



FINANCE COMMITTEE MEETING
FEBRUARY 19, 2025



JOIN MEETING
Pecan Hill Apartments
1600 West Lawndale
San Antonio, TX 78209

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. | Wednesday | February 19, 2025

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 before 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.

INDIVIDUAL ITEMS

3. Consideration and appropriate action regarding Resolution 6714, certifying that Opportunity Home’s Investment Policy and investment strategies have been reviewed in accordance with the requirements set forth in Section 2256.005 (E) of the Texas Public Funds Investment Act (Aaron Sladek, Director of Finance and Accounting)
4. Consideration and appropriate action regarding Resolution 6718, authorizing the award of a contract for financial and compliance audit services for Opportunity Home and its affiliated entities to Garza/Gonzalez & Associates, LLC (ESBE, HABE, MBE, SBE) for a two-year cumulative amount not to exceed \$371,599, and for an annual cumulative amount not to exceed \$188,591 for year three, \$190,477 for year four, and \$192,382 for year five; for a



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

period of two years with the option to renew up to three additional one-year terms (Aaron Sladek, Director of Finance and Accounting)

DISCUSSION ITEMS

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

Posted on: 2/12/2025 5:00 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 the 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."

**BOARD OF COMMISSIONERS
Finance Committee Meeting**

RESOLUTION 6714, CERTIFYING THAT OPPORTUNITY HOME'S INVESTMENT POLICY AND INVESTMENT STRATEGIES HAVE BEEN REVIEWED IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN SECTION 2256.005 (E) OF THE TEXAS PUBLIC FUNDS INVESTMENT ACT

DocuSigned by:


Michael Reyes
Acting President and CEO

DocuSigned by:


Aaron Sladek
Director of Finance and Accounting

REQUESTED ACTION:

Consideration and appropriate action regarding Resolution 6714, certifying that Opportunity Home's Investment Policy and investment strategies have been reviewed in accordance with the requirements set forth in Section 2256.005 (E) of the Texas Public Funds Investment Act.

SUMMARY:

Section 2256.005 (E) of the Texas Public Funds Investment Act requires that the governing body of each covered entity review its Investment Policy and investment strategies not less than annually and adopt a written instrument by rule, order, ordinance, or resolution stating such.

The Investment Policy denotes the allowed investment activities, which must conform to all federal, state, and local statutes governing the investment of public and non-public funds. The policy contains relevant information to guide responsible personnel regarding authorized investment activities.

There are no proposed changes to the Investment Policy at this time.

STRATEGIC OUTCOME:

Supports all strategic outcomes.

ATTACHMENTS:

- Resolution 6714
- 2025 Investment Policy

**CERTIFICATE FOR RESOLUTION
RESOLUTION 6714**

The undersigned officer of the Housing Authority of the City of San Antonio, Texas, a Texas housing authority created pursuant to the laws of the State of Texas (“Opportunity Home”), hereby certifies as follows:

1. In accordance with Chapter 551, Texas Government Code, as amended (the “Open Meetings Act”), and the bylaws of Opportunity Home San Antonio, the Board of Commissioners of Opportunity Home San Antonio (the “Board”) held a meeting on March 6, 2025, (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon, among other business transacted at the Meeting, a written

**RESOLUTION 6714, CERTIFYING THAT OPPORTUNITY HOME’S
INVESTMENT POLICY AND INVESTMENT STRATEGIES HAVE BEEN
REVIEWED IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN
SECTION 2256.005 (E) OF THE TEXAS PUBLIC FUNDS INVESTMENT ACT**

(the “Resolution”) was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board’s minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Open Meetings Act and the Bylaws of Opportunity Home San Antonio.

SIGNED AND SEALED this 6th day of March 2025.



Michael Reyes
Acting President and CEO

**Opportunity Home San Antonio
Resolution 6714**

RESOLUTION 6714, CERTIFYING THAT OPPORTUNITY HOME'S INVESTMENT POLICY AND INVESTMENT STRATEGIES HAVE BEEN REVIEWED IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN SECTION 2256.005 (E) OF THE TEXAS PUBLIC FUNDS INVESTMENT ACT

WHEREAS, the State of Texas has passed legislation requiring written Investment Policies for all public agencies; and

WHEREAS, the State requires the governing body of an investing entity to review its Investment Policy and investment strategies not less than annually and adopt a resolution stating such; and

WHEREAS, staff of Opportunity Home has previously prepared the Investment Policy to meet the requirements of the State of Texas Law; and

WHEREAS, there are no proposed changes to the Investment Policy at this time.

