





VIRTUAL
Number: (346) 248-7799
Meeting ID: 93839434337#
Passcode: 654170#

IN PERSON
 818 S. Flores St.
 San Antonio, TX 78204

BOARD OF COMMISSIONERS

Dr. Ana "Cha" Guzmán
Chair

Olga Kauffman
Vice Chair

Gilbert Casillas
Commissioner

Dalia Contreras
Commissioner

Loren D. Dantzler
Commissioner

Gabriel Lopez
Commissioner

Ignacio Perez
Commissioner

PRESIDENT & CEO

Ed Hinojosa, Jr.

FINANCE COMMITTEE MEETING

1 p.m. | Wednesday | August 17, 2022

If this meeting becomes a Special Board Meeting, at least four Commissioners will be physically present at this location, and up to three other Commissioners may attend by videoconferencing, as permitted by Tex. Gov't Code Section 551.127, 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.

PUBLIC COMMENT

2. **Public Comment** - Citizens are provided up to three minutes each to speak to any agenda items. Citizens wishing to speak to items posted on the agenda should access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** and Passcode: **654170#**, prior to 12:45 p.m. A Spanish/English translator will be available to citizens needing translation.

Now is the time for public comments. 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 public comment portion of the agenda.

INDIVIDUAL ITEM

3. Consideration and appropriate action regarding Resolution 6253, adopting the Opportunity Home San Antonio Internal Audit Plan for Fiscal Year 2022-2023 (Aiyana Longoria, Interim Director of Internal Audit)

DISCUSSION ITEMS


4. Update and discussion regarding the Quarterly Internal Audit Report (Aiyana Longoria, Interim Director of Internal Audit)
5. Update and discussion regarding the Quarterly Financial Report (Diana Kollodziej Fiedler, Chief Financial Officer)
6. Adjournment


*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.

"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 17, 2022****BOARD OF COMMISSIONERS
Finance Committee Meeting****RESOLUTION 6253, ADOPTING THE OPPORTUNITY HOME SAN ANTONIO INTERNAL
AUDIT PLAN FOR FISCAL YEAR 2022-2023**

DocuSigned by:

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Ed Hinojosa, Jr.
President and CEO

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Aiyana Longoria
Interim Director of Internal Audit

REQUESTED ACTION:

Consideration and appropriate action regarding Resolution 6253, adopting the Opportunity Home San Antonio Internal Audit Plan for Fiscal Year 2022-2023.

FINANCIAL IMPACT:

None.

SUMMARY:

The 2022-2023 Internal Audit Plan is a risk-based plan developed to determine that the priorities of the Internal Audit department are consistent with The Institute of Internal Auditors, Inc. (IIA) Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing (Standards), as well as, Opportunity Home San Antonio's (Opportunity Home's) strategic goals. The IIA Standard 2020, "Communication and Approval" requires the chief audit executive (CAE), i.e., the Director of Internal Audit, to communicate the internal audit activity's plans and resource requirements to senior management and the Board for review and approval. Opportunity Home's Internal Audit Plan is defined in Opportunity Home's Internal Audit Charter and included as part of the comprehensive internal audit program established pursuant to Opportunity Home's Internal Audit Policy. Internal Audit activities also align with Opportunity Home's strategic goal to transform core operations to be a high performing and financially strong organization. Final approval of the Internal Audit Plan for 2022-2023, resides with the Board of Commissioners.

The IIA Standard 2010, "Planning," requires the internal audit plan to be based on a documented risk assessment, undertaken at least annually, with input from senior management and the Board. Opportunity Home's CAE issued risk assessment surveys to the members of the Board of Commissioners, the Board's attorney, to each member of senior management, and multiple operational personnel. The results of these assessments were tabulated to identify the significant risk areas, which were then included as proposed audits for the 2022-2023 Internal Audit Plan.

STRATEGIC OUTCOMES:

Opportunity Home residents live in quality affordable housing.
 Opportunity Home staff thrive in career and professional work.

OPPORTUNITY HOME SAN ANTONIO

August 17, 2022

ATTACHMENTS:

Resolution 6253

Slide presentation: Internal Audit Plan - FY 2022-2023

**Opportunity Home San Antonio
Resolution 6253**

**RESOLUTION 6253, ADOPTING THE OPPORTUNITY HOME SAN ANTONIO INTERNAL
AUDIT PLAN FOR FISCAL YEAR 2022-2023**

WHEREAS, internal auditing is an independent, objective assurance and consulting activity designed to add value and improve Opportunity Home San Antonio (Opportunity Home) operations; and

WHEREAS, internal auditing helps Opportunity Home accomplish its mission by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes; and

WHEREAS, internal audit activities align with Opportunity Home's strategic goals: Opportunity Home residents live in quality affordable housing and Opportunity Home staff thrive in career and professional work; and

WHEREAS, IIA Standard 2020, entitled "Communication and Approval," requires the Chief Audit Executive, i.e., the Director of Internal Audit, to communicate the internal audit activity's plans and resource requirements to senior management and the Board for review and approval.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Opportunity Home San Antonio hereby:

Approves Resolution 6253, adopting the San Antonio Housing Authority Internal Audit Plan for Fiscal Year 2022-2023, as attached to this Resolution.

Passed and approved the 7th day of September 2022.

**Ana M. "Cha" Guzman
Chair, Board of Commissioners**

Attested and approved as to form:

**Ed Hinojosa, Jr.
President and CEO**

Internal Audit Plan 2022-2023

Presentation to the Finance Committee

August 17, 2022

Objective and Background

Objective

- Review and adoption of the proposed 2022-2023 Internal Audit Plan by the Board, to set the priorities of the internal audit function for the fiscal year.

Background

- The Internal Audit Department adheres to The Institute of Internal Auditors, Inc. (IIA) Definition of Internal Auditing, Code of Ethics, and the following International Standards for the Professional Practice of Internal Auditing (Standards), as documented in the approved Opportunity Home Internal Audit Policy and Internal Audit Charter.
- The IIA Standard 2010, “Planning,” Section A1, requires the following: “The internal audit activity’s plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.”
- The IIA Standard 2020, “Communication and Approval,” requires the following: “The chief audit executive must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.”

Process for Developing the 2022-2023 Internal Audit Plan

Risk Assessment Survey conducted

- Key variables assessed:
 - Public disclosure implications
 - Increased Senior Management/Commissioner interest over prior year
 - Internal and external compliance requirements

Other considerations

- Oversight provided by other entities, including:
 - Independent Financial and Compliance Audit
 - Regulatory Audits and Reviews
 - Other Third-Party Reviews
- Time since last audit

Process for Developing the 2022-2023 Internal Audit Plan, cont'd.

Risk Assessment conducted

- Google Form with an option to interview
- Risk Assessment Methodology reduced the number of variables; made the assessment shorter and more streamlined
- Risk Assessment Survey responses were received from the Board of Commissioners, Opportunity Home Executive Leadership, and Opportunity Home Staff
 - 88% response rate
- Feedback to format was still positive, and the risk assessment will continue to build upon feedback received
- A summary of the Risk Assessment results, and proposed audits were discussed with the CEO and Executive Leadership

Risk Assessment Results

Significant alignment with Board of Commissioners and Opportunity Home Staff -

Topics of Highest Interest:

- Assisted Housing Programs
 - Eligibility and Admissions; electronic and virtual process
- Beacon Communities
 - Program Exits process; focus on collections efforts and tracking
- Construction Services and Sustainability
 - Planning, development and design of repair, retrofit or modernization projects
- Public Housing
 - Eligibility and Admissions; electronic and virtual process
 - Rent Collection
 - Program Exits process; focus on collections efforts and tracking

Risk Assessment Results, cont'd.

