-Eligibility Application.	Recommendation Review and reinforce procedures with staff to ensure all required signatures and dates are submitted on HUD required documents.	Operations Support will update affected forms to ensure the RSO section is consistently completed, and retrain relevant staff members to reinforce procedures and expectations.	10/1/23			BP	
FY 22-23		Audit of the AHP Waitlist, Eligibility and Admissions Process	Other Internal Control Deficiencies	Finding 2 - Missing verifying and signing the citizenship or eligible immigration status on the Declaration of Section 214 Status form. Missed providing proof of immigration status and missing Verification Consent form.	Recommendation Review Declaration of Section 214 Status to ensure the form is filled out, signed, and dated in its entirety. Create a Verification Consent Form to attach the Declaration of Section 214 Status.	Operations Support will update forms to ensure verification consent is consistently completed. Training will be provided once forms are updated.	9/1/23			BP	
FY 22-23		Audit of the AHP Waitlist, Eligibility and Admissions Process	Observation	Observation 1 - Eligibility Status Notification (ESN) letters are missing signatures of applicants, and supervisors. Missed selecting a waiting list status option in one of the status boxes.	Recommendation Provide a review and reinforcement of procedures to ensure staff complete all required documentation when issuing the ESN letter and/or deactivating a denied applicant in Elite.	Staff will be retrained on the ESN letter requirements, and the form will also be reviewed for efficiency.	9/1/23			BP	

Internal Audit Update

August 16, 2023

Internal Audit Quarter Four Activities

Support Strategic Outcomes

Internal Audit activities that support all strategic outcomes

- Continuing to work with CDI Family Self-Sufficiency (FSS) program on escrow review process, and streamlining review to meet the changes in the FSS program direction
 - 28 escrows over \$5,000 were reviewed and approved for graduation in FY 2022-2023
 - A total of \$266,628
 - Average escrow: \$9,522
- Audit of Assisted Housing Program Waitlist, Eligibility, and Admissions Process
- Audit of Public Housing Program Waitlist, Eligibility, and Admissions Process
- Audit of Public Housing Repayment Agreements
- Standard Operations Compliance Audits of Public Housing, Assisted Housing Programs, and Beacon Communities
- Support of Resident Leadership Coordinator in development of Resident Councils

Status

2022–2023 Audit Plan

Audit of the Assisted Housing Waitlist, Eligibility and Admissions Process

- Audit kick-off was held on September 22, 2022, and fieldwork has been completed.
 - Internal Audit reviewed the waitlist process for the waitlist opened July 2022, and reviewed the eligibility and admissions process through a sample of the September 2021 waitlist.
- The Final Report was issued August 3, 2023, and included six (6) Findings and two (2) Observations identified during the audit.

Status

2022-2023 Audit Plan

Audit of the Public Housing Repayment Agreements

- Audit kick-off was held on March 29, 2023, and fieldwork has been completed.
 - An exceptions meeting was held on July 26, 2023 to review the Findings and Observations with the PH Director, as well as the Director of Operations Support.
 - The Draft Report has been developed and the Exit Conference is scheduled for August 28, 2023.

Status

2022-2023 Audit Plan

Audit of the Public Housing Waitlist, Eligibility and Admissions Process

- Audit kick-off was held on April 5, 2023, and fieldwork is underway.
 - Internal Audit is reviewing the waitlist process for the most current waitlist opened July 2022, and will review the eligibility and admissions process through a sample of the February 2023 waitlist.
 - Sample size will be 10%, or a maximum of 45, of new admitted files and 10 denied applications.
- This audit will also contain a review for Equity, Diversity and Inclusion; working with Policy and Planning and Director of EDI.

Status

2022-2023 Audit Plan

Compliance Audits | Focus on permanent documents, rent determination and calculation

Assisted Housing Program *(Ongoing)*

- Files reviewed are all digital; however, the physical file is reviewed for permanent documentation if the digital file is a recertification or interim certification
- Completed a total of 780 file reviews (530 digital files and 250 physical files) from July 1, 2022 – June 30, 2023

Public Housing *(Ongoing)*

- 10% of occupied units with no less than 5 files reviewed per community
- All files are physical, follow-up of corrections is digitally reviewed
- Completed 52 PH and Mixed Income Communities (618 files)

Beacon Communities *(Ongoing)*

- 10% of occupied units with no less than 5 files reviewed per community
- Completed 29 Beacon Communities (484 files)

Status

Action Items

Status of Corrective Action Items resulting from Internal Audits

- Currently, there are seven (7) open action items
- The two action items are pending review and approval of an SOP, and are expected to be completed this fiscal year
 - 1 is pending the development of procedures for obtaining updated insurance certificates after the award stage. The completion date is scheduled for September 1, 2023.
 - 1 is pending the establishment of a Relocation SOP for future redevelopment and modernization projects. The completion date has been rescheduled to July 1, 2024, to allow Operations Support the ability to focus on HUD mandates being implemented as early as June 2023.
 - 4 are pending the retraining of staff to ensure all policies and procedures are followed. Training is expected to be completed by September 30, 2023.
 - 1 is pending the creation of a Verification Consent Form to attach to the Declaration of Section 214 Status Form. Completion of this form is expected September 30, 2023.

Status of Third Party Audits

None.

Questions?