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

- 1) Approves Resolution 6714, certifying that Opportunity Home's Investment Policy and investment strategies have been reviewed in accordance with the requirements set forth in Section 2256.005 (E) of the Texas Public Funds Investment Act.
- 2) Authorizes the Acting President and CEO or designee to execute all necessary documents and extensions.

Passed and approved this 6th day of March 2025.

Gabriel Lopez
Chair, Board of Commissioners

Attested and approved as to form:

Michael Reyes
Acting President and CEO

INVESTMENT POLICY

March 6, 2025

1.0 POLICY:

It is the policy of the Housing Authority of the City of San Antonio, Texas (known as “Opportunity Home”) to invest all funds in a manner that will provide the highest investment return with the maximum security while ensuring sufficient liquidity to meet the daily cash flow demands of Opportunity Home. Investment activities must conform to all federal, state and local statutes governing the investment of public and non-public funds.

2.0 SCOPE:

This investment policy applies to all financial assets of Opportunity Home and related entities. These funds are accounted for in Opportunity Home’s annual audit reports and include:

- 2.1 Operating Funds and Reserves for Public Housing, Section 8, and all programs
- 2.2 Development Reserves, Bond Proceeds, and Escrow Accounts
- 2.3 Any newly acquired or special funds
- 2.4 Non-Profit and Partnership Funds

3.0 OBJECTIVE:

As required by the Act, the investment of funds shall be governed by the following investment objectives, in order of preference:

- 3.1 Preservation and safety of principal: Investment decisions of Opportunity Home shall be undertaken in a manner that seeks to ensure the preservation and safety of capital in the overall portfolio. To obtain this goal, adequate diversification is required to ensure that potential losses on individual investments do not exceed the income generated from the remainder of the portfolio. There shall be a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis.
- 3.2 Liquidity: The investment portfolio will remain sufficiently liquid to enable Opportunity Home to meet all operating requirements that might be reasonably anticipated. Investments in securities with an active secondary market are preferred investments.

- 3.3 Yield and Return on Investment: Opportunity Home's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with Opportunity Home's investment risk constraints and cash flow characteristics of the portfolio.
- 3.4 Legal Limitations: Direct-specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code, and the U. S. Department of Housing and Urban Development Public and Indian Housing Notice 95-27 issued May 11, 1995.
- 3.5 Administrative Cost: In choosing an investment, Opportunity Home shall consider the administrative work involved, particularly with regard to investments of short duration.

4.0 PRUDENCE:

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. Prudence shall be measured by considering the investment of all funds or funds under the entity's control over which the officer had responsibility rather than a consideration as to the prudence of a single investment.

This standard states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived." The investment officer and those delegated with investment authority under this policy, when acting in accordance with the written procedures and this policy in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio, provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

5.0 DELEGATION OF AUTHORITY:

The Board of Commissioners of Opportunity Home retains the ultimate responsibility as fiduciaries over the assets of the organization. The Board hereby delegates to the CEO and the CEO's designated staff the day-to-day responsibility of managing Opportunity Home's investment activities. The CEO will report the investment activities to the Board of Commissioners on at least a quarterly basis as required by the Public Funds Investment Act.

The CEO, with assistance from the CEO's designated staff, will establish a system of procedures and controls to regulate the investment activities. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established and approved by the President and CEO. The CEO designates

the Chief Financial Officer as responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. The Chief Financial Officer will also oversee all investment activities and ensure that appropriate internal controls are in place and being followed.

The CEO also designates the Chief Financial Officer as the Investment Officer of Opportunity Home, who is responsible for the day-to-day operating decisions related to investment decisions and activities. In addition, the Investment Officer shall be responsible for all transactions undertaken and, together with the CEO, shall establish a system of procedures and controls to regulate the activities of subordinate officials and staff. The CEO and Chief Financial Officer shall be authorized to make investment decisions and place investment orders. All participants in the investment process shall act responsibly as custodians of the public trust.