Business Process	Board of Commissioners	Opportunity Home Staff
Asset Management - Implementation of 5 Year Capital Plan	x	
Beacon Communities - Electronic and virtual applicant screening and lease payment process.		x
Community Development Initiatives (CDI) - ConnectHomeSA Digital Inclusion Program	x	
Community Development Initiatives (CDI) - Self-Sufficiency Programs (FSS, Jobs-Plus, ROSS) grant program operations and administration of financial incentives		x
Development Services and Neighborhood Revitalization - Capital planning for new developments		x
Development Services and Neighborhood Revitalization - Capital planning for redevelopment of properties		x
Procurement - Planning Procurement related items for Board of Commissioners approval	x	
Safety and Security - Vulnerability Assessments (holistic methodical process for measuring a spectrum of threats & instill best practices)	x	

Proposed Internal Audit Plan for FY 2022-2023

1st Qtr. (July - Sep)	2nd Qtr. (Oct. - Dec.)	3rd Qtr. (Jan. - March)	4th Qtr. (April - June)
Internal Audits			
<ul style="list-style-type: none"> Audit of Assisted Housing Programs Waitlist, Eligibility, and Admissions Process 	<ul style="list-style-type: none"> Audit of Public Housing and Beacon waiting list, Eligibility and Admissions Process 	<ul style="list-style-type: none"> Audit of Public Housing Repayment Agreements 	<ul style="list-style-type: none"> Audit of Public Housing and Beacon Collections Process
<ul style="list-style-type: none"> Audit of Community Development Initiatives Digital Inclusion Program (ConnectHome SA) 	<ul style="list-style-type: none"> Audit of the Implementation of the 5 Year Capital Plan 	<ul style="list-style-type: none"> Audit of the Implementation of the 5 Year Capital Plan 	<ul style="list-style-type: none"> Audit of Public Housing and Beacon Collections Process
Compliance Reviews			
<ul style="list-style-type: none"> Assisted Housing Program 	<ul style="list-style-type: none"> Assisted Housing Program 	<ul style="list-style-type: none"> Assisted Housing Program 	<ul style="list-style-type: none"> Assisted Housing Program
<ul style="list-style-type: none"> Beacon Communities/ Mixed Income 	<ul style="list-style-type: none"> Beacon Communities/ Mixed Income 	<ul style="list-style-type: none"> Beacon Communities/ Mixed Income 	<ul style="list-style-type: none"> Beacon Communities/ Mixed Income
<ul style="list-style-type: none"> Public Housing 	<ul style="list-style-type: none"> Public Housing 	<ul style="list-style-type: none"> Public Housing 	<ul style="list-style-type: none"> Public Housing
<ul style="list-style-type: none"> FSS Escrow Disbursement and TP/DPUY Funding 	<ul style="list-style-type: none"> FSS Escrow Disbursement and TP/DPUY Funding 	<ul style="list-style-type: none"> FSS Escrow Disbursement and TP/DPUY Funding 	<ul style="list-style-type: none"> FSS Escrow Disbursement and TP/DPUY Funding
Internal Audit also participates in various committees throughout the organization providing opinions on internal controls, and may conduct requested audits as needed.			

QUESTIONS?

Internal Audit Update

Presentation to the Finance Committee
August 17, 2022

Internal Audit Q1 Activities in Support of Opportunity Home Strategic Outcomes

❏ *Internal Audit activities that support all strategic outcomes:*

- Continuing to work with CDI Family Self-Sufficiency program on escrow review process, and streamlining review to meet the changes in the FSS program direction
 - 30 escrows over \$5,000 were reviewed and approved for graduation in FY 2021-2022
 - A total of \$289,012
 - Average escrow: \$9,633
 - 6 escrows submitted, with 4 approved for graduation July 1, 2022 to Current
 - A total of \$31,034
- Audit of New Construction Process
- Audit of Redevelopment and Modernization Process
- Standard Operations Compliance Audits of Public Housing, Assisted Housing Programs, and Beacon Communities
- Participation in Resident Council engagement meeting

Status of 2021-2022 Audit Plan

■ Audit of New Construction Process (Legacy at Alazan)

- Auditor has completed the field review and follow up meetings with Development Services and Neighborhood Revitalization and Public Housing staff.
- Auditor is currently focused on development of the report.

■ Audit of Redevelopment and Modernization Process (Victoria Plaza)

- Auditor has completed the field review and follow up meetings with Construction Services and Sustainability, Procurement, and Public Housing staff.
- Auditor is currently focused on the development of the report.

Status of 2021-2022 Audit Plan

■ **Audit of the Assisted Housing Waitlist, Eligibility, and Admissions Process**

- Announcement memo was sent out on July 27, 2022
 - ❑ Vanessa Herrera, Auditor I, will be the lead for this audit
 - ❑ Internal Audit plans to review the waitlist process for the most current waitlist opened on July 2022, and will review the eligibility and admissions process through a sample of the September 2021 waitlist.

Status of 2021-2022 Audit Plan

Compliance Audits

Focus on permanent documents, rent determination and calculation

❑ Assisted Housing Program (*Ongoing*)

- Files reviewed are all digital, however physical file is reviewed for permanent documentation, if the digital file is a recertification or interim certification
- Completed the review of 780 digital files and 487 physical files from July 1, 2021 - June 30, 2022

❑ Public Housing (*Ongoing*)

- 10% of occupied units, with no less than 5 files reviewed per community
- All files are physical, follow up on corrections is digitally reviewed
- Completed 57 PH Communities (622 files), and 5 Mixed Income Communities (50 files)

❑ Beacon Communities (*Ongoing*)

- Started review of Beacon Communities in May 2022
- Completed 6 Beacon Communities (122 files)

Action Items

Status of Corrective Action Items resulting from Internal Audits

- Currently, there are thirteen (13) open action items
- The thirteen (13) action items are expected to be completed this fiscal year
 - 1 is pending the hiring of a Resident Leadership Coordinator
 - 12 are pending the review and approval of an SOP

Status of Third Party Audits

HUD Monitoring Review

- The Coronavirus Aid Relief, and Economic Security (CARES) Act compliance review.
 - Entrance call held with Executive Leadership on August 3, 2022.

QUESTIONS?

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
<u>Fiscal Year 2016-2017</u>											
FY 16-17	4/16/19	Audit of Tenant Participation Funds at Parkview Apartments	Significant Deficiency	Finding 3 - Check Disbursements	Recommendation Internal Audit recommends that the Property Manager or Case Management Specialist assist the RC with establishing a bank account that will conform to the requirements set forth in the RC Manual. including the requirement for dual signatures, with the Treasurer being one of the signatories on each disbursement. Additionally, either the Property Manager or the Case Management Specialist should be on the bank account.	<i>CDI Management will meet with PH Management to determine the best course of action for supporting RC with establishing bank accounts. An SOP will be developed to provide guidance for Opportunity Home staff who have expressed concerns with adding their names to the RC bank account.</i>	5/8/2019	10/31/2022	<i>In Progress</i>	BP	CDI and Operations Support management held the first planning community engagement meetings with Public Housing residents to collaborate and empower residents to determine best practices for all aspects of Opportunity Home's support of resident councils, including distribution of tenant participation funds and resident council bank acounts. The department is pending the selection of a Resident Learship Coordinator to oversee and develop Resident Council program.
<u>Fiscal Year 2019-2020</u>											
FY 19-20	10/30/20	Audit of Rent Calculation and Collection Processes at Public Housing Communities	Significant Deficiency	Finding 3 - Incorrect Account Settlement in Elite	Recommendation Management should reemphasize to staff the importance of calculating prorated rent and verifying that they have been appropriately accounted for in the tenant ledger.	<i>Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	10/31/2022	<i>In Progress</i>	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.
FY 19-20	10/30/20	Audit of Rent Calculation and Collection Processes at Public Housing Communities	Significant Deficiency	Finding 4 - Inconsistent move-out procedures	Recommendation Written procedures should be established specifically for the move-out process that is separate from the eviction process. The procedures should address the processing time required to close-out tenant accounts, collections process, EIV module notification, as well as standardize usage of entering information into Elite for tenant ledgers, tenant notes, and entity alerts.	<i>The Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	10/31/2022	<i>In Progress</i>	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.
FY 19-20	10/30/20	Audit of Rent Calculation and Collection Processes at Public Housing Communities	Observation	Observation 1 - Electronic Documentation in Shared Google Drive.	Recommendation Tenant documents, to include forms and letters should be "backed up" or copied as a pdf to a shared Public Housing folder in the Opportunity Home Google shared drive. This prevents the need to obtain the physical file when it is not possible, and allows for any Opportunity Home staff person to access this document in the future if the creator of the document is no longer a Opportunity Home employee.	<i>Management is not currently expecting to move to a digital file system. Move Out SOP is being updated and training is scheduled for February 2021</i>	2/28/2021	10/31/2022	<i>In Progress</i>	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.

