



A COMMUNITY OF POSSIBILITIES

JOIN MEETING
Springview Apartments
722 S Mel Waiters Way
San Antonio, TX 78203

BOARD OF COMMISSIONERS

- Gabriel Lopez
Chair
- Gilbert Casillas
Vice Chair
- Barbara Ankamah Burford
Commissioner
- Dalia Contreras
Commissioner
- Estrellita Garcia-Diaz
Commissioner
- Janet Garcia
Commissioner
- Leilah Powell
Commissioner

ACTING PRESIDENT & CEO

Michael Reyes

FINANCE COMMITTEE MEETING
*OR SPECIAL BOARD MEETING
1:00 p.m. | Tuesday | August 20, 2024

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 (Aaron Sladek, Director of Finance and Accounting)
4. Update and discussion regarding the Quarterly Internal Audit Report (Allison Schlegel, Director of Internal Audit)
5. Adjournment

Posted on: 8/14/2024 1:00 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 20, 2024****MEMORANDUM**

To: Finance Committee

From: Michael Reyes, Acting President and CEO

Presented by: Aaron Sladek, Director of Finance and Accounting

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, 2024, 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, 2024, reflect a Deficit Before Non-Cash Items of \$2.2 million for Operations (\$3.5 million below budget) and a Surplus Before Non-Cash Items of \$22.1 million for Capital (\$2.7 million above budget). It is essential to emphasize that the deficit of \$2.2 million in Operations was significantly bolstered with the support of MTW funding, which was allocated as follows: \$19.7 million for Public Housing operating and capital expenditures, \$7.8 million was used to pay off Beacon debt, \$1.8 million covered operating expenses for the Beacon portfolio, and \$1.7 million for Resident Engagement. The remaining balance of the HUD-Held MTW funds was utilized to support the development costs of the 100 Labor and Snowden projects.

Total Operating Revenue for the Operations segment was approximately \$10.8 million below budget. Tenant revenue was \$9.9 million under budget due to unfavorable variances of \$9.3 million in the Beacon sector and \$0.6 million in Public Housing. Key properties affecting the Beacon sector included Woodhill, 100 Labor, Costa Valencia, Cottage Creek, and Rosemont at Highland Park. Occupancy challenges persist, with fiscal year-to-date rates for these properties ranging from 68% to 80% (excluding 100 Labor, which began leasing in October). The average occupancy for the Beacon portfolio was 83%, with economic occupancy lagging slightly under 74%. Grant revenue exceeded the budget by \$1.8 million, primarily driven by favorable variances in Section 8 administrative fees and project-based Housing Assistance Payment (HAP) subsidies. The overall favorable variance in Grant revenue was partially offset by an unfavorable variance in Public Housing operating subsidy of \$0.6 million. Section 8 HAP Revenue ended the year with an unfavorable variance of \$3.4 million, driven mainly by lower-than-anticipated voucher utilization. This was offset by a corresponding variance in HAP expenses of \$3.3 million. Miscellaneous Revenue ended the year \$0.8 million above budget, with small favorable variances in most sectors.

Total Operating Expenses ended the year at \$9.0 million above budget for Operations. Salaries and Benefits ended the year \$0.4 million over budget due to increased staffing costs in Public

OPPORTUNITY HOME SAN ANTONIO**August 20, 2024**

Housing and Section 8, which created a \$1.9 million unfavorable variance. However, savings in the Central Office, Community Development Initiatives, and Beacon segments amounted to a \$1.5 million favorable variance. To manage the overall \$0.4 million increase, \$2.4 million in MTW funds were allocated for the fiscal year to cover the impact of the compensation study. Ordinary Maintenance and Repairs were \$12.9 million over budget, with \$7.5 million in Public Housing and \$5.4 million in Beacon driving the increase. Public Housing expenses were high due to unit make-ready costs, maintenance supplies, exterminating services, and capital repairs. At the same time, Beacon faced additional costs for unit make-ready, maintenance supplies, plumbing repairs, and other maintenance contract costs. Other expenses ended the year at \$0.5 million under budget due to savings in technology/licensing fees, Section 8 landlord incentives, consulting fees, and reductions in court costs, advertising, and telephone/internet expenses. These savings were offset by a \$1.8 million unfavorable variance in protective services, mainly due to increased fire watch services.

Total Operating Revenue for the Capital segment exceeded the budget by approximately \$7.7 million. This surplus was mainly attributed to Miscellaneous Revenue, which surpassed expectations by \$10.3 million, primarily due to \$7.0 million in proceeds from the sale of the leasehold interest in Culebra Commons, \$1.8 million in development fee revenue, and bond issuer fees totaling \$1.0 million. These amounts were offset by the capital grants performing \$2.5 million below budget due to the timing of capital expenditures, as these are all cost reimbursement grants with revenue being recorded as expenditures occur.

Total Operating Expenses ended the period at \$4.5 million above the budget for the Capital segment. Salaries and Benefits were \$0.8 million under budget, mainly due to lower administrative salaries in the Real Estate Services sector. However, Other Expenses exceeded the budget by \$4.7 million, primarily due to \$4.2 million in project costs and consulting fees for the Victoria Commons redevelopment. These costs were primarily offset by a \$3.8 million net gain from the sale of 41 vacant lots in Victoria Commons, reflected in Non-Operating Income. Consulting fees for the Alazan Courts Expansion and Snowden projects also contributed to this unfavorable variance.

Total Assets and Deferred Outflows of Resources decreased by \$0.8 million, or 0.14%. Current Assets fell by \$18.2 million (14.27%) due to a \$15.5 million drop in cash and investments and a \$5.0 million decrease in HUD receivables. Fixed Assets increased by \$12.4 million (3.35%), driven by a \$44.6 million rise in buildings and site improvements. This increase resulted from the acquisition of Midcrown Senior Pavilion, capitalization of projects in both the Beacon and Public Housing portfolios, and a \$24.8 million investment in Victoria Plaza for complete rehabilitation and modernization. Additionally, new ground leases for Vista at Reed and Fiesta Trails added \$5.4 million in land. This growth was partially offset by routine depreciation and a \$16.9 million decrease in construction in progress. Other Non-Current Assets rose by \$5.1 million (5.93%), mainly due to \$4.3 million in loans from San Antonio Housing Facility Corporation to the Potranco and Josephine LLCs and a \$0.8 million increase in development fees receivable.

Total Liabilities and Deferred Inflows of Resources decreased by \$12.8 million, or 5.73%. Current Liabilities dropped by \$14.8 million, mainly due to a \$7.3 million payoff of the Sendero bonds

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and a \$6.0 million reduction in accounts payable and accruals. Leased Assets, which include prepaid ground leases, rose by \$4.7 million, primarily due to two new ground leases with the Vista at Reed and Fiesta Trails limited partnerships.

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$12.0 million due to operations from June 30, 2023, to June 30, 2024.

Supplemental Information—Funding Environment

On July 25, 2024, the U.S. Senate released its draft fiscal year (FY) 2025 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 \$78.2 billion, a \$2.7 billion (3.6%) increase from FY 2024 and \$5 billion (6.8%) higher than the House bill. This is compared to an increase of 5.3% in FY 2024 from FY 2023-enacted levels. Below are highlights of the bill:

- \$35.3 billion for Tenant-Based Rental Assistance, a \$2.9 billion (8.8%) increase over the FY24 enacted level and \$2.9 billion (9.2%) more than the House bill. Of this amount, \$32 billion is for Section 8 Housing Choice Voucher contract renewals, which is \$3.5 billion (12.4%) more than FY24 levels and \$3.5 billion (12.4%) higher than the House bill.
- \$3.2 billion for the Public Housing Capital Fund, a \$210 million (6.2%) decrease from FY 2024 and \$108 million (3.5%) higher than the House bill.
- \$5.47 billion for Public Housing operating subsidies, a decrease of \$28 million (0.5%) compared to the FY24 enacted level and \$352 million (6.9%) higher than the House bill.
- \$16.7 billion for project-based rental assistance is \$644 million (4%) more than FY 2024 and \$59 million (0.4%) higher than the House. The amount should be sufficient to renew contracts with a full 12 months of funding.
- \$100 million for the Choice Neighborhoods Initiative, \$25 million more than the FY24 enacted level.

PROPOSED ACTION:

None.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Financial Performance Report
Cash and Investment Summary
Grants Report
June 2024 Published YTD Income Statement
Slides

**Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Operations**
(For the Fiscal Year Ended 6/30/2024)
(Unaudited)

	OPERATIONS ACTUAL 6/30/2024	OPERATIONS BUDGET 6/30/2024	OPERATIONS Variance	%	Highlights Section
Operating Revenue					
Tenant Revenue	\$ 45,107,273	\$ 55,033,471	\$ (9,926,198)	-18.04%	I(a)(1)
Grants	50,915,789	49,112,298	1,803,490	3.67%	I(a)(2)
HAP Revenue	112,765,593	116,200,284	(3,434,692)	-2.96%	I(a)(3)
Miscellaneous Revenue	2,063,754	1,295,629	768,124	59.29%	I(a)(4)
Total Operating Revenue	\$ 210,852,408	\$ 221,641,683	\$ (10,789,276)	-4.87%	
Operating Expenses					
Salaries and Benefits	\$ 51,749,250	\$ 51,322,943	\$ 426,307	0.83%	I(b)(1)
Ordinary Maintenance and Repairs	34,858,277	22,001,525	12,856,752	58.44%	I(b)(2)
Utilities	10,556,560	10,967,273	(410,713)	-3.74%	I(b)(3)
Other Expenses	19,052,573	19,508,828	(456,256)	-2.34%	I(b)(4)
HAP Expense	112,765,593	116,019,683	(3,254,090)	-2.80%	I(a)(3)
Management Fees	209,906	393,793	(183,888)	-46.70%	
Total Operating Expenses	\$ 229,192,158	\$ 220,214,045	\$ 8,978,113	4.08%	
Net Operating Income	\$ (18,339,750)	\$ 1,427,638	\$ (19,767,388)	-1384.62%	
Non-Operating Income (Expenses)					
Interest Expense	\$ (5,469,784)	\$ (6,059,620)	\$ 589,837	-9.73%	I(c)(1)
Interest Income	3,516,915	1,204,429	2,312,486	192.00%	I(c)(1)
Other Income (Expenses)	(15,047,226)	(5,903,126)	(9,144,100)	154.90%	I(c)(1)
HUD-Held Fund Draws	33,165,813	10,684,952	22,480,861	210.40%	I(c)(1)
Total Non-Operating Income (Expenses)	\$ 16,165,718	\$ (73,365)	\$ 16,239,084	-22134.50%	
Surplus (Deficit) Before Non-Cash Items	\$ (2,174,032)	\$ 1,354,273	\$ (3,528,305)	-260.53%	
Non-Cash Items					
Depreciation and Amortization	\$ (16,399,825)	\$ (14,835,218)	\$ (1,564,607)	10.55%	
Non-Operating Income (Expense)	26,402,369	17,436,345	8,966,024	51.42%	
Total Non-Cash Items	\$ 10,002,544	\$ 2,601,127	\$ 7,401,417	284.55%	
Change in Net Position	\$ 7,828,512	\$ 3,955,400	\$ 3,873,112	97.92%	I(c)(1)

**Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Capital Activities**
(For the Fiscal Year Ended 6/30/2024)
(Unaudited)

	CAPITAL ACTUAL 6/30/2024	CAPITAL BUDGET 6/30/2024	CAPITAL Variance	%	Highlights Section
Operating Revenue					
Grants	\$ 17,586,503	\$ 20,129,481	\$ (2,542,979)	-12.63%	II(a)(1)
Miscellaneous Revenue	14,457,020	4,172,701	10,284,319	246.47%	II(a)(2)
Total Operating Revenue	\$ 32,043,523	\$ 24,302,182	\$ 7,741,340	31.85%	
Operating Expenses					
Salaries and Benefits	\$ 2,067,436	\$ 2,914,806	\$ (847,371)	-29.07%	II(b)(1)
Ordinary Maintenance and Repairs	893,103	267,100	626,003	234.37%	II(b)(2)
Utilities	1,811	2,600	(789)	-30.34%	
Other Expenses	5,780,477	1,039,747	4,740,729	455.95%	II(b)(3)
Total Operating Expenses	\$ 8,742,826	\$ 4,224,253	\$ 4,518,572	106.97%	
Net Operating Income	\$ 23,300,697	\$ 20,077,929	\$ 3,222,768	16.05%	
Non-Operating Income (Expenses)					
Interest Expense	\$ (209,895)	\$ (209,895)	\$ -	0.00%	
Interest Income	1,972,603	180,974	1,791,628	989.99%	II(c)(1)
Other Income (Expenses)	(2,966,237)	(621,835)	(2,344,402)	377.01%	II(c)(1)
Total Non-Operating Income (Expenses)	\$ (1,203,530)	\$ (650,756)	\$ (552,774)	84.94%	
Surplus (Deficit) Before Non-Cash Items	\$ 22,097,167	\$ 19,427,173	\$ 2,669,994	13.74%	
Non-Cash Items					
Depreciation and Amortization	\$ (153,899)	\$ (150,953)	\$ (2,946)	1.95%	
Non-Operating Income (Expense)	(17,782,478)	(15,875,823)	(1,906,655)	12.01%	II(b)(2)
Total Non-Cash Items	\$ (17,936,377)	\$ (16,026,776)	\$ (1,909,601)	11.92%	
Change in Net Position	\$ 4,160,790	\$ 3,400,397	\$ 760,393	22.36%	II(c)(1)

*Capital column includes Capital Fund and Real Estate Services

**Opportunity Home San Antonio
Financial Performance Report
Comparative Balance Sheet
As of June 30, 2024
(Unaudited)**

	6/30/2024	6/30/2023	Increase (Decrease)	%	Highlights Section
Assets					
Current Assets	\$ 109,496,378	\$ 127,725,985	\$ (18,229,607)	-14.27%	
Fixed Assets	383,755,588	371,320,945	12,434,643	3.35%	
Other Non-Current Assets	91,714,862	86,578,345	5,136,517	5.93%	
Total Assets	\$ 584,966,828	\$ 585,625,275	\$ (658,447)	-0.11%	
Deferred Outflows of Resources					
Deferred Charges on Refunding	\$ 139,656	\$ 183,002	\$ (43,346)	-23.69%	
Deferred Swap Outflows	-	121,765	(121,765)	N/A	
Total Deferred Outflows of Resources	\$ 139,656	\$ 304,767	\$ (165,111)	-54.18%	
Total Assets and Deferred Outflows of Resources	\$ 585,106,484	\$ 585,930,042	\$ (823,558)	-0.14%	III(a)
Liabilities					
Current Liabilities	\$ 19,964,842	\$ 34,745,597	\$ (14,780,755)	-42.54%	
Non-Current Liabilities	125,321,304	128,034,030	(2,712,726)	-2.12%	
Total Liabilities	\$ 145,286,146	\$ 162,779,627	\$ (17,493,481)	-10.75%	
Deferred Inflows of Resources					
Leased Assets	\$ 64,889,724	\$ 60,222,071	\$ 4,667,653	N/A	
Deferred Swap Inflows	576,776	563,802	12,974	N/A	
Total Deferred Inflows of Resources	\$ 65,466,500	\$ 60,785,873	\$ 4,680,627	N/A	
Total Liabilities and Deferred Inflows of Resources	\$ 210,752,646	\$ 223,565,500	\$ (12,812,854)	-5.73%	III(b)
Net Position					
Net Investment in Capital Assets	\$ 255,197,712	\$ 235,363,741	\$ 19,833,971	8.43%	
Restricted Net Position	42,031,905	51,395,280	(9,363,375)	-18.22%	
Unrestricted Net Position	77,124,221	75,605,521	1,518,700	2.01%	
Total Net Position	\$ 374,353,838	\$ 362,364,542	\$ 11,989,296	3.31%	III(c)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 585,106,484	\$ 585,930,042	\$ (823,558)	-0.14%	

HIGHLIGHTS

For the fiscal year ended June 30, 2024, the Operations segment generated a deficit before non-cash items of \$2.2 million, which was \$3.5 million below budget. Total Operating Revenue was below budget by \$10.8 million, or 4.87%, and Total Operating Expenses were above budget by \$9.0 million, or 4.08%.

For the fiscal year ended June 30, 2024, the Capital segment produced a surplus before non-cash items of \$22.1 million, which was \$2.7 million above budget. Total Operating Revenue was above budget by \$7.7 million, or 31.85%, and Total Operating Expenses were above budget by \$4.5 million, or 106.97%.

Total Assets and Deferred Outflows of Resources decreased by \$0.8 million, or 0.14%. Total Liabilities and Deferred Inflows of Resources decreased by \$12.8 million, or 5.73%. Presented below are explanations that 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 \$10.8 million and Total Operating Expenses were above budget by \$9.0 million.

(a) Operating Revenue

- (1) Tenant revenue was below budget by \$9.9 million due to unfavorable variances in the Beacon and Public Housing sectors of \$9.3 million and \$0.6 million, respectively. The primary properties contributing to the unfavorable variance for the Beacon sector were 100 Labor, Woodhill, Costa Valencia, Cottage Creek, and Rosemont at Highland Park. Occupancy remains an ongoing challenge, with fiscal year-to-date occupancy for these properties ranging between 68% and 80% (excluding 100 Labor which we began leasing up in October). The average occupancy for the Beacon portfolio was 83%.
- (2) Grant revenue was above budget by \$1.8 million primarily due to favorable variances of \$1.7 million in Section 8 and \$0.5 million in Beacon. The \$1.7 million favorable variance consisted of Section 8 administrative fees and the \$0.5 million favorable variance was the result of higher project-based Section 8 HAP subsidies reflecting contract rent increases. Additionally, \$0.5 million in unbudgeted revenue associated with the Economic Development Initiative Community Project Funding grant was recognized. Partially offsetting the overall favorable variance was an unfavorable variance in Public Housing operating subsidy of \$0.6 million.

- (3) Section 8 Housing Assistance Payment (HAP) Revenue ended the year with an unfavorable variance of \$3.4 million driven mainly by lower than anticipated HCV utilization. This was offset by a corresponding variance in HAP Expenses of \$3.3 million.
- (4) Miscellaneous Revenue ended the year with a favorable variance of \$0.8 million primarily attributable to favorable variances of \$0.3 million in Family Self-Sufficiency Program escrow forfeitures and \$0.3 million in vendor rebates.

(b) **Operating Expenses**

- (1) Salaries and Benefits ended the year \$0.4 million above budget. Staffing costs have increased in Public Housing and Section 8 resulting in a combined unfavorable variance of \$1.9 million. The Central Office, Community Development Initiatives, and Beacon segments combined for a favorable variance of \$1.5 million. To defray the overall increase of \$0.4 million in Salaries and Benefits, \$2.4 million was included as an approved use of MTW funds for FYE 2024.
- (2) Ordinary Maintenance and Repairs ended the year \$12.9 million above budget primarily due to unfavorable variances of \$7.5 million and \$5.4 million in Public Housing and Beacon, respectively. For Public Housing, significant unfavorable expenses arose from unit make-ready costs, maintenance supplies and materials, exterminating services, and capital repairs. For Beacon, significant unfavorable expenses resulted from unit make-ready costs, maintenance supplies and materials, plumbing repairs, and other contract costs.
- (3) Utilities ended the year \$0.4 million below budget primarily due to favorable variances for water and electricity expenses realized in the Beacon segment.
- (4) Other Expenses ended the year \$0.5 million below budget primarily due to favorable variances of \$0.9 million in technology/licensing fees, \$0.5 million in Section 8 landlord incentives, and \$0.3 million in consulting fees. Court costs, advertising, and telephone/internet expenses also combined for a favorable variance of \$0.7 million. The favorable variances were significantly offset by an unfavorable variance in protective services of \$1.8 million which was primarily attributable to an increase in fire watch services.

Summary of Changes in Net Position

- (1) Change in Net Position ended the year \$3.9 million above budget. Net Operating Income was below budget by \$19.8 million. Interest Income performed \$2.3 million better than budgeted due to a rise in interest rates. Other Income (Expenses) was unfavorable by \$9.1 million primarily due to MTW funding of various Snowden construction draws totaling \$8.3 million which were unbudgeted. Additionally, Beacon experienced an unfavorable variance of \$1.7 million due to substantial capital replacement expenses. HUD-Held Fund Draws were \$22.5 million over budget and a detailed listing is provided in Section IV of the report.