6.0 ETHICS AND CONFLICTS OF INTEREST:

Officers, employees, board members, and investment officials involved in the investment process shall refrain from personal business activity that could conflict or could reasonably be perceived as a conflict with the proper execution of the investment program or which could impair their ability to make impartial investment decisions. Officers, employees, board members, and investment officials shall disclose to the President and CEO, in writing, any material financial interests in financial institutions that conduct business with Opportunity Home. Officers, employees, board members, and investment officials shall further disclose any large personal financial investment positions that could be related to the investment activities of Opportunity Home, particularly with regard to the time of purchases and sale of investments. All Federal, State of Texas, and Opportunity Home Ethics Policies shall be strictly followed.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS:

The Investment Officer shall maintain a list of all financial institutions authorized to provide investment services for Opportunity Home.

- 7.1 All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with annual financial statements and certification in writing that the financial institution or the broker/dealer has read and will follow all Federal and State of Texas laws and regulations regarding investments made by Opportunity Home.
- 7.2 An annual review of the financial statements will be completed by the Investment Officer.
- 7.3 A current audited financial statement is required to be on file for each financial institution and broker/dealer with which Opportunity Home transacts business.

7.4 The board or designated investment committee of Opportunity Home shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with Opportunity Home.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS:

8.1 HUD Funds: Opportunity Home is required to invest HUD-sourced funds in investments approved by the U.S. Department of Housing and Urban Development. These investments must be fully collateralized. ATTACHMENT A is applicable to HUD funds and contains a listing and description of approved investments.

8.2 Non-HUD Funds: Funds in excess of HUD funds, unrestricted funds, reserves, partnership funds, bond proceeds, foundation funds, and other funds are not subject to ATTACHMENT A; however, these funds shall be invested in accordance with the Public Funds Investment Act.

9.0 COLLATERALIZATION:

Full collateralization is required for all of Opportunity Home's investments. In order to protect Opportunity Home's assets, collateralization of one hundred percent (100%) is required at all times. All collateral shall conform to those investment instruments listed in ATTACHMENT A of the Public Funds Investment Act.

Collateral will always be held by an independent third party with whom the financial institution or broker/dealer has a current custodial agreement. A clearly marked evidence of ownership or safekeeping receipt must be available to Opportunity Home.

Collateral substitution may be allowed when the substituted collateral is on the approved list of investments listed in ATTACHMENT A or the Public Funds Investment Act.

10.0 DIVERSIFICATION:

Opportunity Home will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized investment pools, no more than 50% of Opportunity Home's total investment portfolio will be invested in a single security type or in securities issued by a single financial institution or broker/dealer.

11.0 MAXIMUM MATURITIES:

11.1 Operating Funds: To the extent possible, Opportunity Home will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, Opportunity Home will not directly invest in securities maturing more than three years (3) from the date of purchase. This maximum maturity policy applies to all operating funds.

11.2 Non-operating or excess funds: Funds in excess of operating needs, unrestricted funds, foundation funds, bond proceeds, reserves, escrow funds, and other funds not required for operations may be held in securities without regard to the three year (3) limitation referenced in Section 11.1. The Investment Officer shall assure that sufficient liquidity exists at all times to meeting operating commitments.

12.0 INTERNAL CONTROL:

The Investment Officer shall establish an annual process of independent review as part of the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

13.0 PERFORMANCE STANDARDS AND REPORTING:

As required by Section 2256 of the Public Funds Act, at least quarterly, the Investment Officer or designee will prepare an investment report for Opportunity Home's Board of Commissioners. The report shall contain the name of the financial institution or broker/dealer holding the investment, the investment position, the cost of the investment, the fair market value, the purchase date, the maturity date, and any interest accrued. Investment performance will be measured by standards set by the U.S. Department of Housing and Urban Development.

14.0 INVESTMENT POLICY ADOPTION:

Opportunity Home's investment policy shall be adopted by resolution of the Board of Commissioners. The policy shall be reviewed on a periodic basis and revised by the Investment Officer as necessary. It is the intent of Opportunity Home that if any changes in federal or State of Texas laws affect this policy, the new law or change becomes effective as stated, and this policy automatically conforms to existing law.

15.0 EXEMPTION:

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements contained herein. At maturity or liquidation, such funds shall be reinvested only as provided by this policy.