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
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Significant Deficiency	Finding 1 - Outstanding debt owed to Opportunity Home	Recommendation Ensure every effort is made to recoup monies owed to Opportunity Home to include reporting any bad debt to Opportunity Home's third-party collection agency.	<i>Assisted Housing Programs has removed the policy to send bad debt to Opportunity Home's third-party collection agency effective July 1, 2020. The change was made due to the concern that the collection reporting would have on the client's credit history. An applicant will not be housed in the future, as all debts will show and they must make arrangements before continuing in the process. Management is currently reviewing current AHP policies / procedures on recoupment of monies for bad debts owed, including performing collections within Opportunity Home. The Public Housing Move Out SOP is being updated to include specific procedures and timeline for collections in order to provide reinforcement of collection policies and procedures for property managers to abide by in collecting debt. Staff training is scheduled for February 2021. Management has followed up with the appropriate property managers to send the monies to collections in PH, and with appropriate action (depending on whether for participant / owner) for AHP cases.</i>	2/28/2021	10/31/2022	In Progress	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Significant Deficiency	Finding 2 - Court fees not charged on Public Housing tenant ledgers	Recommendation Ensure all charges to include judgments and or evictions are documented and applied consistently to each file.	<i>Monthly Quality Control for eviction reports will be run for Property manager review. Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021.</i>	2/28/2021	10/31/2022	In Progress	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Significant Deficiency	Finding 3 - Terminations not entered into Enterprise Income Verification (EIV)	Recommendation Ensure this process is part of the termination/move out checklist and create a standard operating procedure to ensure terminations are entered into the EIV DOTM.	<i>A reminder will be issued to AHP and PH staff responsible for entering information into EIV. The AHP Terminations SOP will be updated to include the EIV reporting process. PH Move Out SOP being updated will include the EIV reporting process. Will establish a procedure to ensure EIV/PIC Analyst sends out email to Property Managers when submissions are complete to remind properties to enter termination into EIV. Property Manager will QC information entered. Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	10/31/2022	In Progress	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Internal Control Deficiency	Finding 4 - Termination report discrepancy	Recommendation Ensure management confirms all information in Elite is entered properly and any system generated reports reflect accurate information	<i>Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021. A reminder will be issued to staff on termination reasons and reporting.</i>	2/28/2021	10/31/2022	In Progress	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Internal Control Deficiency	Finding 5 - Delay in reviewing files for termination	Recommendation Ensure staff and management are aware of the importance of sending files through the termination process in a timely manner. Include a time frame to specify how long both staff and management have to review the file prior to sending the file for review of termination	<i>A reminder will be issued to staff and a report for expired vouchers will be established to notify staff of when to move forward with termination. Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021. The Move Out SOP will include clarification on timelines for Public Housing.</i>	2/28/2021	10/31/2022	In Progress	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Internal Control Deficiency	Finding 6 - Notice to Vacate and/or Final Notice to Vacate (FNTV)	Recommendation Ensure procedures are reviewed and reinforced with staff to ensure all required documents are maintained in the program file.	<i>Move Out SOP is being updated and will include timelines for Notice to Vacates. File Order SOP will be updated to clarify the process for termination / evicted files.</i>	7/1/2021	10/31/2022	In Progress	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.

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
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Observation	Observation 1 - No abandonment policy	Recommendation Recommend adding steps to the PH Eviction SOP regarding when to use the abandonment policy vs court eviction proces	<i>Move Out SOP is being updated and will include Texas Property Law sections on handling Abandonment of units and related Opportunity Home Policy.</i>	2/28/2021	10/31/2022	<i>In Progress</i>	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Observation	Observation 2 - Inconsistent use of Public Housing termination end date	Recommendation Ensure an SOP is created to assist staff in clarifying which date to use for the end of participation depending on situations for termination.	<i>Move Out SOP is being updated and will include effective dates and timelines.</i>	2/28/2021	10/31/2022	<i>In Progress</i>	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.
<i>Fiscal Year 2020-2021</i>											
FY 20-21	4/9/21	Public Housing Midyear Modified Compliance Audit	Significant Deficiency	Finding 1- Incorrect security deposit charged and/or collected	Recommendation Management should reemphasize to staff that a security deposit must be collected in full, and applied to the ledger correctly.	<i>Revised reponse from Managment, "Monthly Quality Control for Security deposit collection Reports have been occurring since July 2020 for Property manager review. Move Out SOP is being updated and training is scheduled for June 2021."</i>	6/30/2021	10/31/2022	<i>In Progress</i>	BP	Draft Move Out SOP is completed. Need to rollout SOP in May.

OPPORTUNITY HOME SAN ANTONIO**August 17, 2022****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

DS
EHJ

SUMMARY:**Financial Performance Highlights**

The Quarterly Financial Report for Opportunity Home San Antonio for the fiscal year ended June 30, 2022 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, 2022 reflect a Deficit Before Non-Cash Items of \$0.1 million for Operations (\$2.4 million above budget) and \$22.4 million for Capital (\$5.6 million above budget).

Total Operating Revenue for the Operations segment was approximately \$9.7 million below budget due primarily to unfavorable variances of \$9.6 million in Tenant Revenue and \$7.2 million in Housing Assistance Payment (HAP) Revenue offset by favorable variances of \$6.5 million in Grants revenue and \$0.7 million in Miscellaneous Revenue. Tenant Revenue was below budget by \$9.6 million due to unfavorable variances in the Beacon and Public Housing sectors of \$8.3 million and \$1.3 million, respectively. The \$7.3 million unfavorable variance in Section 8 HAP Revenue was offset by the favorable variance in Section 8 HAP Expense of \$11.8 million. Housing Choice Voucher (HCV) and Veterans Affairs Supportive Housing (VASH) programs received less funding than budgeted by \$8.2 million and \$0.4 million, respectively. This overall unfavorable variance was offset by favorable variances of \$0.5 million and \$1.0 million for Housing Choice Vouchers (HCV) Non-MTW and Emergency Housing Vouchers, respectively. Grants revenue was above budget by \$6.5 million mainly due to a favorable variance of \$4.4 million in Public Housing. The \$4.4 million variance consisted of \$2.6 million in operating subsidy, \$0.4 million in CARES Act funding, and \$1.4 million Tax Increment Reinvestment Zone financing funds from the City of San Antonio for the Labor Street project. Also contributing to the \$6.5 million overall favorable variance was Section 8 administrative fees of \$1.9 million, 4 percent greater than budgeted. The \$0.7 million in additional Miscellaneous Revenue was related to ground lease payments of \$0.3 million for the Legacy at Alazan project and \$0.4 million in other income for various properties.

OPPORTUNITY HOME SAN ANTONIO**August 17, 2022**

Total Operating Expenses ended the period \$11.9 million below budget for Operations largely due to favorable variances of \$11.8 million in HAP Expense, \$4.9 million in Salaries and Benefits and \$1.2 million in Other Expenses offset by unfavorable variances of \$5.5 million in Ordinary Maintenance and Operations and \$0.4 million in Utilities. Staffing vacancies and positions placed on hold have led to all segments reporting favorably for Salaries and Benefits. The Other Expenses line item ended the period \$1.2 million below budget primarily due to favorable variances in technology/licensing fees, property, liability and workers' compensation insurance premiums, and training. The Ordinary Maintenance and Operations line item ended the period \$5.5 million above budget primarily due to unfavorable variances in Public Housing of \$4.3 million and Beacon of \$1.2 million. Unfavorable expenses arose from other contract costs, plumbing maintenance, solid waste disposal, lawn services, painting, and major plumbing repairs. The Utilities line item ended the period \$0.4 million above budget primarily due to unfavorable variances in the Public Housing sector related to water, electricity, and gas.

Total Operating Revenue for the Capital segment was approximately \$5.0 million above budget due primarily to a favorable variance of \$8.8 million in Miscellaneous Revenue, partially offset by an unfavorable variance of \$3.8 million in Grants revenue. Miscellaneous Revenue was above budget by \$8.8 million due to a favorable variance of \$11.5 million for various earned fees associated with the closing of capital transactions for co-developed tax credit partnerships for Las Varas Public Facility Corporation and annual issuer fees. Partially offsetting the overall favorable variance was \$3.1 million in unearned development fees that were budgeted but not realized. Grant revenue ended the period with an unfavorable variance of \$3.7 million due to the timing of Capital Fund grant expenditures.

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$6.9 million from June 30, 2021 to June 30, 2022. Total Assets and Deferred Outflows of Resources increased by \$15.5 million due to increases of \$23.6 million and \$0.8 million in Fixed Assets and Other Non-Current Assets, respectively, partially offset by a \$7.0 million decrease in Current Assets. The \$7.0 million decrease in Current Assets resulted largely from the use of loan funds for the EPC projects of \$2.0 million, payments of ongoing capital projects at various Beacon and Public Housing properties of \$4.0 million and a reduction in both accounts receivable and prepaid expenses of \$1.0 million. The \$23.6 million upswing in Fixed Assets was due to the addition of buildings and land of \$12.3 million as well as an increase of \$25.2 million related to capital projects offset by the recording of depreciation of \$13.8 million. The increase in buildings was attributable to Beacon's purchase of the Costa Valencia property and the capitalization of construction projects in both the Beacon and Public Housing portfolios.

Total Liabilities and Deferred Inflows of Resources increased by \$8.7 million due mainly to an increase of \$11.9 million resulting from new debt related to the Labor Street project. These increases were partially offset by scheduled debt payments.