II. Income Statement (Capital)

Total Operating Revenue was above budget by \$7.7 million and Total Operating Expenses were above budget by \$4.5 million.

(a) Operating Revenue

- (1) Grant revenue was below budget by \$2.5 million in the Capital Fund Program (CFP). Revenue related to CFP soft costs, specifically for operations, has historically been budgeted at 10% of the grant amount. However, HUD allows the use of 20% of CFP funds for Public Housing operating costs. To help cover a portion of the Public Housing operating loss, staff made draws of an additional 10% for the 2021, 2022, and 2023 CFP grants, which created a favorable variance of \$4.8 million. This was offset by a \$7.3 million unfavorable variance in CFP hard costs due to timing of CFP grant expenditures.
- (2) Miscellaneous Revenue was above budget by \$10.3 million due primarily to \$7.0 million in proceeds related to the sale of the leasehold interest in the Culebra Commons project and development fee revenue exceeding the budget by \$1.8 million. Additionally, bond issuer fees received by Las Varas Public Facility Corporation exceeded budget by \$1.0 million.

(b) Operating Expenses

- (1) Salaries and Benefits were below budget by \$0.8 million primarily due to a favorable variance in administrative salaries for the Real Estate Services sector.
- (2) Ordinary Maintenance and Repairs ended the year \$0.6 million above budget due to an unfavorable variance in Capital Funds related to major repairs and upgrades.

- (3) Other Expenses were above budget by \$4.7 million primarily due to an unfavorable variance in the Real Estate Services sector. The primary cause was \$4.2 million in project costs and consulting fees tied to the ongoing redevelopment of Victoria Commons. These fees were largely covered by the sale of 41 vacant lots in Victoria Commons to developers, generating a net gain of \$3.8 million, which is reflected in the Non-Operating Income (Expense) line. Consulting fees related to redevelopment for the Alazan Courts Expansion and Snowden projects also combined for an unfavorable variance of \$0.3 million.

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

- (1) Change in Net Position ended the year with a \$0.8 million favorable variance. Net Operating Income was above budget by \$3.2 million. Interest Income was favorable by \$1.8 million due to the unexpected increase in interest earnings. The Other Income (Expenses) line item was \$2.3 million unfavorable, primarily due to funding operating and disposition deficits of \$0.5 million and \$1.0 million, respectively, for the Costa Mirada partnership, and \$0.6 million and \$0.9 million, respectively, for the Artisan at Salado partnership.

III. Balance Sheet

Total Assets and Deferred Outflows of Resources decreased by \$0.8 million, Total Liabilities and Deferred Inflows of Resources decreased by \$12.8 million, and Total Net Position increased by \$12.0 million.

- (a) Total Assets and Deferred Outflows of Resources decreased by \$0.8 million, or 0.14%. Current Assets decreased by \$18.2 million (14.27%), Fixed Assets increased by \$12.4 million (3.35%), and Other Non-Current Assets increased by \$5.1 million (5.93%). The \$18.2 million reduction in Current Assets was primarily due to a \$15.5 million decrease in cash and investments, largely attributed to payments made to settle accounts payable and to fund partnership operating and disposition deficits. Additionally, there was a decrease of \$5.0 million in accounts receivable due from HUD. The \$12.4 million increase in Fixed Assets was mainly due to a \$44.6 million rise in buildings and site improvements, which stemmed from the acquisition of Midcrown Senior Pavilion within the Beacon portfolio and the capitalization of projects in both the Beacon and Public Housing portfolios. Notably, Victoria Plaza had \$24.8 million capitalized into buildings for extensive rehabilitation and modernization. Furthermore, there were two new ground leases executed for Vista at Reed and Fiesta Trails which added \$5.4 million in land additions. These amounts were offset by the routine recording of depreciation and a decrease of \$16.9 million in construction in progress. Other Non-Current Assets

increased by \$5.1 million primarily due to two notes of \$1.3 million and \$3.0 million loaned from San Antonio Housing Facility Corporation to the Potranco and Josephine LLCs, respectively, and an increase in development fees receivable of \$0.8 million.

(b) Total Liabilities and Deferred Inflows of Resources decreased by \$12.8 million, or 5.73%. The decrease of \$14.8 million in Current Liabilities resulted from the \$7.3 million payoff of the Sendero bonds and a reduction in accounts payable and accruals of \$6.0 million. Leased Assets, which includes prepaid ground leases, increased by \$4.7 million due primarily to San Antonio Housing Facility Corporation entering into two ground leases with the Vista at Reed and Fiesta Trails limited partnerships.

(c) Total Net Position increased by \$12.0 million, or 3.31% as a result of operations.

IV. MTW Expenditures

Project	Draws as of 6/30/24	
	HUD-Held Funds	Capital Fund Program
Public Housing:		
Operating Shortfall	\$11,102,075	\$6,247,670
Expansion of Wi-Fi	159,840	-
Additional Impact of Compensation Study	1,375,063	-
Preservation and Expansion of Affordable and Public Housing:		
Development of Labor Street Multifamily Property	859,257	-
Investment in MTW Units at Tax Credit/Beacon Properties:		
Costa Valencia and Rosemont at Highland Park Intercompany Paydown	1,808,495	-
Vera Cruz Loan Payoff	471,762	-
Snowden Development Funding	8,316,400	-
Legacy at Crown Meadows (Sendero) Bond Payoff	7,282,680	-
Resident Engagement	1,721,048	-
Total	\$33,096,620	\$6,247,670

Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ended June 30, 2024

The overall cash and investment balance fell by \$19.2 million from the previous quarter. This decrease was mainly due to the use of \$9.9 million in prefunded HAP funding, financing two real estate loans totaling \$3.5 million, funding to cover a \$0.9 million partnership disposition deficit, a timing difference of \$0.7 million associated with an MTW funding request, and payments to vendors related to operations and capital projects at various Beacon and Public Housing properties.

Unrestricted Cash and Investments

- **Central Office Cost Center** - There was a net cash increase of \$3.6 million over the previous quarter due to the receipt of internal management fees of \$2.7 million and the return of \$4.1 million from the Central Bank Account. Additionally, the Central Office Cost Center received vendor rebates totaling \$0.3 million and there was a reclass of \$0.6 million from Restricted Cash and Investments. The overall increase was offset by the settlement of intercompany balances totaling \$4.3 million.
- **Properties under SAHFC** - There was a net cash decrease of \$0.4 million due to the combination of \$0.2 million related to the Refugio Street roof repair and the settlement of intercompany balances due of \$0.2 million.
- **Development Activities under SAHFC** - There was a net cash decrease of \$10.6 million primarily related to a \$7.0 million transfer to fund the Central Bank Account, which issues all payments on behalf of the organization, and the financing of two real estate loans totaling \$3.5 million.
- **Development Activities - Las Varas** - There was a net cash increase of \$0.8 million primarily due to a net reimbursement of \$2.0 million from the Central Bank Account and \$0.3 million collected in bond issuer fees for Union Park and Union Pines. The overall increase was offset by the funding of a disposition deficit of \$0.9 million for Artisan at Salado and operating transfers of \$0.6 million to Development Activities - Other Entities used to settle intercompany balances.
- **Central Bank Account** - The net cash increase of \$2.6 million was primarily attributed to intercompany reimbursements surpassing operating disbursements by \$1.9 million for the quarter. Additionally, net loan transactions between the Central Bank Account and Development Activities under SAHFC and Las Varas resulted in a \$5.0 million increase. This increase was partially offset by the Central Bank Account repaying the Central Office Cost Center \$4.1 million to repay a loan and return initial funding.

Restricted Cash and Investments

- **Central Office Cost Center** - There was a net cash decrease of \$0.6 million due to a reclass of capital project funds to Unrestricted Cash and Investments. These funds are internally restricted throughout the year but reclassified at year end for audit presentation.
- **Public Housing** - There was a net cash decrease of \$3.4 million due to the payment of Public Housing obligations including intercompany balances and internal management fees.
- **Section 8** - There was a net cash decrease of \$11.0 million resulting from the utilization of \$9.9 million in prefunded HAP funding and a \$0.7 million timing difference attributed to a slight delay in receiving funds associated with an MTW funding request.

**Opportunity Home San Antonio
Cash and Investment Summary
June 30, 2024**

	Balance 3/31/2024	Deposits	Withdrawals	Balance 6/30/2024
Cash				
Unrestricted Cash:				
Central Office Cost Center (1)	1,231,792	8,977,035	5,377,033	4,831,794
Public Housing (1)	655,967	17,546,213	17,426,648	775,532
Section 8 (1)	7,704,475	3,283,064	3,902,768	7,084,771
Community Development Initiatives	159,492	2,303,252	2,450,359	12,385
Central Office- Health Insurance (2)	448,187	3,264,168	2,970,367	741,988
Homeownership	18,978	7,663	7,210	19,431
Project Based Properties (1)	5,283,139	1,763,903	1,820,042	5,227,000
Properties under SAHFC	3,344,297	3,672,473	4,079,224	2,937,546
Education Investment Foundation	(3,438)	4,833	1,395	-
Capital Fund Program (1)	-	1,129,242	1,129,242	-
Development Activities under SAHFC	11,794,139	3,289,908	13,854,215	1,229,833
Development Activities - Las Varas	5,931,296	4,484,320	3,704,468	6,711,148
Development Activities - Other Entities	5,305,776	2,746,822	2,581,438	5,471,160
Other Beacon Properties Cash	3,933,718	5,361,507	5,786,421	3,508,804
Central Office Bank Account	5,032,796	70,290,551	67,735,598	7,587,749
Sub-Total:	50,840,614	128,124,955	132,826,427	46,139,141
Restricted Cash:				
Central Office Cost Center	640,690	4,711,255	5,350,401	1,544
Public Housing	18,641,932	444,520	3,850,269	15,236,183
Section 8	11,552,855	24,166,611	35,199,635	519,832
Project Based Properties	1,710,193	11,256	29,634	1,691,815
Properties under SAHFC	8,767,139	4,105,174	3,989,204	8,883,108
Education Investment Foundation	3,824	1,519	5,343	-
Capital Fund Program	1,334,124	16,297	-	1,350,421
Development Activities under SAHFC	2,773,249	1,036,593	516,991	3,292,851
Development Activities - Refugio Street PFC	8,170,568	-	-	8,170,568
Non-Profit-Other Restricted	1,398,200	236,995	557,932	1,077,263
Other Restricted Cash	408,256	202,037	90,572	519,721
Endowment Trust	286,125	43,160	26,380	302,904
Sub-Total:	55,687,155	34,975,416	49,616,361	41,046,209
Total Unrestricted & Restricted Cash:	106,527,768	163,100,370	182,442,789	87,185,350
Investments				
Restricted Investments at Various Banks:				
Central Office Cost Center	76,482	226,314	226,301	76,494
Other Restricted Investments	924,291	692,369	577,499	1,039,160
Sub-Total:	1,000,773	918,683	803,801	1,115,655
Total Cash & Investments:	107,528,541	164,019,053	183,246,589	88,301,004