ATTACHMENT A

INVESTMENT INSTRUMENTS APPROVED BY HUD

1. DIRECT OBLIGATION OF THE FEDERAL GOVERNMENT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES

- a. U.S. Treasury Bills

- b. U. S. Treasury Notes and Bonds
 - (1) U.S. Treasury Notes

 - (2) U.S. Treasury Bonds

2. OBLIGATIONS OF FEDERAL GOVERNMENT AGENCIES

- a. Federal Financing Bank (FFB)

- b. Government National Mortgage Association (GNMA). Mortgage-Backed Securities (GNMA I and GNMA II)

- c. GNMA Participation Certifies

- d. Maritime Administration Merchant Marine Bonds, Notes, and Obligations

- e. Small Business Administration (SBA). Small Business Investment Corporation (SBIC) Debentures

- f. Tennessee Valley Authority (TVA) Power Bonds and Notes

3. SECURITIES OF GOVERNMENT-SPONSORED AGENCIES

- a. Farm Credit Consolidated System-Wide Discount Notes
- b. Federal Farm Credit Banks Consolidated System-Wide Bonds
- c. Federal Home Loan Banks Consolidated Obligations

These securities are the secured joint and several obligations of the Federal Home Loan Banks comprised of:

- (1) Bonds
 - (2) Notes
 - (3) Discount Notes
- d. FHLMC Mortgage Participation Certificates (PC) (Guaranteed)
 - e. FHLMC Collateralized Mortgage Obligations (CMOs)
 - f. Federal National Mortgage Association (FNMA) Debentures
 - g. FNMA Notes
 - h. FNMA Short-Term Discount Notes
 - i. FNMA Capital Debentures
 - j. Student Loan Marketing Associations (SLMA) Obligations

SLMA issues obligations comprises of guaranteed student loans as follows:

- (1) Floating Rate and Master Notes

(2) The Series E and F Floating Rate Notes

(3) Zero Coupon Notes

4. DEMAND AND SAVINGS DEPOSITS

5. MONEY-MARKET DEPOSIT ACCOUNT

6. MUNICIPAL DEPOSITORY FUND

7. SUPER NOW ACCOUNTS

8. CERTIFICATES OF DEPOSIT

- a. Certificates of Deposit are permitted at depository institutions that are insured by an agency of the Federal Government. Caution must be exercised for certificates exceeding the \$250,000 insurance limit or when the term is longer than 30-90 days. The new FDIC limit of \$250,000 is in effect through December 2013. Although the certificates' rate of return may be attractive for larger amounts and longer terms, U. S. treasury Securities offer superior safety and liquidity for the same amounts and terms. Certificates shall be in the HA's name. In addition, a General Depository Agreement must be executed by each financial institution that issues a Certificate of Deposit.
- b. Certificate amounts above \$250,000 are permitted, provided that the excess is 100 percent collateralized by clearly identified (not pooled) U.S. Government securities. Possession of the collateral securities and a continuously perfected security interest may be the only sure protection against loss in case of bank failure.
- c. Brokered deposits should be avoided because it is impossible to get \$100,000 federal insurance on a number of deposits placed by brokers.

9. REPURCHASE AGREEMENTS

Repurchase (repos) agreements for a term not to exceed 30 days may be entered into with a Federally insured depository institution to purchase and sale of securities identified under subparagraphs b, c, and d. A repurchase agreement is an agreement negotiated with a bank, usually for a short period (1 to 7 days), wherein securities approved for investment are purchased from that bank at a stated price, with the bank agreeing to

repurchase them on a specified date for a specified amount. The minimum may vary, although it is usually \$100,000. There are three main types: (1) fixed term, where both parties are bound to the negotiated time period; (2) demand, where the agreement stays in effect until terminated by either party; and (3) day-to-day, where daily renewal is by mutual consent and 24-hour notice is required for termination. The HA should review existing and future reports for compliance with the following certifications. Prior approval by HUD is not necessary; however, the repos seller depository or its agency must provide a written certification to HUD, the Assistant Secretary for Public and Indian Housing (Office of Finance and Budget), the Area Office, and the HA.