Supplemental Information—Funding Environment

On July 28, 2022, the U.S. Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies (THUD) released its draft spending bill for fiscal year (FY) 2023. The bill provides \$70 billion, including \$10.3 billion in offsets, for HUD's affordable housing, homelessness, and community development programs – an increase of \$4.3 billion over

OPPORTUNITY HOME SAN ANTONIO**August 17, 2022**

FY22-enacted levels, but \$3 billion less than the House bill, and \$1.9 billion less than the amount proposed in President Biden's FY23 budget request. Below are highlights of the bill:

- \$30.2 billion for Tenant-based rental assistance, a \$2.8 billion increase over the 2022 enacted level. Of this amount, \$26.2 billion is for Section 8 Housing Choice Voucher contract renewals, which is \$2.1 billion more than FY 2021 and should be sufficient to fund all renewals.
- \$3.2 billion for the Public Housing Capital Fund, an increase of \$17 million over the 2022 enacted level.
- \$5.04 billion for Public Housing operating subsidies, level funding compared to the 2022 enacted level.
- \$14.7 billion for Project-Based Rental Assistance, an increase of \$747 million over the 2022 enacted level, which should be sufficient to renew all expiring contracts.
- \$250 million for the Choice Neighborhoods Initiative, a decrease of \$100 million over the 2022 enacted level.
- \$225 million increase to HOME Investment Partnership Programs for a total of \$1.7 billion.
- \$3.6 billion for Homeless Assistance Grants, an increase of \$332 million over the 2022 enacted level.

PROPOSED ACTION:

None.

FINANCIAL IMPACT:

None.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Financial Performance Report
Cash and Investment Summary
Grants Report
Presentation

Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Operations
(For the Fiscal Year Ended 06/30/2022)
(Unaudited)

	OPERATIONS ACTUAL 6/30/2022	OPERATIONS BUDGET 6/30/2022	OPERATIONS Variance	Highlights Section
Operating Revenue				
Tenant Revenue	\$ 37,918,624	\$ 47,552,275	\$ (9,633,651)	I(a)(1)
Grants	44,916,213	38,438,838	6,477,375	I(a)(2)
HAP Revenue	95,727,697	102,977,111	(7,249,414)	I(a)(3)
Miscellaneous Revenue	1,827,848	1,159,827	668,021	I(a)(4)
Total Operating Revenue	\$ 180,390,381	\$ 190,128,051	\$ (9,737,670)	
Operating Expenses				
Salaries and Benefits	\$ 36,376,256	\$ 41,261,589	\$ (4,885,333)	I(b)(1)
Ordinary Maintenance and Operations	21,291,349	15,797,213	5,494,135	I(b)(2)
Utilities	9,401,443	9,002,206	399,236	I(b)(3)
Other Expenses	12,205,357	13,362,186	(1,156,828)	I(b)(4)
HAP Expense	90,895,756	102,676,612	(11,780,856)	I(a)(3)
Total Operating Expenses	\$ 170,170,160	\$ 182,099,806	\$ (11,929,646)	
Net Operating Income	\$ 10,220,222	\$ 8,028,246	\$ 2,191,976	
Non-Operating Income (Expenses)				
Interest Expense	\$ (4,797,213)	\$ (5,368,409)	\$ 571,197	I(c)(1)
Interest Income	779,900	62,537	717,362	I(c)(1)
Other Income (Expenses)	(6,273,917)	(5,210,388)	(1,063,529)	I(c)(1)
Total Non-Operating Income (Expenses)	\$ (10,291,230)	\$ (10,516,260)	\$ 225,030	
Surplus (Deficit) Before Non-Cash Items	\$ (71,008)	\$ (2,488,015)	\$ 2,417,006	
Non-Cash Items				
Depreciation and Amortization	\$ (14,243,833)	\$ (15,450,819)	\$ 1,206,986	
Non-Operating Income (Expense)	193,859	10,762,966	(10,569,108)	
Total Non-Cash Items	\$ (14,049,974)	\$ (4,687,853)	\$ (9,362,121)	
Change in Net Position	\$ (14,120,982)	\$ (7,175,868)	\$ (6,945,115)	I(c)(1)

Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Capital Activities
(For the Fiscal Year Ended 06/30/2022)
(Unaudited)

	CAPITAL ACTUAL 6/30/2022	CAPITAL BUDGET 6/30/2022	CAPITAL Variance	Highlights Section
Operating Revenue				
Grants	\$ 9,402,889	\$ 13,184,301	\$ (3,781,412)	II(a)(1)
Miscellaneous Revenue	15,136,017	6,333,793	8,802,224	II(a)(2)
Total Operating Revenue	\$ 24,538,906	\$ 19,518,094	\$ 5,020,811	
Operating Expenses				
Salaries and Benefits	\$ 1,203,986	\$ 1,103,202	\$ 100,783	I(b)(1)
Ordinary Maintenance and Operations	218,644	108,700	109,944	I(b)(2)
Utilities	2,449	3,900	(1,451)	
Other Expenses	1,848,476	1,264,193	584,283	I(b)(3)
Total Operating Expenses	\$ 3,273,555	\$ 2,479,995	\$ 793,559	
Net Operating Income	\$ 21,265,351	\$ 17,038,099	\$ 4,227,252	
Non-Operating Income (Expenses)				
Interest Expense	\$ (392,837)	\$ (394,519)	\$ 1,682	
Interest Income	438,676	171,766	266,910	II(c)(1)
Other Income (Expenses)	1,053,383	(32,925)	1,086,308	II(c)(1)
Total Non-Operating Income (Expenses)	\$ 1,099,223	\$ (255,677)	\$ 1,354,900	
Surplus (Deficit) Before Non-Cash Items	\$ 22,364,574	\$ 16,782,422	\$ 5,582,152	
Non-Cash Items				
Depreciation and Amortization	\$ (8,858)	\$ (8,836)	\$ (22)	
Non-Operating Income (Expense)	(1,342,542)	(6,426,280)	5,083,738	
Total Non-Cash Items	\$ (1,351,401)	\$ (6,435,116)	\$ 5,083,716	
Change in Net Position	\$ 21,013,173	\$ 10,347,305	\$ 10,665,868	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, 2022
(Unaudited)**

	6/30/2022	6/30/2021	Increase (Decrease)	%	Highlights Section
Assets					
Current Assets	\$ 108,393,688	\$ 115,436,089	\$ (7,042,401)	-6.10%	
Fixed Assets	330,674,687	307,032,608	23,642,079	7.70%	
Other Non-Current Assets	68,101,611	67,258,504	843,107	1.25%	
Total Assets	\$ 507,169,986	\$ 489,727,201	\$ 17,442,785	3.56%	III(a)
Deferred Outflows of Resources					
Deferred Charges on Refunding	\$ 263,297	\$ 343,592	\$ (80,295)	-23.37%	
Deferred Swap Outflows	119,652	1,933,497	(1,813,845)	-93.81%	
Total Deferred Outflows of Resources	\$ 382,949	\$ 2,277,089	\$ (1,894,140)	-83.18%	
Total Assets and Deferred Outflows of Resources	\$ 507,552,935	\$ 492,004,290	\$ 15,548,645	3.16%	
Liabilities					
Current Liabilities	\$ 32,519,303	\$ 32,738,290	\$ (218,987)	-0.67%	
Non-Current Liabilities	158,165,897	149,340,265	8,825,632	5.91%	
Total Liabilities	\$ 190,685,200	\$ 182,078,555	\$ 8,606,645	4.73%	III(b)
Deferred Inflows of Resources					
Deferred Swap Inflows	\$ 49,800	\$ -	\$ 49,800	0.00%	
Total Liabilities and Deferred Inflows of Resources	\$ 190,735,000	\$ 182,078,555	\$ 8,656,445	4.75%	
Net Position					
Net Investment in Capital Assets	\$ 209,342,790	\$ 196,698,594	\$ 12,644,196	6.43%	
Restricted Net Position	33,563,958	38,942,611	(5,378,653)	-13.81%	
Unrestricted Net Position	73,911,187	74,284,530	(373,343)	-0.50%	
Total Net Position	\$ 316,817,935	\$ 309,925,735	\$ 6,892,200	2.22%	III(c)
Total Liabilities and Net Position	\$ 507,552,935	\$ 492,004,290	\$ 15,548,645	3.16%	

**Opportunity Home San Antonio
Financial Performance Report
As of June 30, 2022
(Unaudited)**

HIGHLIGHTS

For the fiscal year ended June 30, 2022, the Operations segment generated a deficit before non-cash items of \$0.1 million, which was \$2.4 million above budget. Total Operating Revenue was below budget by \$9.7 million, or 5.12 percent, and Total Operating Expenses were below budget by \$11.9 million, or 6.55 percent.

For the fiscal year ended June 30, 2022, the Capital segment produced a surplus before non-cash items of \$22.4 million, which was \$5.6 million above budget. Total Operating Revenue was above budget by \$5.0 million, or 25.72 percent, and Total Operating Expenses were above budget by \$0.8 million, or 32.00 percent.