Footnotes:

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

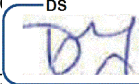
**Opportunity Home San Antonio
Cash Held for Tax Credit Partnerships
June 30, 2024**

	3/31/2024	Deposits	Withdrawals	6/30/2024
Cash from Tax-Credit Partnerships	11,600,975	6,394,370	11,494,975	6,500,370
Total Cash Held for Partnerships Managed by Beacon:	\$ 11,600,975	\$ 6,394,370	\$ 11,494,975	\$ 6,500,370

**Opportunity Home San Antonio
Collateralization
June 30, 2024**

	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 81,416,864	\$ 500,000	\$ 81,416,864	\$ 137,743,531
Lument Capital, LLC	\$ 3,019,368	\$ 1,145,150	\$ -	\$ -
US Bank	\$ 544,027	\$ -	\$ -	\$ -
Bank of New York - Sendero	\$ -	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ 206,353	\$ -	\$ -	\$ -
Wells Fargo - Rosemont at Highland Park	\$ 131,146	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 414,234	\$ 347,241	\$ -	\$ -
Walker & Dunlop - Bella Claire	\$ -	\$ -	\$ -	\$ -
Walker & Dunlop - SAHFC	\$ -	\$ -	\$ -	\$ -
Berkadia Commercial Mortgage, LLC	\$ 342,682	\$ 342,682	\$ -	\$ -
Total Collateralized deposits:	\$ 86,074,673	\$ 2,335,073	\$ 81,416,864	\$ 137,743,531

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, Chapter 2256, Public Funds Investment.



 Diana R. Tucker, CPA, CGMA

 Investment Officer, Chief Financial Officer

8/5/2024

GRANTS REPORT AS OF June 30, 2024

CAPITAL GRANTS		CAPITAL GRANTS										
<ul style="list-style-type: none"> ■ Unmet expenditure deadline approaching within 6 Months ■ Unmet obligation deadline approaching within 12 Months ■ Grant expenditure is not progressing as planned 		Grant Number	Obligation End Date	Expenditure End Date	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												
	■	TX59P006501-17	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)
*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)
*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)
*Major Projects: Victoria Plaza, Fair Avenue												
	■	TX59P006501-20	03/25/24	03/25/26	\$ 11,827,386.00	\$ 13,141,540.00	\$ 13,141,540.00	\$ -	100%	\$ 11,829,595.27	90%	\$ 11,389,338.86
*Major Projects: Madonna, L.C. Rutledge												
	■	TX59P006501-21	02/22/23	02/22/25	\$ 11,919,903.30	\$ 13,244,337.00	\$ 13,244,337.00	\$ -	100%	\$ 13,244,337.00	100%	\$ 13,142,868.25
*Major Projects: Mirasol, Francis Furey												
	■	TX59P006501-22	05/11/24	05/11/26	\$ 14,590,927.80	\$ 16,212,142.00	\$ 16,212,142.00	\$ -	100%	\$ 12,401,851.11	76%	\$ 12,297,984.91
*Major Projects: Villa Veramendi, Riverside												
	■	TX59P006501-23	02/16/25	02/16/27	\$ 14,882,453.10	\$ 16,536,059.00	\$ 9,403,024.31	\$ 7,133,034.69	57%	\$ 5,726,434.99	35%	\$ 5,520,837.65
*Major Projects: Fair Avenue, Villa Hermosa												
	■	TX59P006501-24	05/05/26	05/05/28	\$ 15,272,567.10	\$ 16,969,519.00	\$ -	\$ 16,969,519.00	0%	\$ -	0%	\$ -
*Major Projects: Cassiano, Riverside												
	■	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)
*Safety and Security Grant at Riverside, Villa Veramendi												
	■	TX59E006501-22	09/25/23	09/25/24	\$ 225,000.00	\$ 250,000.00	\$ 250,000.00	\$ -	100%	\$ 240,557.05	96%	\$ 162,377.05 (2)
*Safety and Security Grant at Springview, Villa Tranchese												
	■	TX59E006501-24	06/19/25	06/19/26	\$ 105,530.00	\$ 117,256.00	\$ -	\$ 117,256.00	0%	\$ -	0%	\$ -
*Safety and Security Grant at Westway, Mission Park, Cheryl West												
	■	TX59H006501-22	09/07/25	09/07/27	\$ 4,064,580.00	\$ 4,516,200.00	\$ -	\$ 4,516,200.00	0%	\$ -	0%	\$ -
*Housing-Related Hazards Grant at Blanco, Matt Garcia												
	■	TX59L006501-20	11/10/24	05/10/25	\$ 4,374,949.50	\$ 4,861,055.00	\$ 1,537,538.99	\$ 3,323,516.01	32%	\$ 142,550.00	3%	\$ 142,550.00 (3)
*Lead Based Paint Grant at Lincoln Heights, Mission Park, Riverside												
	■	TX59L006501-22	09/07/25	09/07/27	\$ 4,288,198.50	\$ 4,764,665.00	\$ -	\$ 4,764,665.00	0%	\$ -	0%	\$ -
*Lead Based Paint Grant at Cassiano												
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 (1)(4)
*Implementation grant for Wheatley Neighborhood												

NON-HUD - CAPITAL GRANTS						
Grant Number	Performance Date	Award Amount	Cumulative Expended	Expended Percentage	Remaining to Expend	Reimbursement Received
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-23-CP-TX-1393 EDI CPF - Apartment Rehabilitation and Emergency Generator Installation	9/30/2023 - 8/31/2031	\$ 2,160,000.00	\$ -	0%	\$ 2,160,000.00	\$ -
B-23-CP-TX-1413 EDI CPF - Capital Funding for Critical Needs Infrastructure	9/30/2023 - 8/31/2031	\$ 2,000,000.00	\$ -	0%	\$ 2,000,000.00	\$ -
City of San Antonio Affordable Housing Bond Program Housing Bond Funds						
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Cottage Creek 1 & 2 - Apartment Rehabilitation	05/18/2023 - 12/31/2023	\$ 1,740,069.00	\$ 27,025.00	2%	\$ 1,713,044.00	\$ -
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Pecan Hill - Elevator Modernization	04/25/2023 - 03/31/2024	\$ 438,431.00	\$ 46,535.49	11%	\$ 391,895.51	\$ -
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Woodhill - Apartment Rehabilitation	04/27/2023 - 09/31/2024	\$ 6,794,712.00	\$ 148,675.00	2%	\$ 6,646,037.00	\$ -
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Alazan Expansion - New Construction	12/31/2023 - 12/31/2025	\$ 8,227,426.00	\$ -	0%	\$ 8,227,426.00	\$ -
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Victoria Plaza - Roof Replacement	04/25/2024 - 12/31/2024	\$ 2,500,000.00	\$ -	0%	\$ 2,500,000.00	\$ -
*FY23 Housing Bond Rental Acquisition, Rehabilitation and Preservation Midcrown - Apartment Rehabilitation	12/15/2022 - 03/31/2025	\$ 2,500,000.00	\$ -	0%	\$ 2,500,000.00	\$ -
*FY23 Housing Bond Rental Acquisition, Rehabilitation and Preservation Ravello - Apartment Rehabilitation	12/15/2022 - 03/31/2025	\$ 2,500,000.00	\$ -	0%	\$ 2,500,000.00	\$ -
City of San Antonio Fiscal Year Budget Opportunity Home Accessibility and Operations Fund						
*Fiscal Year 2024 Budget Funds Cassiano - Window Replacement	10/1/2023 - 09/30/2024	\$ 1,000,000.00	\$ 500,000.00	50%	\$ 500,000.00	\$ -

- (1) These grants are expended and disbursed at 100% however, HUD still requests monthly updates in eLOCCS.
- (2) Grant expenditures are approximately \$10K short of the grant amount.
- (3) A request to extend the obligation requirement was submitted to HUD. A portion of the grant totaling \$3,323,516.01 will not be used and will be recaptured by HUD.
- (4) Grant close out is pending HUD approval of the planned program income budget.
- (5) Grant expenditures are approximately \$205K short of the projected average cumulative expended amount or expended percentage of 9.5%.
- (6) Grant expenditures are approximately \$190K short of the projected average cumulative expended amount or expended percentage of 9.5%.
- (7) A request to amend the contracts to modify the performance date is pending with the City.
- (8) Grant expenditures are approximately \$357K short of the projected average cumulative expended amount or expended percentage of 85.7%.