- a. that the depository's repo program complies with applicable Federal and State statutes and regulations and that the program does not involve sales or loans of Federal securities by securities dealers that are not regulated or that report to the Federal Reserve Board;
- b. that the depository owns the underlying Federal securities (approved for repurchase under HUD guidelines) when the repo interest is sold and that the value of the securities is equal to or greater than the amount the HA pays for the repo;
- c. that the HA has possession of the securities (or the HA will take possession of the securities on behalf of the HA) as a bailee (evidenced by a safekeeping receipt and a written bailment for hire contract) from the time the repo interest is sold to the HA and will be (or is expected to be) maintained for the full term of the repo;
- d. that the repo agreement and any related documents identify specific Federal securities related to the specific repo purchased by the HA;
- e. that the repo interest does not represent any interest in a pool or fund of Federal securities for which registration under the Investment Company Act of 1940 may be required;
- f. that the HA will have a continuous perfected security interest in the underlying Federal securities under State or Federal law for the full term of the repo (disclosing the method by which perfection has or will be accomplished, i.e., by possession, filing, registration of book-entry securities) and/or Federal preemption of State law by Federal regulation;
- g. that the depository or a reporting dealer selling the repo has not received any adverse financial report from a credit reporting agency, State or Federal regulatory agency; and
- h. that the depository will not substitute other securities as collateral except to increase the value of the repo security to match the repo's purchase price.

10. SWEEP ACCOUNTS

11. SEPARATE TRADING OF REGISTERED INTEREST AND PRINCIPAL OF SECURITIES (STRIPS)

12. MUTUAL FUNDS

A Mutual Fund (Fund) is an investment company that makes investments on behalf of individuals and institutions. The Fund pools the money of the investors and buys various securities that are consistent with the Fund's objective.

- a. Mutual Fund Criteria: The Fund shall be organized as a no-load, open-end, diversified management company, and its shares shall be registered under the Securities Act of 1933. The Fund shall be under the control of the Securities Exchange Act of 1934, the Investment Adviser Act of 1940, and the Investment Company Act of 1940. The investment objective of the Fund shall be to obtain as much income as possible consistent with the preservation, conservation, and stability of capital. The mutual fund objective cannot be changed without the prior approval of fund shareholders.
- b. The securities purchased by the Fund shall be on the HUD-approved list of investment securities. The fund will not engage in options or financial futures. The HA shall limit the amount of funds invested in the Fund to no more than 20 percent of the HA's available investment funds. The Fund shall disclose clearly the basis of earnings and how they are distributed. The HA shall obtain a statement of potential default and risk. The HA's invested funds shall be accessible to the HA daily. It shall be demonstrated that any limitations on withdrawals will not impair the HA's day-to-day cash management needs.
- c. The management fee shall be fixed at a reasonable amount. The Fund shall disclose the relationships of the investment advisor, manager, trustee, custodian and transfer agent. The Fund shall clearly state all services (such as wire transfers and check writing privileges) and charges.
- d. Investment in the Fund shall be authorized by a Board Resolution. A certified copy of the resolution shall accompany the initial application for the Fund.

13. EFFECT OF LOSS OF REQUIRED RATING

An investment that requires a minimum rating under this section does not qualify as an authorized investment during the period the investment does not have the minimum rating. Management has the authority to waive the minimum portfolio credit quality if the quality decline is due to a downgrade or default of U.S. Government securities. Opportunity Home shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

**BOARD OF COMMISSIONERS
Finance Committee Meeting**

RESOLUTION 6718, AUTHORIZING THE AWARD OF A CONTRACT FOR FINANCIAL AND COMPLIANCE AUDIT SERVICES FOR OPPORTUNITY HOME AND ITS AFFILIATED ENTITIES TO GARZA/GONZALEZ & ASSOCIATES, LLC (ESBE, HABE, MBE, SBE) FOR A TWO-YEAR CUMULATIVE AMOUNT NOT TO EXCEED \$371,599, AND FOR AN ANNUAL CUMULATIVE AMOUNT NOT TO EXCEED \$188,591 FOR YEAR THREE, \$190,477 FOR YEAR FOUR, AND \$192,382 FOR YEAR FIVE; FOR A PERIOD OF TWO YEARS WITH THE OPTION TO RENEW UP TO THREE ADDITIONAL ONE-YEAR TERMS

DocuSigned by:
Michael Reyes
33A0F4EEDAA1470...
Michael Reyes
Acting President and CEO

DocuSigned by:
Aaron Sladek
B49E7CEF2DD9490...
Aaron Sladek
Director of Finance and Accounting

REQUESTED ACTION:

Consideration and appropriate action regarding Resolution 6718, authorizing the award of a contract for Financial and Compliance Audit Services for Opportunity Home and its Affiliated Entities to Garza/Gonzalez & Associates, LLC (ESBE, HABE, MBE, SBE) for a two-year cumulative amount not to exceed \$371,599, and for an annual cumulative amount not to exceed \$188,591 for year three, \$190,477 for year four, and \$192,382 for year five; for a period of two years with the option to renew up to three additional one-year terms.