Total Assets and Deferred Outflows of Resources increased by \$15.5 million, or 3.16 percent. Total Liabilities and Deferred Inflows of Resources increased by \$8.7 million, or 4.75 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 below budget by \$9.7 million and Total Operating Expenses were below budget by \$11.9 million.

(a) Operating Revenue

- (1) Tenant revenue was below budget by \$9.6 million due to unfavorable variances in the Beacon and Public Housing sectors of \$8.3 million and \$1.3 million, respectively. The primary properties contributing to the unfavorable variance for the Beacon sector were Woodhill and three tax credit properties that we had anticipated acquiring which would have added 596 units to the Beacon portfolio. However, it was determined that the most favorable path would be to resyndicate those properties and reestablish them as new tax credit partnerships outside of the Beacon portfolio. Woodhill continues to struggle with occupancy problems and fiscal year-to-date occupancy was 77.68 percent.
- (2) Grant revenue was above budget by \$6.5 million primarily due to a favorable variance of \$4.4 million in Public Housing. The \$4.4 million variance was comprised of \$2.6 million in operating subsidy, \$0.4 million in CARES Act Funding and \$1.4 million Tax Increment Reinvestment Zone financing funds from the City of San Antonio for the Labor Street project. Also contributing to the \$6.5 million overall favorable variance was Section 8 administrative fees of \$1.9 million with actual proration of 84 percent, 4 percent greater than budgeted proration of 80%. Lastly, Beacon received \$0.2 million in unbudgeted operating subsidy for Refugio.
- (3) Section 8 Housing Assistance Payment (HAP) Revenue ended the period with an unfavorable variance of \$7.2 million which was offset in the HAP Expense account by a favorable variance of \$11.8 million. HAP Revenue was unfavorable primarily due to Housing Choice Voucher (HCV) program and Veterans Affairs Supportive Housing (VASH) programs receiving \$8.2 million and \$0.4 million less than budgeted, respectively. This was offset by funding of \$0.5 million and \$1.0 million for Housing Choice Vouchers (HCV) Non-MTW and Emergency Housing Vouchers, respectively.

**Opportunity Home San Antonio
Financial Performance Report
As of June 30, 2022
(Unaudited)**

Additionally, HAP expenses were drastically lower for the HCV program compared to what was budgeted.

- (4) Miscellaneous Revenue ended the period with a favorable variance of \$0.7 million in Public Housing. The \$0.7 million variance was comprised of lease payments of \$0.3 million related to Alazan and \$0.4 million in other income for various properties.

(b) Operating Expenses

- (1) Salaries and Benefits ended the period \$4.9 million below budget. Staffing vacancies and positions placed on hold have led to all segments reporting favorably for Salaries and Benefits. The Beacon and Public Housing segments were the primary contributors to the favorable variance.
- (2) Ordinary Maintenance and Operations ended the period \$5.5 million above budget primarily due to unfavorable variances in Public Housing of \$4.3 million and Beacon of \$1.2 million. Unfavorable expenses arose from other contract costs, plumbing maintenance, solid waste disposal, lawn services, painting and major plumbing repairs.
- (3) Utilities line item ended the period \$0.4 million above budget primarily due to unfavorable variances in Public Housing of \$0.4 million. Unfavorable expenses arose from \$0.1 million in water, \$0.1 million in electricity and \$0.2 million in gas.
- (4) The Other Expenses line item ended the period \$1.2 million below budget primarily due to favorable variances in Beacon and Central Office. Favorable expenses arose primarily from technology licensing fees, property, liability and workers' compensation insurance premiums and training.

(c) Summary of Changes in Net Position

- (1) Change in Net Position ended the period \$6.9 million below budget. Net Operating Income was above budget by \$2.2 million. Non-Operating Income (Expense) ended the period \$10.6 million below budget due to unfavorable variances in the Public Housing segment. \$3.7 million in sales of properties were budgeted for Villa de Fortuna and have not been realized. Also contributing to the overall unfavorable variance was \$5.2 million attributable to timing of capitalized projects.

II. Income Statement (Capital)

Total Operating Revenue was above budget by \$5.0 million and Total Operating Expenses were above budget by \$0.8 million.

(a) Operating Revenue

- (1) Grant revenue was below budget by \$3.8 million primarily due to the timing of Capital Fund grant expenditures.

**Opportunity Home San Antonio
Financial Performance Report
As of June 30, 2022
(Unaudited)**

- (2) Miscellaneous Revenue was above budget by \$8.8 million due to a favorable variance of \$11.5 million for various earned fees associated with the closing of capital transactions for co-developed tax credit partnerships for Las Varas Public Facility Corporation and annual issuers fee. Partially offsetting the overall favorable variance was \$3.1 million in unearned development fees that were budgeted but were not realized. Due to a financing setback, St. John's is on hold.
- (b) **Operating Expenses**
- (1) Salaries and Benefits were above budget by \$0.1 million primarily due to an unfavorable variance in the Real Estate sector of \$0.1 million.
- (2) Ordinary Maintenance and Operations was above budget by \$0.1 million primarily due to an unfavorable variance in the Capital Funds sector. Unfavorable expenses arose from major repair/upgraded plumbing, roofing, elevator and other expenses.
- (c) **Summary of Changes in Net Position**
- (1) Change in Net Position ended the period with a \$10.7 million favorable variance. Net Operating Income was above budget by \$4.2 million. Other Income (Expenses) was favorable by \$1.1 million attributable to timing of expensing the Capital Funds management fee and Interest Income was favorable by \$0.3 million.

III. Balance Sheet

Total Assets and Deferred Outflows of Resources increased by \$15.5 million, Total Liabilities and Deferred Inflows of Resources increased by \$8.7 million, and Total Net Position increased by \$6.9 million.

- (a) Total Assets and Deferred Outflows of Resources increased by \$15.5 million, or 3.16 percent, due to increases of \$23.6 million in Fixed Assets, \$0.8 million in Other Non-Current Assets and a decrease of \$7.0 million in Current Assets. The \$23.6 million increase in Fixed Assets resulted primarily from an increase of \$12.3 million in land, buildings and equipment, related to the purchase of the Costa Valencia property in the Beacon portfolio, as well as the capitalization of projects in both the Beacon and Public Housing portfolios. These amounts were offset by the routine recording of depreciation of an additional \$13.8 million. Additionally, there were increases of \$25.2 million in construction in progress related to ongoing modernization projects. The \$7.0 million decrease in Current Assets arose primarily from the use of loan funds for the EPC projects of \$2.0 million, payments of ongoing capital projects at various Beacon and Public Housing properties of \$4.0 million and a reduction in both accounts receivable and prepaid expenses of \$1.0 million.
- (b) Total Liabilities increased by \$8.7 million, or 4.75 percent, due primarily to an increase of \$11.9 million which resulted primarily from new debt related to the Labor Street project. These increases were partially offset by scheduled debt payments.
- (c) Total Net Position increased by \$6.9 million, or 2.22 percent, as a result of operations.

**Opportunity Home San Antonio
Financial Performance Report
As of June 30, 2022
(Unaudited)**

IV. MTW Expenditures

Projects	Cumulative Expenditure Balance as of 06/30/22
Program Administration and Implementation of MTW Initiatives	\$ 1,835,785
Public Housing Operating Shortfall	-
Capital Planning	433,949
Expansion of Public Housing WIFI	1,448,648
Highland Park Property Support	1,000,000
Preservation and Expansion of Affordable and Public Housing:	
East Meadows Development	4
Development of Labor Street Multifamily Property	591,183
Alazan Courts Predevelopment Costs	60,112
Total	\$ 5,369,681

Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ending June 30, 2022

The overall cash and investment balance decreased by \$6.8 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 reduction of HUD HAP cash disbursements for HCV, funding of the construction draws for the 100 Labor St. project, and the acquisition of a tax credit partnership, offset by the receipt of bonds issuer fees and insurance claim funds.

Unrestricted Cash and Investments

- **Public Housing** - There is a net cash increase of approximately \$7.2 million over the previous quarter primarily due to the maturity of a T-bill investment totaling \$9.7 million from unrestricted investments which is offset by the settlement of intercompany balances in connection with general operating expenses and ongoing capital project work at various Public Housing properties.
- **Properties under SAHFC** - There is a net cash increase of approximately \$3.7 million primarily due to the maturity of a \$4.7 million T-bill investment from unrestricted investments which is offset by construction draws for the 100 Labor St project of \$1 million during the quarter.
- **Development Activities - Las Varas** - There is a net cash increase of approximately \$3.6 million primarily due to the maturity of a \$3.5 million T-bill investment and the receipt of \$1.3 million in bond issuer fees from various tax credit partnerships. The activities above were partially offset by \$.3 million cash disbursements for development related activities and the funding of a \$.9 million bridge loan to acquire a tax credit partnership.
- **Other Beacon Properties Cash** - There is a net cash increase of approximately \$5.2 million primarily due to the maturity of two T-bill investments totaling \$5.5 million, offset by the settlement of intercompany balances in connection with a capital project at a Beacon Community and the settlement payments for two Beacon management transitions.
- **Other Unrestricted Cash** - There is a net cash increase of approximately \$3.2 million primarily due to the settlement of intercompany balances from available cash from various matured T-bill investments.