HUD - PROGRAM GRANTS							PROGRAM GRANTS		
Grant Number	Effective Date	Expenditure End Date	LOCCS Authorized	Cumulative Expended	Grant expenditure is not progressing as planned				
					Expended Percentage	Remaining to Expend	LOCCS Disbursement		
Resident Opportunities & Self Sufficiency (ROSS) Funding for Family Self Sufficiency (FSS) Coordinators									
ROSS221724-01-00 *2021 ROSS Service Coordinators	06/01/22	05/31/25	\$ 621,050.50	\$ 406,311.38	65%	\$ 214,739.12	\$ 391,704.53	(9)	
FSS23TX5042-01-01 *PH & HCV Combined FSS 2023	01/01/24	12/31/24	\$ 1,166,035.00	\$ 600,754.56	52%	\$ 565,280.44	\$ 526,300.52		
Jobs Plus Funding for PHAs to develop locally-based approaches to increase earnings and advance employment outcomes for Public Housing residents									
TX006FJP6JPH20 *Jobs Plus - Lincoln Heights	05/14/21	09/30/28	\$ 2,300,000.00	\$ 790,455.82	34%	\$ 1,509,544.18	\$ 771,281.24	(10)	
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 EDI CPF - Resident Internet Service	09/30/22	08/30/30	\$ 1,000,000.00	\$ 1,000,000.00	100%	\$ -	\$ 960,886.80		

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 *VIA Grant 2021	09/25/2020 - 09/30/2024	\$ 79,110.00	\$ 62,020.12	78%	\$ 17,089.88	\$ 60,753.00	(11)
Federal Communications Commission Opportunity Home Affordable Connectivity Outreach Grant Program							
ACOGP2340031-00 *ACOGP Grant 2023	06/15/2023 - 04/30/2024	\$ 125,000.00	\$ 34,470.65	28%	\$ 90,529.35	\$ 34,470.65	(12)
City of San Antonio Affordable Housing Bond Program Housing Bond Funds							
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Westside Reinvestment Initiative - Homebuyer Assistance Program	12/15/2022 - 07/31/2024	\$ 218,655.00	\$ -	0%	\$ 218,655.00	\$ -	(13)

(9) Grant expenditures are approximately \$25K short of the projected average cumulative expended amount or expected percentage of 69.4%
 (10) Grant expenditures are approximately \$192K short of the projected average cumulative expended amount or expended percentage of 42.7%.
 (11) Grant expenditures are approximately \$12K short of the projected average cumulative expended amount or expended percentage of 93.8%.
 (12) The grant end date was changed to 04/30/2024 with limited eligible costs allowed due to lack of congressional funding. A total of \$90,529.35 will remain unexpended.
 (13) A request to amend the contracts to modify the performance date is pending with the City.

LIST OF GRANT APPLICATIONS					
Grant Name	Description	Award Amount	Match Amount	Date Submitted	Application Status
FY23 EECBG	Office of State and Community Energy Program	\$720,460	N/A	10/30/23	Awarded 01/12/24
FY24 Community Project Funding	Community Project Funding Economic Development Initiative Grant for Alazan Expansion	\$850,000	N/A	03/31/23	Awarded 5/17/24
FY24 Community Project Funding	Community Project Funding Economic Development Initiative Grant for Critical Needs Infrastructure	\$850,000	N/A	03/31/23	Awarded 5/17/24
FY24 AARP Community Challenge	AARP Community Challenge Grant	\$11,281	N/A	03/06/24	Awarded 5/9/24
FY24 Emergency Safety & Security	HUD Safety & Security Grant	\$117,256	N/A	03/22/24	Awarded 6/25/24
FY24 Texas Cavaliers Charitable Foundation	Texas Cavaliers Charitable Foundation Grant	\$7,176	N/A	03/25/24	Pending
FY25 Community Project Funding	Community Project Funding Economic Development Initiative Grant	\$2,000,000	N/A	04/19/24	Pending
FY24 Neighborhood and Community Grants	CoSA Neighborhood & Community Grant	\$19,200	N/A	04/29/24	Pending
FY24 Loss Prevention Fund	HAI Loss Prevention Fund	\$142,840	N/A	05/31/24	Pending
FY24 Green and Resilient Retrofit	HUD FY24 Green & Retrofit Program Grant	\$20,000,000	N/A	06/11/24	Pending
FY24 Foster Youth to Independence (FYI)	HUD Family Unification Program	\$1,700,000	N/A	06/17/24	Pending
FY24 Housing-Related Hazard	HUD Housing Related Hazard Grant	\$4,895,000	N/A	06/28/24	Pending
FY24 Lead-Based Paint Capital Fund	HUD Lead Based Paint Grant	\$6,277,810	N/A	06/28/24	Pending



**Opportunity Home San Antonio
Combined Income Statement - Year-To-Date
Period Ending June 30, 2024
Actual Amounts Vs. Approved Budget Comparison**

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Page 1 of 2

Account Description	Public Housing		Section 8		Beacon		Central Office		Resident Services		Subtotal		Real Estate		Capital Funds		Elim Company		Combined Total		
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
Revenue																					
Rental Revenue	12,884,228	12,411,920			34,522,589	43,836,511					47,406,817	56,248,431							47,406,817	56,248,431	
Bad Debt, Net of Collections	(1,311,961)	(350,150)			(2,530,731)	(2,549,155)					(3,842,691)	(2,899,305)							(3,842,691)	(2,899,305)	
Other Tenant Revenue	90,558	189,990			1,452,589	1,494,355					1,543,147	1,684,345							1,543,147	1,684,345	
Grants	30,941,253	31,576,558	13,909,022	12,207,784	4,355,236	3,809,782			2,344,333	1,812,394	51,549,843	49,406,518			17,586,503	20,129,481	(634,055)	(294,219)	68,502,291	69,241,780	
HAP Revenue			112,765,593	116,200,284							112,765,593	116,200,284							112,765,593	116,200,284	
Miscellaneous Revenue	327,235	339,552	137,883	5,300	345,950	249,458	1,722,315	1,594,778	675,017	364,320	3,208,400	2,553,407	14,472,020	4,223,568			(1,159,647)	(1,308,645)	16,520,774	5,468,330	
Net Revenue	42,931,313	44,167,870	126,812,498	128,413,368	38,145,633	46,840,951	1,722,315	1,594,778	3,019,350	2,176,714	212,631,109	223,193,681	14,472,020	4,223,568	17,586,503	20,129,481	(1,793,701)	(1,602,864)	242,895,930	245,943,866	
Operating Expense																					
Salaries and Benefits	17,425,382	15,917,825	7,656,753	7,288,748	10,568,998	10,977,015	12,953,016	13,730,312	3,128,521	3,409,043	51,732,671	51,322,943	2,055,744	2,914,806	11,691				53,800,106	54,237,749	
Supplies and Materials	4,448,796	2,714,710	154	100	3,127,731	1,767,392	44,368	23,600	7,243	5,000	7,628,293	4,510,802							7,628,293	4,510,802	
Fleet Costs	232,275	233,450	33,626	36,410	58,399	57,725	27,840	50,300	4,892	7,934	357,032	385,819	1,748	8,000					358,780	393,819	
Outside Services	15,625,186	9,996,537	856	570	10,683,914	6,709,696	333,309	398,100	250		26,643,515	17,104,903	87,846	109,100	786,840	150,000			27,518,201	17,364,003	
Utilities	6,028,095	6,181,915			4,284,764	4,623,858	161,663	161,500			10,474,522	10,967,273	1,672	2,600					10,476,194	10,969,873	
Protective Services	2,201,046	880,965	2,579	4,370	1,158,050	707,310	164,656	116,300	1,151	2,700	3,527,482	1,711,645	17,036	12,000					3,544,517	1,723,645	
Insurance	2,039,913	1,827,755	131,462	109,458	2,314,135	2,552,527	123,873	103,663	30,870	21,111	4,640,254	4,614,514	52,118	51,052					4,692,372	4,665,567	
HAP Expense			112,765,593	116,019,683							112,765,593	116,019,683							112,765,593	116,019,683	
Other Expenses	3,070,780	3,774,883	3,216,782	3,467,772	2,542,488	3,179,205	2,008,745	3,030,351	1,244,638	1,120,447	12,083,434	14,572,658	5,561,316	999,286	166,198	40,655	(1,302,944)	(1,453,234)	16,508,004	14,159,364	
Management Fees	5,950,618	5,865,401	3,430,210	3,729,240	3,090,542	4,021,106	14,072,240	15,012,032	10,202	10,073	(1,590,668)	(1,386,212)	7,550	4,716	1,648,416	1,615,699	144,607	159,590	209,906	393,793	
Total Operating Expense	57,022,091	47,393,442	127,238,016	130,656,350	37,829,021	34,595,835	1,745,230	2,602,093	4,427,768	4,576,308	228,262,126	219,824,028	7,785,031	4,101,561	2,613,146	1,806,354	(1,158,337)	(1,293,645)	237,501,966	224,438,298	
Total Operating Income	(14,090,777)	(3,225,572)	(425,518)	(2,242,982)	316,612	12,245,116	(22,916)	(1,007,315)	(1,408,418)	(2,399,594)	(15,631,017)	3,369,653	6,686,989	122,007	14,973,357	18,323,127	(635,365)	(309,219)	5,393,964	21,505,568	
Non-Operating Income (Expense)																					
Interest Expense	(194,348)	(212,734)			(5,750,280)	(6,376,955)					(5,944,628)	(6,589,689)			(209,895)	(209,895)	474,844	530,069	(5,679,679)	(6,269,515)	
Interest Income	2,152,368	1,346,931	293,902	432	1,232,148	225,994	123,166	765	28,653	83	3,830,238	1,574,205	2,068,600	326,142	65,524	125	(474,844)	(515,069)	5,489,518	1,385,403	
Replacement/Extraordinary Item	(1,180,456)	(1,549,020)			(3,521,573)	(1,832,203)	(1,043)	(10,700)			(4,703,072)	(3,391,923)							(4,703,072)	(3,391,923)	
Other Income (Expense)	(2,745,097)	(3,330,401)	1,719		131,698	(84,976)					(2,611,680)	(3,415,377)	(2,948,237)				634,055	294,219	(4,925,863)	(3,121,158)	
Transfers	20,503,928	6,970,796	(33,005,973)	(8,442,402)	9,997,254	280,499		1,017,250	679,339	2,399,511	(1,825,452)	2,225,654	(293,278)		(6,247,670)	(2,237,534)			(8,366,400)	(11,880)	
HUD Held Fund Draws			33,165,813	10,684,952							33,165,813	10,684,952							33,165,813	10,684,952	
Total Non-Operating Income (Expense)	18,536,396	3,225,572	455,461	2,242,982	2,089,247	(7,787,642)	122,124	1,007,315	707,992	2,399,595	21,911,219	1,087,821	(1,172,915)	326,142	(6,392,041)	(2,447,304)	634,055	309,219	14,980,318	(724,121)	
Surplus or Deficit Prior to Non-Cash Items	4,445,618	0	29,943	0	2,405,859	4,457,475	99,208	0	(700,426)	0	6,280,202	4,457,475	5,514,074	448,149	8,581,316	15,875,823	(1,310)	0	20,374,282	20,781,446	
Non-Cash Items																					
Depreciation & Amortization	(9,891,310)	(9,084,889)	(40,704)	(15,455)	(6,305,811)	(5,624,759)	(149,832)	(110,115)	(12,168)		(16,399,825)	(14,835,218)	(153,899)	(150,953)					(16,553,724)	(14,986,171)	
Non-Oper Income (Expense)	18,395,347	17,436,345			5,631,450		2,133,558		242,014		26,402,369	17,436,345	1,792,626		(19,575,104)	(15,875,823)			8,619,891	1,560,522	
Total Non-Cash Items	8,504,036	8,351,456	(40,704)	(15,455)	(674,361)	(5,624,759)	1,983,726	(110,115)	229,847	0	10,002,544	2,601,127	1,638,727	(150,953)	(19,575,104)	(15,875,823)	0	(1,310)	0	(7,933,833)	(13,425,649)
Change In Net Assets	12,949,654	8,351,456	(10,761)	(15,455)	1,731,498	(1,167,285)	2,082,934	(110,115)	(470,579)	0	16,282,746	7,058,602	7,152,801	297,196	(10,993,788)	0	(1,310)	0	12,440,449	7,355,797	