SUMMARY:

Opportunity Home requires the services of a consultant to perform financial and compliance audits of Opportunity Home and all of its affiliates, which meets all requirements outlined in 2 CFR Part 200 (Uniform Guidance), any successor issuance, or any HUD requirements that are in effect as of the date of the audit on-site fieldwork. Opportunity Home is an MTW Agency and is subject to additional reporting requirements.

This audit contract will be valid for two audit periods. The first audit period will be from July 1, 2024, to June 30, 2025. The second audit period will be from July 1, 2025, to June 30, 2026. Subsequent audits will be assigned at the sole discretion of Opportunity Home, and the contract may be extended for three additional one-year extensions. The Consultant will be required to conduct interim work before year-end to ensure timely completion of the audit reports. The following schedule indicates tentative due dates, which are subject to review and mutual agreement:

Entity	Date Due	Final Date
Converse Ranch, LLC	September 1	September 15
SP II Limited Partnership ("Science Park")	September 1	September 15
O'Connor Road Limited Partnership	September 1	September 15

Refugio Street Limited Partnership	September 1	September 15
Springhill/Courtland Heights Public Facility Corporation	October 1	October 15
San Antonio Housing Facility Corporation	October 1	October 15
Opportunity Home and other related entities	November 30	December 15

On December 2, 2024, Opportunity Home issued a “Request For Proposals” (RFP) #2412-5550 for Financial and Compliance Audit Services that closed on January 3, 2025. The RFP was published on Opportunity Home’s E-Procurement Website, the Hart Beat, and directly solicited 69 firms. Six proposals were received in response to this solicitation: Aprio, LLP; Berman Hopkins Wright & LaHam dba Berman Hopkins CPAs & Associates, LLP; Cherry Bekaert, LLP; CliftonLarsonAllen, LLP (CLA); Garza/Gonzalez & Associates, LLC (ESBE, HABE, MBE, SBE); and Plante & Moran, PLLC. All proposals were evaluated based on the experience and capacity of the consultant, quality and methodology, price proposal, and SWMBE utilization. Based on the above, staff are recommending the award of a contract to Garza/Gonzalez & Associates, LLC. They are the highest-rated and lowest-cost proposer.

COMPANY PROFILE:

Garza/Gonzalez & Associates, LLC was founded in 1976 and is headquartered in San Antonio, Texas. This firm has been certified as an ESBE, HABE, MBE, and SBE by the South Central Texas Regional Certification Agency. They are a Certified Public Accounting partnership licensed for public accountancy. Their service areas include accounting, auditing, internal auditing, accounting systems design, and diversified consulting services with nonprofit and governmental entities. They perform audits for various clients, such as school districts, cities, counties, water systems, housing authorities, tax credit partnerships, special purpose governments, and non-profit corporations. Their audits are performed in accordance with Government Auditing Standards (yellow book), OMB Circular A-133 audits, and/or the State of Texas Single Audit Circular. They have worked with Housing Authorities, including the Austin Housing Authority, the Housing Authority of Bexar County, and the Housing Authority of Laredo. Their client list includes, but is not limited to, Bexar County, Bexar Metropolitan Water District, City of Del Rio, City of Fort Stockton, City of San Antonio, City of Uvalde, Center for Health Care Services, Eagle Pass Water Works, Edwards Aquifer Authority, San Antonio Water System, Texas Department of Housing and Community Affairs, Texas Lottery Commission, Port San Antonio, and University Health System Financial Assistance Programs.

PRIOR AWARDS:

Garza/Gonzalez & Associates, LLC has performed as a subcontractor for the current firm under contract with Opportunity Home to provide financial compliance and audit services for the organization.