Restricted Cash and Investments

- **Public Housing** - There is a net cash increase of approximately \$9 million primarily due to the maturity of two T-bill investments totaling \$9.7 million, offset by expenses incurred related to the redevelopment of a PH property.
- **Section 8** - There is a net cash decrease of approximately \$3.6 million due to a combination of reduced HCV HAP disbursements as well as the result of the year-end HAP reconciliation.
- **Properties under SAHFC** - There is a net cash increase of approximately \$2.7 million primarily due to the maturity of a \$4.7 million T-bill investment from restricted investments which is offset by the funding of capital projects in the amount of \$2 million dollars.

**Opportunity Home San Antonio
Cash and Investment Summary
June 30, 2022**

	Balance 3/31/2022	Deposits	Withdrawals	Balance 6/30/2022
Cash				
Unrestricted Cash:				
Central Office Cost Center (1)	6,629,487	3,646,788	3,687,995	6,588,280
Public Housing (1)	340,727	22,224,093	15,032,768	7,532,052
Section 8 (1)	3,373,370	3,001,215	2,258,141	4,116,444
Community Development Initiatives	279,896	2,138,004	2,036,314	381,586
Central Office- Health Insurance (2)	2,451,324	1,814,690	2,049,771	2,216,242
Homeownership	103,879	91,677	95,673	99,882
Project Based Properties (1)	2,079,972	3,463,760	1,358,967	4,184,765
Properties under SAHFC (3)	3,825,048	16,010,575	12,264,063	7,571,560
Education Investment Foundation	6,363	5,616	9,335	2,644
Capital Fund Program (1)	-	1,818,538	1,818,538	-
Development Activities under SAHFC	299,797	3,304,059	2,047,675	1,556,181
Development Activities - Las Varas	7,701,939	5,173,326	1,593,286	11,281,979
Development Activities - Other Entities	534,309	1,638,556	1,697,223	475,642
Other Beacon Properties Cash	3,445,410	9,729,195	4,528,231	8,646,374
Other Unrestricted Cash	1,763,791	52,318,551	49,078,493	5,003,849
Sub-Total:	32,835,311	126,378,642	99,556,474	59,657,479
Restricted Cash:				
Central Office Cost Center	647,418	-	647,418	-
Public Housing	2,460,970	17,673,475	8,636,487	11,497,958
Section 8	6,595,634	24,351,799	27,943,113	3,004,320
Project Based Properties	1,490,569	680,613	570,858	1,600,323
Properties under SAHFC	6,837,228	6,663,262	3,936,023	9,564,467
Education Investment Foundation	35,612	24	5,600	30,036
Capital Fund Program	2,253,843	516	21,818	2,232,541
Development Activities under SAHFC	1,996,692	280,295	694	2,276,293
Development Activities - Refugio Street PFC	1,030,637	-	-	1,030,637
Non-Profit-Other Restricted	657,189	55,420	-	712,608
Other Restricted Cash	55,006	58,041	59,519	53,529
Endowment Trust	496,176	11	36,305	459,881
Sub-Total:	24,556,973	49,763,454	41,857,835	32,462,593
Total Unrestricted & Restricted Cash:	57,392,284	176,142,096	141,414,309	92,120,072
Investments				
Unrestricted Investments at Various Banks:				
Central Office Cost Center (1)	-	1,413,658	1,413,658	-
Public Housing (1)	9,718,204	1,796	9,720,000	-
Properties Unrestricted Investments	6,998,707	1,293	7,000,000	-
Properties under SAHFC	4,699,132	868	4,700,000	-
Development Activities under SAHFC	4,999,076	924	5,000,000	-
Restricted Investments at Various Banks:				
Central Office Cost Center	76,247	227,402	227,399	76,250
Public Housing	9,778,193	1,807	9,780,000	-
Properties under SAHFC	4,799,113	887	4,800,000	-
Other Restricted Investments	1,553,945	1,479,083	2,007,923	1,025,106
Sub-Total:	42,622,618	3,127,718	44,648,980	1,101,356
Total Cash & Investments:	100,014,902	179,269,814	186,063,288	93,221,428

- (1) Cash and Investments related to federal programs
 (2) Cash and Investments related to self insurance program
 (3) Includes \$1.3 Milion in cash from acquired tax credit partnerships internally restricted by the Limited Partnership Agreements

**Opportunity Home San Antonio
 Cash Held for Tax Credit Partnerships
 June 30, 2022**

	3/31/2022	Deposits	Withdrawals	6/30/2022
Cash from Tax-Credit Partnerships	2,581,946	1,565,900	1,781,080	2,366,766
Total Cash Held for Partnerships Managed by SAHA:	\$ 2,581,946	\$ 1,565,900	\$ 1,781,080	\$ 2,366,766

**San Antonio Housing Authority
 Collateralization
 June 30, 2022**


	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 88,032,614	\$ 500,000	\$ 88,032,614	\$ 163,865,375
Lument Capital, LLC	\$ 1,253,102	\$ 781,778	\$ -	\$ -
US Bank	\$ 1,099,488	\$ -	\$ -	\$ -
Bank of New York - Woodhill	\$ 217,033	\$ -	\$ -	\$ -
Bank of New York - Sendero	\$ 132,426	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ 214,463	\$ -	\$ -	\$ -
Wells Fargo - Rosemont at Highland Park	\$ 194,730	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 506,952	\$ 340,076	\$ -	\$ -
Walker & Dunlop - Bella Claire	\$ 112,260	\$ 112,260	\$ -	\$ -
Walker & Dunlop - SAHFC	\$ 394,996	\$ 394,996	\$ -	\$ -
Berkadia Commercial Mortgage, LLC	\$ 199,280	\$ 199,280	\$ -	\$ -
Total Collateralized deposits:	\$ 92,357,346	\$ 2,328,391	\$ 88,032,614	\$ 163,865,375

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 San Antonio Housing Authority I certify that all investments in our portfolio comply with the investment strategy expressed in SAHA's Investment Policy dated April 14, 2016 and with the relevant provisions of the State of Texas, Government Code, Chapter 2256, Public Funds Investment.

DocuSigned by:
Diana Fiedler 8/10/2022
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 Diana K. Fiedler, CPA, CGMA
 Investment Officer, Chief Financial Officer

GRANTS REPORT AS OF June 30, 2022

CAPITAL GRANTS													
Grant Number	Obligation End Date	Expenditure End Date	Amount to be Obligated by End Date	LOCCS Authorized	CAPITAL GRANTS			Cumulative PHA Obligated	Unobligated Amount	Obligation Percentage	Cumulative GL PHA Expended	Expended Percentage	LOCCS Disbursement
<div><div><div><div>CLIFFS</div></div><div>Capital Fund Program (CFP)</div><div>Capital Projects at various PH Properties</div></div><div><div>Unmet expenditure deadline approaching within 6 Months</div><div>Unmet obligation deadline approaching within 12 Months</div><div>Grant expenditure is not progressing as planned</div></div></div>													
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	
*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	
*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	
*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	
*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	
*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	
*Major Projects: Charles Andrews, HB Gonzalez													
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	
*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	
*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	
*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	
*Major Projects: Victoria Plaza, Fair Avenue													
TX59P006501-20	09/25/23	09/25/25	\$ 11,827,386.00	\$ 13,141,540.00	\$	12,424,271.12	\$	717,268.88	95%	\$ 9,768,600.21	74%	\$ 8,207,018.63	
*Major Projects: Madonna, L.C. Rutledge													
TX59P006501-21	02/22/23	02/22/25	\$ 11,865,870.90	\$ 13,184,301.00	\$	8,611,396.13	\$	4,572,904.87	65%	\$ 3,094,387.38	23%	\$ 2,967,727.11	
*Major Projects: Mirasol, Francis Furey													
TX59P006501-22	05/11/24	05/11/26	\$ 14,541,291.90	\$ 16,156,991.00	\$	2,192,650.32	\$	13,964,340.68	14%	\$ -	0%	\$ -	
*Major Projects: Villa Veramendi, Riverside													
TX59E006501-18	08/12/21	08/12/22	\$ 225,000.00	\$ 250,000.00	\$	250,000.00	\$	-	100%	\$ 250,000.00	100%	\$ 224,396.29	
*Major Projects: Riverside, Villa Veramendi													
TX59I006501-20	05/10/23	05/10/25	\$ 4,374,949.50	\$ 4,861,055.00	\$	29,760.00	\$	4,831,295.00	1%	\$ -	0%	\$ -	
*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	\$	-	100%	\$ 29,652,649.09	100%	\$ 29,652,649.09	
*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. No DDTF funding has been expended.