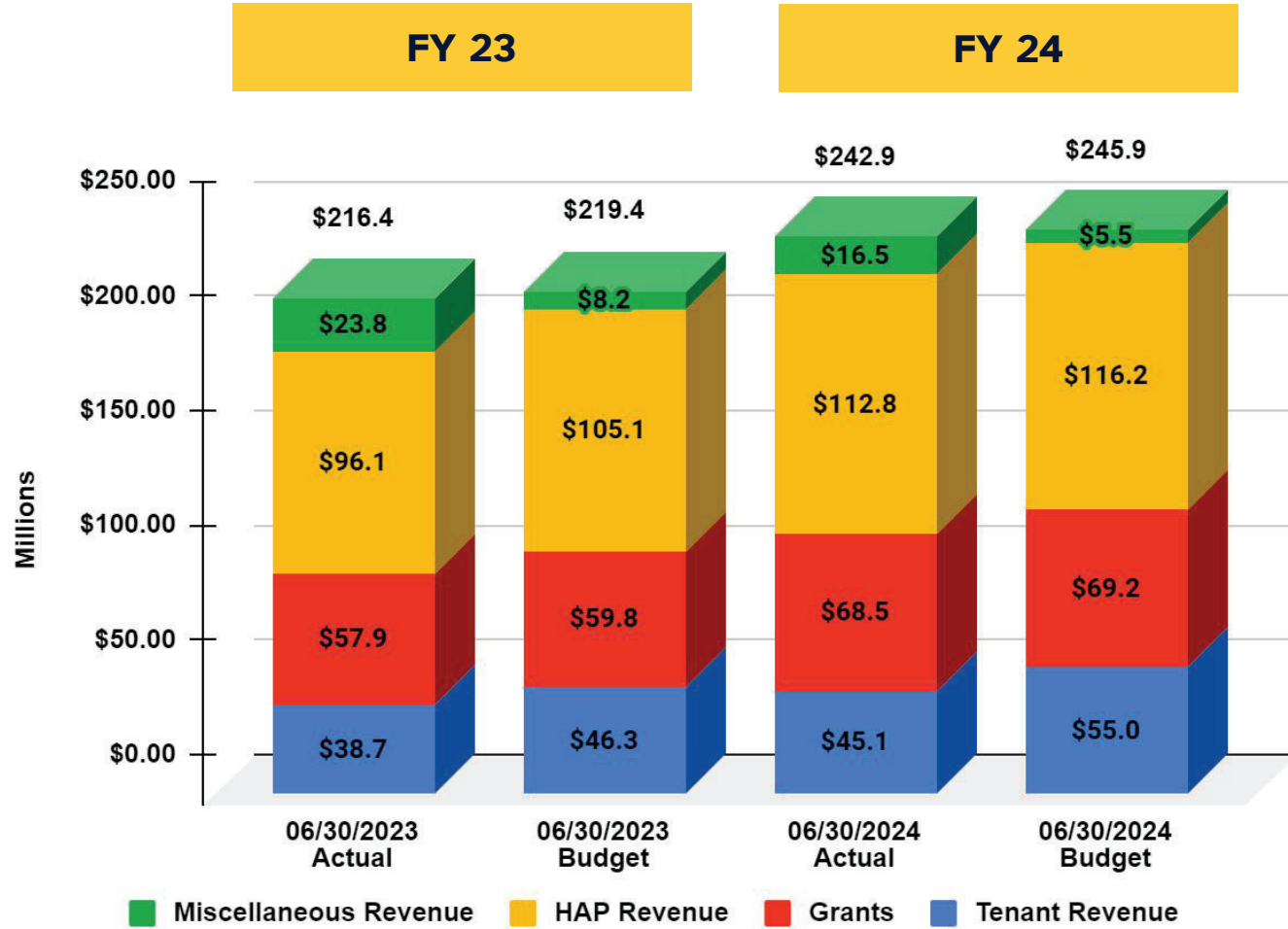
Financial Performance Report

For the Fiscal Year Ended June 30, 2024

Fiscal Year Comparison

Consolidated Operating Revenue

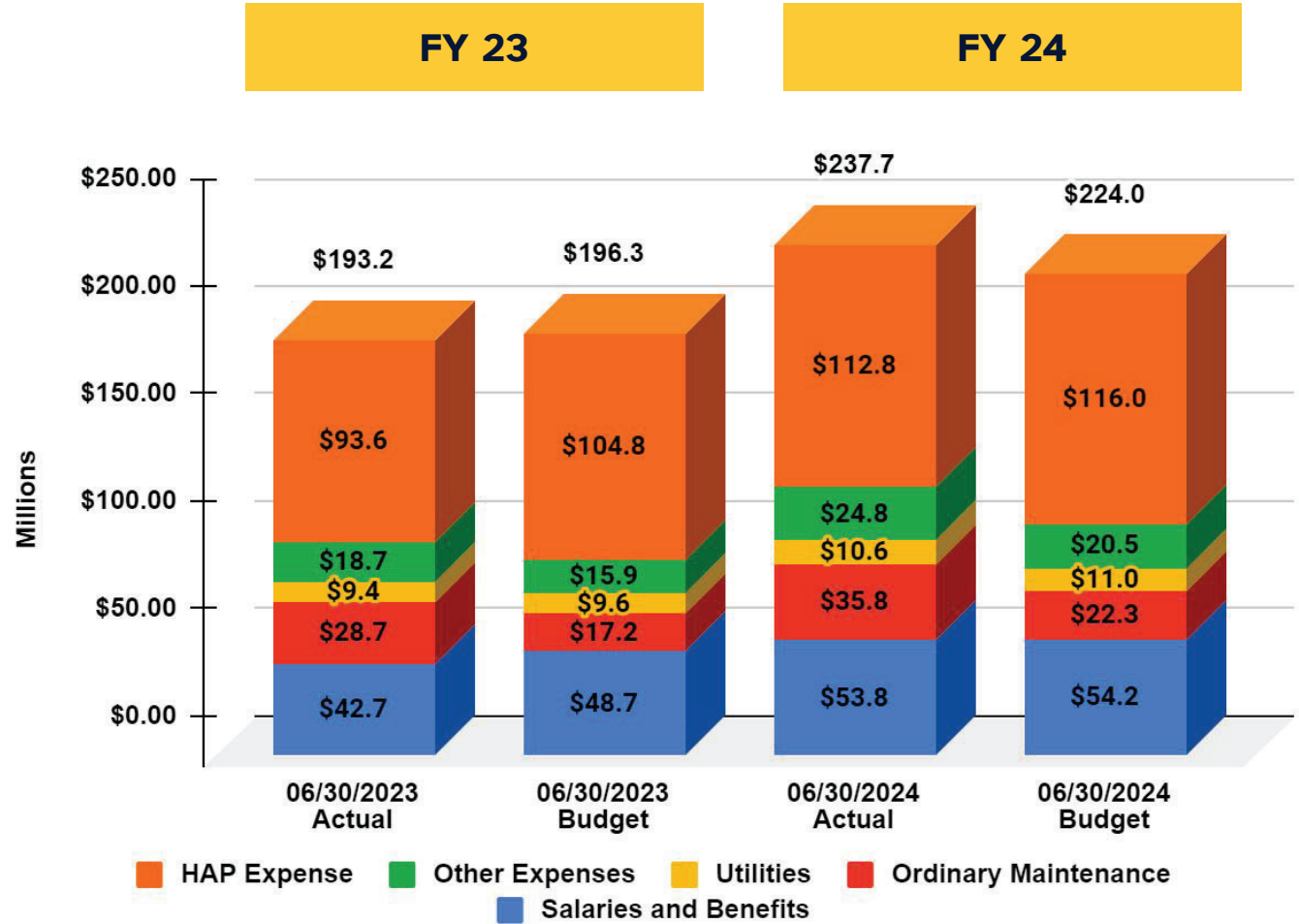
Operating Revenue was approximately **12%** higher compared to the previous year primarily due to increases in HAP Revenue, Grants, and Tenant Revenue.



Fiscal Year Comparison

Consolidated Operating Expenses

Operating Expenses increased by **23%** compared to the previous year. All categories experienced significant increases.

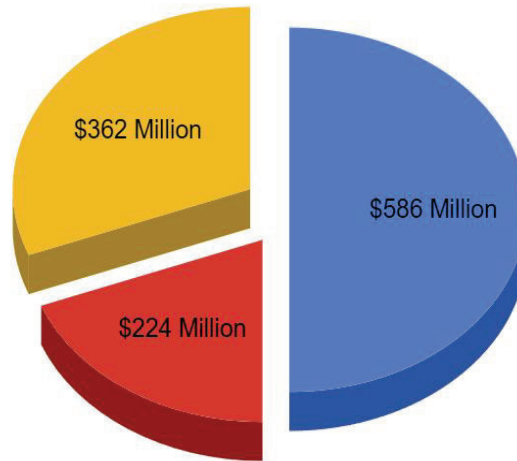


Financial Ratios

Financial Strength

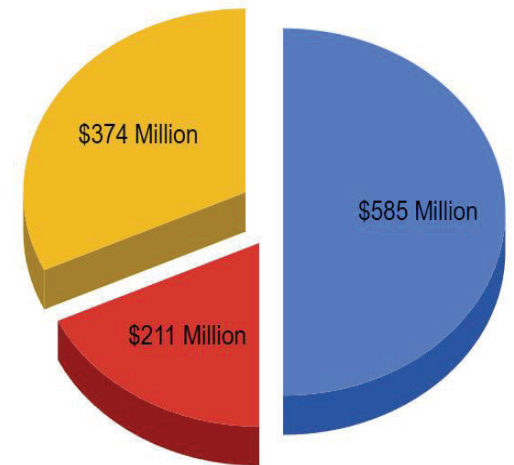
The debt-to-equity ratio decreased from **.44 to .39** and signifies a strong solvency position.