CONTRACT OVERSIGHT:

Aaron Sladek, Director of Finance and Accounting

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Resolution 6718

Scoring Matrix

Slides

**Opportunity Home San Antonio
Resolution 6718**

RESOLUTION 6718, AUTHORIZING THE AWARD OF A CONTRACT FOR FINANCIAL AND COMPLIANCE AUDIT SERVICES FOR OPPORTUNITY HOME AND ITS AFFILIATED ENTITIES TO GARZA/GONZALEZ & ASSOCIATES, LLC (ESBE, HABE, MBE, SBE) FOR A TWO-YEAR CUMULATIVE AMOUNT NOT TO EXCEED \$371,599, AND FOR AN ANNUAL CUMULATIVE AMOUNT NOT TO EXCEED \$188,591 FOR YEAR THREE, \$190,477 FOR YEAR FOUR, AND \$192,382 FOR YEAR FIVE; FOR A PERIOD OF TWO YEARS WITH THE OPTION TO RENEW UP TO THREE ADDITIONAL ONE-YEAR TERMS

WHEREAS, Opportunity Home requires the services of a consultant to perform financial and compliance audits of Opportunity Home and all of its affiliates, which meets all requirements set forth in 2 CFR Part 200 (Uniform Guidance), or any successor issuance, or any HUD requirements, which are in effect as of the date of the audit on-site fieldwork; and

WHEREAS, on December 2, 2024, Opportunity Home issued a “Request For Proposals” (RFP) #2412-5550 for Financial and Compliance Audit Services that closed on January 3, 2025; and

WHEREAS, six responses were received to the solicitation; and

WHEREAS, staff are recommending the award of a contract to Garza/Gonzalez & Associates, LLC. They are the highest-rated and lowest-cost proposer.

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

- 1) Approves Resolution 6718, authorizing the award of a contract for Financial and Compliance Audit Services for Opportunity Home and its Affiliated Entities to Garza/Gonzalez & Associates, LLC (ESBE, HABE, MBE, SBE) for a two-year cumulative amount not to exceed \$371,599, and for an annual cumulative amount not to exceed \$188,591 for year three, \$190,477 for year four, and \$192,382 for year five; for a period of two years with the option to renew up to three additional one-year terms.
- 2) Authorizes the Acting President and CEO or designee to execute all necessary documents and extensions.

Passed and approved this 6th day of March 2025.

Gabriel Lopez
Chair, Board of Commissioners

Attested and approved as to form:

Michael Reyes
Acting President and CEO



Scoring Summary

Active Submissions

	Total	Experience and Capacity of Consultant:	Quality and Methodology:	Price Proposal	SWMBE utilization
Supplier	/ 100 pts	/ 45 pts	/ 30 pts	/ 20 pts	/ 5 pts
Garza/Gonzalez & Associates, LLC	96 pts	45 pts	30 pts	20 pts	1 pts
Berman Hopkins CPAs & Associates, LLP	88.99 pts	42 pts	28 pts	17.99 pts	1 pts
CLA (CliftonLarsonAllen LLP)	88.61 pts	42 pts	28 pts	17.61 pts	1 pts
Plante Moran	66 pts	33 pts	16 pts	16 pts	1 pts
Aprio, LLP	62.8 pts	30 pts	16 pts	16.8 pts	0 pts
Cherry Bekaert LLP	52.61 pts	21 pts	16 pts	14.61 pts	1 pts

Financial Compliance and Audit Services

Procurement Process

Procurement Process

Solicitation Process

On December 2, 2024, Opportunity Home issued a “Request For Proposals” (RFP) #2412-5550 for Financial and Compliance Audit Services that closed on January 3, 2025.

RFP was published on multiple websites

Directly solicited to **69** firms

Six proposals were received

Evaluation criteria included:

- Experience and Capacity of Consultant
- Quality and Methodology
- Price Proposal
- SWMBE Utilization

Staff are recommending a contract award to Garza/Gonzalez & Associates, LLC

Procurement Process

Financial Impact

The current award recommendation for financial compliance and audit services for Opportunity Home and its Affiliated entities is not expected to exceed a two-year cumulative amount of **\$371,599**, and an annual cumulative amount not to exceed **\$188,591** for year three, **\$190,477** for year four, and **\$192,382** for year five; for a period of two years with the option to renew up to three additional one-year terms.

Award includes:

Financial compliance and audit services for Opportunity Home and its Affiliated Entities

Questions?