GRANTS REPORT AS OF June 30, 2022

HUD - PROGRAM GRANTS						
Grant Number	Effective Date	Expenditure End Date	LOCCS Authorized	Cumulative Expended	PROGRAM GRANTS	
					Expended Percentage	Remaining to LOCCS Disbursement
Resident Opportunities & Self Sufficiency (ROSS)						
Funding for Family Self Sufficiency (FSS) Coordinators						
ROSS191334	05/13/19	05/31/22	\$ 508,761.00	\$ 455,398.14	90%	\$ 53,362.86 \$ 455,398.14
*2018 ROSS Service Coordinators						
ROSS221724-01-00	06/01/22	05/31/25	\$ 621,050.50	\$ 14,309.37	2%	\$ 606,741.13 \$ -
*2021 ROSS Service Coordinators						
FSS22TX4596	01/01/22	12/31/22	\$ 1,064,315.62	\$ 429,376.10	40%	\$ 634,939.52 \$ 343,379.55
*PH & HCV Combined FSS 2021						
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	\$ 129,393.57	6%	\$ 2,170,606.43 \$ 22,968.16
*Jobs Plus - Lincoln Heights						
NON-HUD - PROGRAM GRANTS						
Grant Number	Performance Date	Award Amount	Cumulative Expended	Expended Percentage	Remaining to	Reimbursement Received
VIA Metropolitan Transit Authority						
Capital Assistance Program For Elderly Persons and Persons With Disabilities						
TX-2021-010-00	09/25/2020 - 09/30/2022	\$ 75,238.00	\$ -	0%	\$ 75,238.00	\$ -
*VIA Grant 2021						

(4) ROSS 872018 grant ended on 05/31/22 and \$53,362.86 will remain unexpended.

(5) Grant expenditures are approximately \$103k short of the projected average cumulative expended amount or expended percentage of 50%.

(6) Grant expenditures are approximately \$235k short of the projected average cumulative expended amount or expended percentage of 15.7%.

(7) Additional funding for this grant was awarded on 2/28/2022 and the Award Amount increased by \$4,338. The grant is projected to be expended upon the delivery of a vehicle ordered.

(8) The delivery of a vehicle ordered was delayed to November 2022. CDI Staff will work with VIA to seek an extension.

GRANTS REPORT AS OF June 30, 2022

LIST OF GRANT APPLICATIONS						
Grant Name	Award Amount	Date Submitted	Match Amount	Term of the Grant	Application Status	Description
FY 22 Emergency Safety and Security Grant	\$255,500	06/15/22	N/A	N/A	Pending	HUD Emergency Safety & Security Grant
FY22 TPS's Safety Grant Program	\$5,319	05/02/22	N/A	N/A	Pending	Texas Political Subdivisions Safety Grant Program
FY22 Loss Prevention Fund	\$20,685	05/31/22	N/A	N/A	Pending	HAI Group Loss Prevention Fund
FY22 Capital Fund At Risk	\$1,616,170	07/11/22	N/A	N/A	Pending	HUD Capital Fund At Risk / Receivership / Substandard / Troubled Program

Financial Performance Report

For the Fiscal Year Ended June 30, 2022

Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Operations
(For the Fiscal Year Ended 06/30/2022)
(Unaudited)

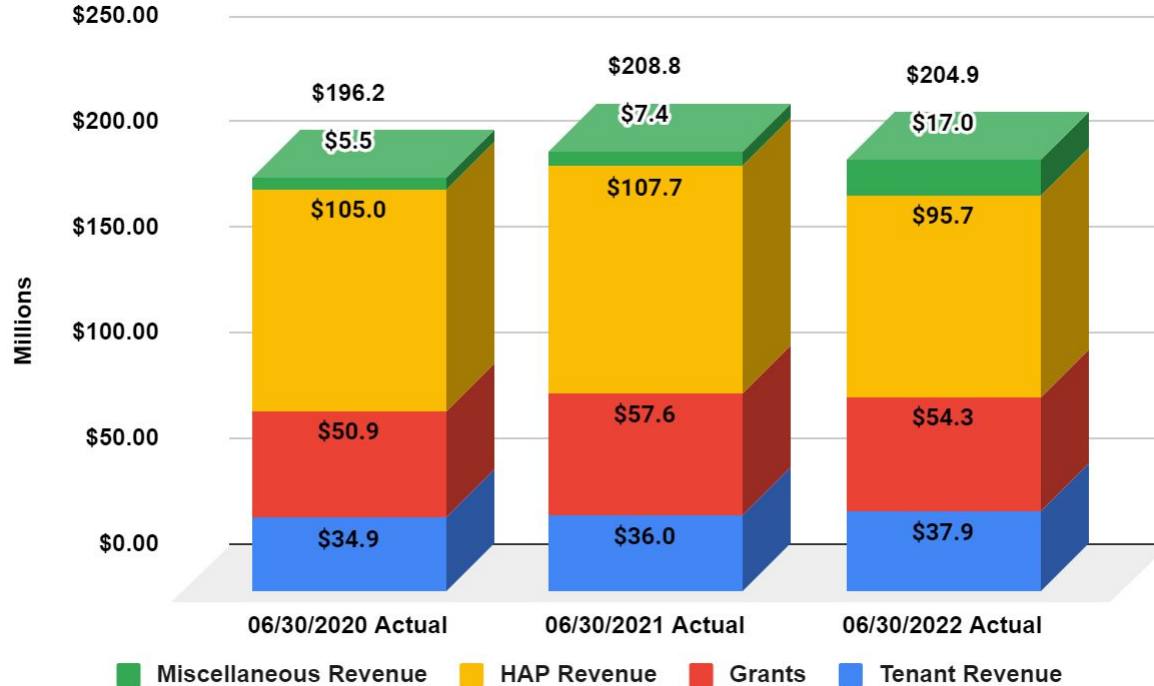
	OPERATIONS ACTUAL 6/30/2022	OPERATIONS BUDGET 6/30/2022	OPERATIONS Variance
Operating Revenue			
Tenant Revenue	\$ 37,918,624	\$ 47,552,275	\$ (9,633,651)
Grants	44,916,213	38,438,838	6,477,375
HAP Revenue	95,727,697	102,977,111	(7,249,414)
Miscellaneous Revenue	1,827,848	1,159,827	668,021
Total Operating Revenue	\$ 180,390,381	\$ 190,128,051	\$ (9,737,670)
Operating Expenses			
Salaries and Benefits	\$ 36,376,256	\$ 41,261,589	\$ (4,885,333)
Ordinary Maintenance and Operations	21,291,349	15,797,213	5,494,135
Utilities	9,401,443	9,002,206	399,236
Other Expenses	12,205,357	13,362,186	(1,156,828)
HAP Expense	90,895,756	102,676,612	(11,780,856)
Total Operating Expenses	\$ 170,170,160	\$ 182,099,806	\$ (11,929,646)
Net Operating Income	\$ 10,220,222	\$ 8,028,246	\$ 2,191,976
Non-Operating Income (Expenses)			
Interest Expense	\$ (4,797,213)	\$ (5,368,409)	\$ 571,197
Interest Income	779,900	62,537	717,362
Other Income (Expenses)	(6,273,917)	(5,210,388)	(1,063,529)
Total Non-Operating Income (Expenses)	\$ (10,291,230)	\$ (10,516,260)	\$ 225,030
Surplus (Deficit) Before Non-Cash Items	\$ (71,008)	\$ (2,488,015)	\$ 2,417,006
Non-Cash Items			
Depreciation and Amortization	\$ (14,243,833)	\$ (15,450,819)	\$ 1,206,986
Non-Operating Income (Expense)	193,859	10,762,966	(10,569,108)
Total Non-Cash Items	\$ (14,049,974)	\$ (4,687,853)	\$ (9,362,121)
Change in Net Position	\$ (14,120,982)	\$ (7,175,868)	\$ (6,945,115)

Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Capital Activities
(For the Fiscal Year Ended 06/30/2022)
(Unaudited)