June 30, 2023



● Assets ● Debt ● Equity

June 30, 2024



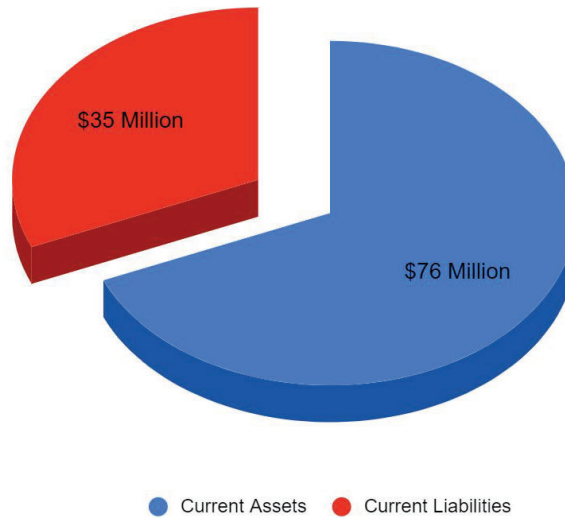
● Assets ● Debt ● Equity

Financial Ratios

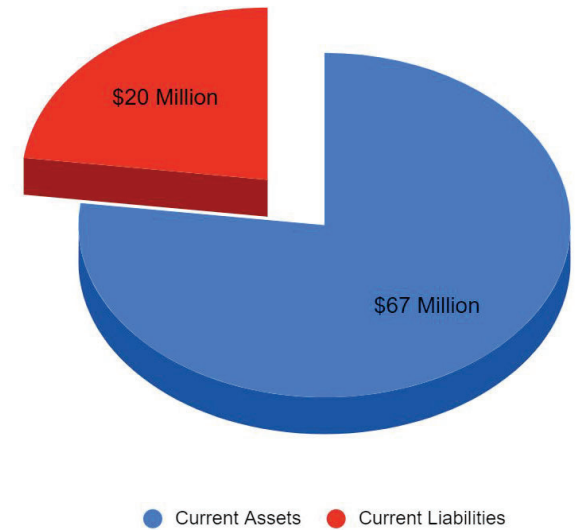
Financial Liquidity

The current ratio increased from **2.17** to **3.35** and remains an indicator of Opportunity Home's strong capacity to meet its short-term financial commitments.

June 30, 2023



June 30, 2024



Moving to Work Expenditures

Project	Draws as of 6/30/24	
	HUD-Held Funds	Capital Fund Program
Public Housing:		
Operating Shortfall	\$11,102,075	\$6,247,670
Expansion of Wi-Fi	\$159,840	-
Additional Impact of Compensation Study	\$1,375,063	-
Preservation and Expansion of Affordable and Public Housing:		
Development of Labor Street Multifamily Property	\$859,257	-
Investment in MTW Units at Tax Credit/Beacon Properties:		
Costa Valencia and Rosemont at Highland Park Intercompany Paydown	\$1,808,495	-
Vera Cruz Loan Payoff	\$471,762	-
Snowden Development Funding	\$8,316,400	-
Legacy at Crown Meadows (Sendero) Bond Payoff	\$7,282,680	-
Resident Engagement	\$1,721,048	-
Total	\$33,096,620	\$6,247,670

Questions?



MEMORANDUM

To: Finance Committee

From: Michael Reyes, Acting President and CEO

Presented by: Allison Schlegel, Director of Internal Audit

RE: Update and Discussion Regarding Internal Audit


 A blue square stamp containing the initials 'MR' in a cursive font, with 'DS' written above it.
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 audits serve 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 2024-2025 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 is color-coded to indicate its status: 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:

None at this time.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Status of Management Corrective Action Plan
Slides

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 2022-2023											
FY 22-23	4/12/24	Audit of Public Housing Program (PH) Waitlist, Eligibility, and Admissions Process	Other Internal Control Deficiency	Finding 4 - Account statuses were not updated, deactivated, or withdrawn from the waiting lists in Elite	Recommendation Management should provide additional training to reinforce the guidance provided in the SOPs and ACOP emphasizing the correct procedures to chance the application statuses.	An update to the existing PH Eligibility SOP to include withdrawal steps.	6/1/24	8/9/24	In Progress	MR	6/11/2024: Preliminary updates have been made but the updates and training will be completed by 7/31. 7/31/2024: Updates have been made and are being approved. Release to staff will be by 8/09/2024.
FY 22-23	4/12/24	Audit of Public Housing Program (PH) Waitlist, Eligibility, and Admissions Process	Observation	Observation 4 - There is no established process in place for handling cases where a response is not received from an applicant within three business days after a unit is offered.	Recommendation Management should consider adding a procedure, either in the ACOP or the PH Eligibility SOP for addressing a situation in which an applicant neither accepts or refuses a unit offer within three business days.	An update to the existing PH Eligibility SOP to include a process to withdraw an applicant from the waitlist if the PHA does not receive a response within three business days of the unit offer.	6/1/24	8/9/24	In Progress	MR	6/11/2024: Preliminary updates have been made but the updates and training will be completed by 7/31. 7/31/2024: Updates have been made and are being approved. Release to staff will be by 8/09/2024.
FY 22-23	10/16/23	Audit of Public Housing (PH Repayment Agreements)	Significant Deficiency	Finding 1 - The family's rent combined with the repayment agreement (RPA) amount exceeded 40 percent of the family's monthly adjusted income.	Recommendation Management should reemphasize to staff the importance of proper calculations and the significance of ensuring conformity with program requirements.	Follow up with reminder to staff at the next Community Manager and CSS meetings about how to correctly use RPA calculation sheets.	2/1/24	8/31/24	In Progress	MR	Training will be provided to staff by March 2024. The completion date has been rescheduled for August 31, 2024, to be in line with the completion of the creation of the Repayment Agreement SOP.
Fiscal Year 2023-2024											
FY 23-24	3/11/24	Audit of Procurement: Oversight of Vendor Compliance for Section 3 and SWMBE	Other Internal Control Deficiency	Finding 1 - Unreported Section 3 Labor Hours from Vendors.	Recommendation Management should reemphasize to staff the importance of adhering to the guidelines outlined in the SAHA [Opportunity Home San Antonio] Section 3 Policy and Procedures.	Procurement will implement a new process to monitor and verify all vendors are reporting their Section 3 labor hours in accordance with federal regulations. Procurement will work with the Section 3 coordinator to provide training and guidance to vendors on the reporting requirements for Section 3 labor hours. Procurement will establish a system for tracking and verifying the accuracy of the Section 3 labor hours submitted by vendors. Procurement will also review existing contracts, and modify as necessary, to include provisions that require vendors to report their Section 3 labor hours in a timely and accurate manner. Procurement will also include provisions for penalties for vendors who fail to comply with these reporting requirements.	5/1/24	12/31/24	In Progress	MR	4/30/2024: The new process was implemented for the 1st and 3rd quarters. The unreported Section 3 Labor hours will be reported to the Board at the May Operations Committee meeting. The review the existing contracts has been rescheduled for December 31, 2024.
FY 23-24	3/11/24	Audit of Procurement: Oversight of Vendor Compliance for Section 3 and SWMBE	Other Internal Control Deficiency	Finding 3 - Outdated Section 3 Criteria included in solicitations.	Recommendation Management should ensure all solicitations contain updated information and conform to HUD and Opportunity Home San Antonio guidelines.	Procurement will review and update the employment goals in the Section 3 criteria outlined in our contracts to ensure that they are consistent with current federal regulations and guidance. Procurement will work closely with our Section 3 Coordinator to provide training and guidance to staff members responsible for developing and implementing contracts to ensure that they are aware of the current federal regulations and guidance related to Section 3 program requirements.	5/1/24	12/31/24	In Progress	MR	4/30/24: The Section 3 criteria training was provided to vendors on 4/9/24. Training for vendors is ongoing, depending on attendance. The review the existing contracts has been rescheduled for December 31, 2024.
FY 23-24	3/11/24	Audit of Procurement: Oversight of Vendor Compliance for Section 3 and SWMBE	Other Internal Control Deficiency	Finding 4 - Outdated Section 3 Program Policy and Procedures.	Recommendation Management should immediately update the Section 3 Program Policy and Procedures, and ensure staff is aware of the annual review requirement outlined in the policy and procedures.	Procurement will be providing training to our staff members involved in drafting solicitations to ensure that they are aware of the current Section 3 requirements and are following the correct procedures. We will also be conducting regular reviews of our solicitations to ensure ongoing compliance with Section 3 requirements. We will be reviewing and updating all policies and procedures in our Section 3 documents.	5/1/24	10/9/24	In Progress	MR	06/25/24: updated section 3 program and Procurement policy and Procedures is currently under review

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 23-24	3/11/24	Audit of Procurement: Oversight of Vendor Compliance for Section 3 and SWMBE	Observation	Observation 2 - Outdated Procurement Policy and Procedures.	<p>Recommendation Management should immediately update the San Antonio Housing Authority [Opportunity Home San Antonio] Procurement Policy and Procedures to ensure all policies and procedures meet all current Federal, state, and local regulations, rules, and laws.</p>	<p>To address the issue of outdated policies and procedures, Procurement has conducted a comprehensive review of our procurement processes and identified areas in need of revision.</p> <p>We will update our procurement policies and procedures to reflect current regulations and best practices and will provide training to our staff to ensure that they understand and follow the revised policies and procedures.</p> <p>In addition, we will implement a regular review process to ensure that our procurement policies and procedures remain up-to-date and effective.</p>	5/1/24	10/9/24	In Progress	MR	06/25/24: updated section 3 program and Procurement policy and Procedures is currently under review

Internal Audit Update

August 20, 2024

Internal Audit Quarter 1 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
 - 20 escrows over \$5,000 were reviewed and approved for graduation in FY 2023-2024
 - A total of \$245,873.43
 - Average escrow: \$12,293.67
 - 16 escrows over \$5,000 were reviewed from July 1, 2024 through August 5, 2024. Thirteen have been approved and three are awaiting corrections.
- Audit of Human Resources: Recruitment Process
- Control Self-Assessment of Asset Management: Financing and Refinancing of Real Estate Assets
- Control Self-Assessment of Safety and Security: Triage High Severity Incidents
- Audit of Beacon Communities: Affordable Program Regulatory and Fair Housing Compliance
- Standard Operations Compliance Audits of Public Housing, Assisted Housing Programs, Beacon Communities and Partnership Properties

Status

2023-2024 Audit Plan

Audit of Human Resources: Recruitment Process

- Audit kick-off was held on February 5, 2024, and fieldwork is completed.
 - Internal Audit reviewed the Marketing, Interviewing, Selection Documentation, and Background Check processes and procedures through a 10% applicant sample size from January 1, 2023, through December 31, 2023.
 - The Draft Report has been completed and the exit conference was held on August 6, 2024.