	CAPITAL ACTUAL 6/30/2022	CAPITAL BUDGET 6/30/2022	CAPITAL Variance
Operating Revenue			
Grants	\$ 9,402,889	\$ 13,184,301	\$ (3,781,412)
Miscellaneous Revenue	15,136,017	6,333,793	8,802,224
Total Operating Revenue	\$ 24,538,906	\$ 19,518,094	\$ 5,020,811
Operating Expenses			
Salaries and Benefits	\$ 1,203,986	\$ 1,103,202	\$ 100,783
Ordinary Maintenance and Operations	218,644	108,700	109,944
Utilities	2,449	3,900	(1,451)
Other Expenses	1,848,476	1,264,193	584,283
Total Operating Expenses	\$ 3,273,555	\$ 2,479,995	\$ 793,559
Net Operating Income	\$ 21,265,351	\$ 17,038,099	\$ 4,227,252
Non-Operating Income (Expenses)			
Interest Expense	\$ (392,837)	\$ (394,519)	\$ 1,682
Interest Income	438,676	171,766	266,910
Other Income (Expenses)	1,053,383	(32,925)	1,086,308
Total Non-Operating Income (Expenses)	\$ 1,099,223	\$ (255,677)	\$ 1,354,900
Surplus (Deficit) Before Non-Cash Items	\$ 22,364,574	\$ 16,782,422	\$ 5,582,152
Non-Cash Items			
Depreciation and Amortization	\$ (8,858)	\$ (8,836)	\$ (22)
Non-Operating Income (Expense)	(1,342,542)	(6,426,280)	5,083,738
Total Non-Cash Items	\$ (1,351,401)	\$ (6,435,116)	\$ 5,083,716
Change in Net Position	\$ 21,013,173	\$ 10,347,305	\$ 10,665,868

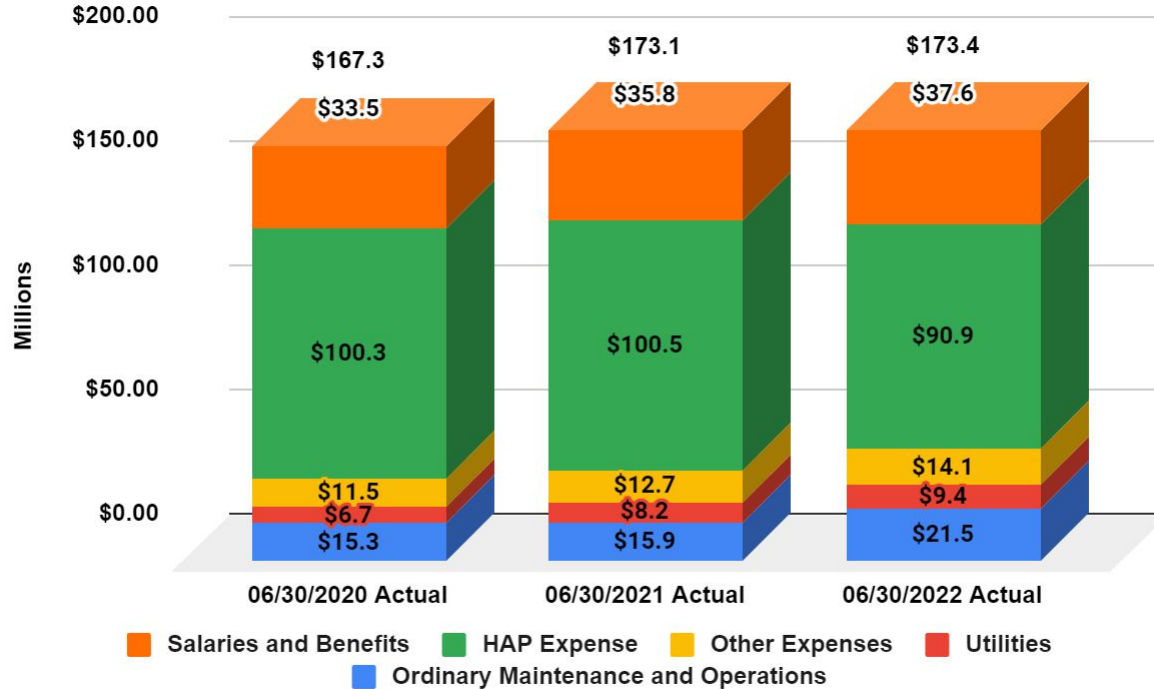
*Capital Fund column includes Capital Fund and Real Estate Services

Consolidated Revenue - Fiscal Year Comparison



Total Revenue was approximately 2% lower compared to the previous year primarily due to less HAP Revenue. The significant increase in Miscellaneous Revenue was primarily due to sale proceeds of The Sorento Apartments.

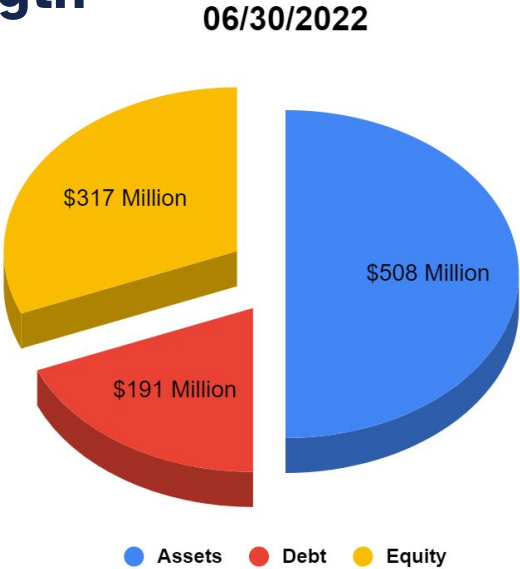
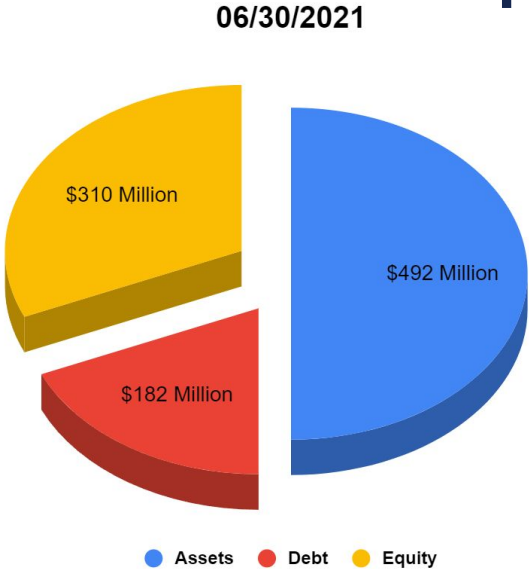
Consolidated Expenses - Fiscal Year Comparison



Total Expenses increased slightly compared to the previous year. The decrease in HAP Expense was offset by increases in the other categories, of which Ordinary Maintenance and Operations experienced the largest percentage increase of 35%.

Financial Ratios

Financial Strength

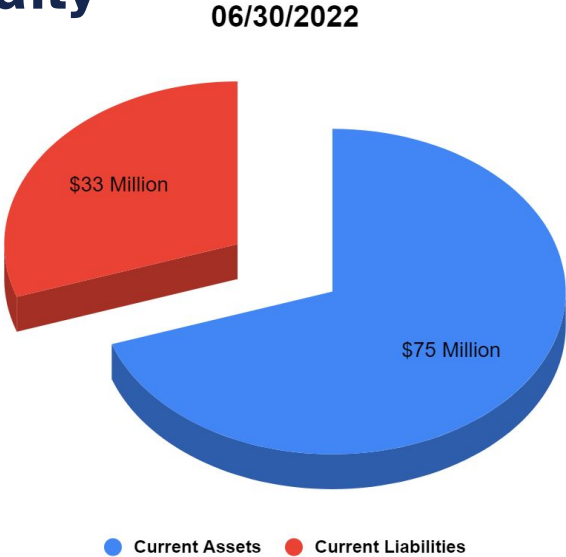
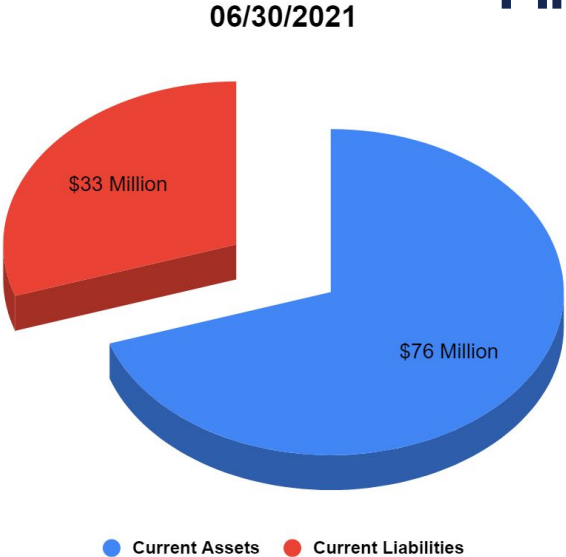


The debt-to-equity ratio remained stable at 0.44 and signifies a strong solvency position.

Financial Ratios

(continued)

Financial Liquidity



The current ratio decreased from 2.30 to 2.27 but remains an indicator of Opportunity Home’s strong capacity to meet its short-term financial commitments. During 2022, there was a \$6.1 million reclassification of a loan that matures within 12 months. If this loan was not due in full within the next 12 months the current ratio would be 2.88.

QUESTIONS?