Status

2023-2024 Audit Plan

Control Self-Assessment - Asset Management: Financing and Refinancing of Real Estate Assets

- The Board-approved Internal Audit Plan for FY 2023-2024 included the audit of Asset Management - Financing and Refinancing of Real Estate Assets; however, due to management changes in the Asset Management department, it was deemed necessary to first conduct an Asset Management Control Self-Assessment (CSA) for the Financing and Refinancing of Assets prior to conducting the audit.
 - The CSA will facilitate the creation of Standard Operating Procedures that include internal control processes related to financing and refinancing of assets.
- The CSA will include a series of workshops, which began on February 27, 2024.
- The Internal Audit department will revisit the completion of an audit at a later date.

Status

2023-2024 Audit Plan

Control Self-Assessment of Safety and Security: Triage High Severity Incidents

- The Board-approved Internal Audit Plan for FY 2023-2024 included the audit of Safety and Security: Triage High Severity Incidents; however, in light of recent activities, updates to the organization's approach, and ensuring policies align with being a Trauma Informed Care (TIC) organization, it was recommended to conduct a Control Self-Assessment prior to conducting the audit.
 - The CSA will evaluate the current Standard Operating Procedures (SOPs) and workflows. The CSA aims to facilitate the updates to the SOPs and workflows, and ensure internal control processes related to the triage of high-severity incidents are included.
- The CSA will include a series of workshops, which began on March 18, 2024.
- The Internal Audit department will revisit the completion of an audit at a later date.

Status

2023-2024 Audit Plan

Audit of Beacon Communities: Affordable Program Regulatory and Fair Housing Compliance

- Audit kick-off was held on April 4, 2024, and fieldwork is underway.
 - Internal Audit is reviewing the policies and procedures regarding affordable program regulations and fair housing compliance to ensure Opportunity Home San Antonio and Beacon Communities are in compliance with Federal and State Laws and the Fair Housing Act, and any relevant state or local government requirements are met.
 - Sample size will be 10% of move-ins of each program type from July 1, 2023, through January 31, 2024.

Status

2024-2025 Audit Plan

Audit of Resident Services: Grant Compliance and Financial Performance

- Audit kick-off was held on July 30, 2024, and fieldwork is underway.
 - Internal Audit is reviewing the policies and procedures regarding grant compliance and financial performance to ensure Opportunity Home San Antonio and Resident Services are in compliance with HUD requirements, Federal, State, and any relevant state or local government requirements are met, grant funds are utilized in accordance with the grant provisions, grant funds are used for the intended purposes, and expenditures made with grant funds are properly accounted for.
 - Sample size will be determined based on the number of grants awarded, actively expended, and closed between July 1, 2023, through June 30, 2024.

Status

2024-2025 Audit Plan

Audit of Beacon Communities: Repayment Agreements

- Audit kick-off was held August 5, 2024.
 - Internal Audit will review the policies and procedures of Beacon repayment agreements to ensure Opportunity Home San Antonio and Beacon Communities are in compliance with Federal and State Laws, relevant state or local government requirements are met, repayment agreement forms are completed correctly, and monthly repayment amounts do not exceed 40% of Monthly Adjusted Income, repayment requirements and processes were completed and adhered to, and repayment agreement payments were collected and entered correctly and timely.
 - Sample size will be 10%, or a maximum of 65, based on the number of Repayment Agreements executed and actively collected from July 1, 2023, through June 30, 2024.

Status

2023-2024 Audit Plan

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

Assisted Housing Program *(Ongoing)*

- Files reviewed were all digital
- Completed a total of 780 file reviews from July 1, 2023 - June 30, 2024

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 47 PH and Mixed Income Communities (638 files)

Beacon Communities and Partnership Properties *(Ongoing)*

- 10% of occupied units with no less than 5 files reviewed per community
- Completed 30 Beacon Communities (492 files)
- Completed 11 Partnership Properties (227 files)

Action Items

Status of Corrective Action Items resulting from Internal Audits

Currently, there are seven (7) open action items

- Five action items are pending the release of updated policies and procedures
 - One is pending release to the existing PH Eligibility SOP to include withdrawal steps. The release of this updated SOP was scheduled for August 9, 2024.
 - One is pending release to the existing PH Eligibility SOP to include a process to withdraw an applicant from the waitlist, if the PHA does not receive a response within three business days of the unit offer. The release of this updated SOP was scheduled for August 9, 2024.
 - One is pending the completion of the creation of the Repayment Agreement SOP. The completion date has been rescheduled for August 31, 2024, pending execution of new management directives.
 - Two are pending updated Section 3 Program and Procurement Policy and Procedures, and staff training on the updated procedures. The updated policies and training are currently under review and scheduled for October 9, 2024.

Action Items

Status of Corrective Action Items resulting from Internal Audits (cont'd)

- One pending the implementation of a new Procurement process
 - The new process will monitor and verify all vendors to ensure they are reporting their Section 3 labor hours in accordance with federal regulations. This completion of this item has been rescheduled to December 31, 2024, to allow for review of contracts at renewal.
- One pending the review and updates to existing Procurement processes
 - The updated processes are pending the review and update to the employment goals in the Section 3 criteria outlined in contracts to ensure they are consistent with current federal regulations and guidance. This update rescheduled for December 31, 2024.

Status of Third Party Audits

Comprehensive Compliance Review

- HUD staff was onsite from May 13-17, 2024, to complete the 2024 Opportunity Home San Antonio Comprehensive Compliance Review
 - The following areas were reviewed:
 - Governance
 - Housing Choice Vouchers (HCV)
 - Violence Against Women Act (VAWA)
 - Public Housing (PH)
 - Section 3
 - MTW
 - FSS
 - ROSS
 - PBV
 - HUD staff assessed the PHA's program performance in compliance with HUD requirements and regulations by setting monitoring priorities for onsite and remote reviews.

Status of Third Party Audits

Comprehensive Compliance Review Results

- The final review produced five recommendations, four best practices, two observations, and one finding
 - Recommendations:
 - ☐ **VAWA:**
 - Opportunity Home San Antonio must make available HUD forms 5380 and 5382 and printed in the three most common languages for its respective geographic region.
 - ☐ **PH:**
 - HUD recommends Opportunity Home San Antonio to expand the newly implemented electronic inventory control program for equipment and similar assets to cover all assets and include the Radio Frequency Identification (RFI) tool and equipment tracking control.
 - ☐ **FSS:**
 - Ensure all Individual Training and Service Plans include a comprehensive “Goal Obtained” section, documenting client's progress and achievements and adding additional documentation supporting goals obtained in accordance with 24 CFR 984.
 - Conduct a thorough review to ensure 50058 forms are in chronological order and completed to adequately capture income data that will be counted with escrows.
 - Add a checklist to capture and track essential elements and case notes from client meetings that must be included in every applicant file.

Status of Third Party Audits

Comprehensive Compliance Review Results (cont'd)

- The final review produced five recommendations, four best practices, two observations, and one finding
 - Best Practices:
 - **Governance:**
 - HUD Staff was impressed by Opportunity Home San Antonio's processes to perform background checks. Numerous files were reviewed and found to be detailed and comprehensive with complete and easy to discern information. All files reviewed were complete with vetted background reviews. All PPI was properly labeled as Confidential in accordance with 24 CFR 960.204(a)(4) and 24 CFR 5.903(b).
 - **HCV:**
 - Technology is used to streamline administrative processes such as application processes, payments, communications, resident exams, complaints, and inspections, etc.
 - **MTW:**
 - Opportunity Home San Antonio has built a mapping system in YARDI to quickly identify and flag when there are changes to Local Non-Traditional (LNT) unit eligibility in accordance with PIH 2011-45.
 - Opportunity Home San Antonio's Administrative Plan was well organized in accordance with the requirements set forth in 24 CFR 982.54.

Status of Third Party Audits

Comprehensive Compliance Review Results (cont'd)

- The final review produced five recommendations, four best practices, two observations, and one finding
 - Observations:
 - **HCV:**
 - HUD staff visited the HCV waiting room and conducted numerous interviews. Tenants complained about not receiving callbacks for two weeks. HUD recommends Opportunity Home San Antonio to improve or create a strategy to track, log, and return calls in a timely manner.
 - The HCV entrance did not have any of the handouts in languages other than English. HUD recommends Opportunity Home San Antonio make available handouts in other languages.

Status of Third Party Audits

Comprehensive Compliance Review Results (cont'd)

- The final review produced five recommendations, four best practices, two observations, and one finding
 - Findings:
 - **PH:**
 - Non-compliance was revealed with respect to non-rent collections and violation of the established evictions policy dictated by both 24 CFR 966 and PIH Notice 2023-27. This was a low risk finding as Opportunity Home San Antonio has addressed the non-compliance and HUD will monitor the finding for close-out.

Status of Third Party Audits

Emergency Housing Voucher Program (EHV) Financial and Program Review

- The Quality Assurance Division of HUD kicked off the audit on June 4, 2024.
 - HUD was on site beginning June 4, and concluded the audit on June 7, 2024.
 - Opportunity Home was required to provide financial and program data related to the operation of the EHV program.
 - Opportunity Home is currently awaiting the final report from HUD.

Questions?