OPPORTUNITY HOME SAN ANTONIO**February 19, 2025****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 six months ended December 31, 2024, is attached. The Financial Performance Report includes condensed statements of revenue and expenses for each line of business. The report summarizes the lines of business into two categories: one for Opportunity Home's core activities—housing, management, and resident services (referred to as "Operations") — and another for Real Estate Services and Capital Funds (referred to as "Capital"). The results for the six months ended December 31, 2024, reflect a Surplus Before Non-Cash Items of \$5.6 million for Operations (\$5.7 million above budget) and a Surplus Before Non-Cash Items of \$6.8 million for Capital (\$3.4 million above budget). Comparing the six months ended December 2023 with the six months ended December 2024, Net Operating Income showed significant improvement, increasing by \$5.5 million in Public Housing and \$5.2 million in Affordable Housing Communities (AHC). This positive trend was largely fueled by a reduction in Maintenance and Repair costs and an increase in Tenant Revenues. It remains essential to emphasize that the surplus of \$5.6 million in Operations was supported by MTW funding, which was allocated as follows: \$3.4 million for Public Housing operating costs and capital investments, \$5.7 million for paying off AHC debt, and \$1.1 million for Community Development Initiatives. The remaining balance of the HUD-Held MTW funds was used to cover development costs for the 100 Labor and Snowden projects and predevelopment costs for Lincoln.

Total Operating Revenue for the Operations segment was approximately \$889 thousand below budget. Tenant Revenue was \$1.9 million under budget, mainly due to underperformance in the AHC portfolio. Key properties, including 100 Labor, Costa Valencia, Highland Park, and others, had occupancy rates ranging from 49% to 75%, lower than the average AHC occupancy of 82%. Economic occupancy was 84%. Grant revenue exceeded the budget by \$608 thousand due to favorable Section 8 administrative fees. This includes an additional \$180 thousand in VASH administrative fees from HUD and a \$511 thousand increase from adjustments to Housing Choice Voucher program fees.

Total Operating Expenses ended the period at \$6.5 million below budget for Operations. Salaries and Benefits were \$2.2 million under budget, demonstrating strong cost management and efficient staffing practices. Ordinary Maintenance and Repairs were \$1.9 million under budget,

OPPORTUNITY HOME SAN ANTONIO**February 19, 2025**

primarily due to favorable expenses in Public Housing, including savings in unit make-ready costs, maintenance supplies, HVAC repairs, and plumbing maintenance. AHC had an unfavorable variance of \$91 thousand, mainly due to higher unit make-ready and garbage collection costs, partially offset by savings in maintenance supplies and plumbing maintenance. Other Expenses were \$2.8 million under budget, driven by favorable variances in technology and licensing fees (\$1.2 million), protective services (\$530 thousand), and general administrative expenses (\$883 thousand).

Total Operating Revenue for the Capital segment exceeded the budget by approximately \$1.7 million. Grant revenue exceeded the budget by \$2.1 million in the Capital Fund Program (CFP). HUD allows a 10% administrative fee on CFP grants and an additional 20% for Public Housing operating costs. To help address a portion of the Public Housing operating loss, staff withdrew approximately \$1.5 million from the 2024 CFP grant in the first quarter. An additional \$1.9 million was accrued in the second quarter, fully depleting the available CFP funds for operations. This resulted in a favorable variance of \$2.9 million in CFP grant soft costs, although an \$801 thousand unfavorable variance partially offset it due to the timing of lead-based paint grant expenditures. Miscellaneous Revenue was \$413 thousand below budget, primarily due to unfavorable variances of \$760 thousand in bond issuer fees and \$171 thousand in lease payments. However, this was partially offset by a favorable variance of \$472 thousand in development fee revenue.

Total Operating Expenses ended the period \$939 thousand below budget. Salaries and Benefits were \$175 thousand above budget, primarily due to an unfavorable variance in administrative salaries within the Real Estate Services sector. Other Expenses were \$1.1 million under budget, mainly due to a favorable variance in consulting fees, although these fees are expected to increase later in the fiscal year.

Total Assets and Deferred Outflows increased by \$26.5 million, or 4.52%. Current Assets decreased by \$9.8 million, mainly due to a reduction in cash and investments, while Fixed Assets rose by \$19.3 million, driven by acquisitions (The Alhambra and San Juan Square Apartments) and capitalized projects, including Victoria Plaza's \$24.8 million rehabilitation. Land increased by \$12.8 million, including a \$3.7 million ground lease for Fiesta Trails and \$9.5 million from land conveyed in the Augusta Flats transaction. Other Non-Current Assets increased by \$17.1 million due to loan advances and development fees receivable.

Total Liabilities and Deferred Inflows increased by \$13.3 million, or 6.40%. Current Liabilities rose by \$8.0 million, primarily from increased trade payables and unearned Section 8 revenue. Non-Current Liabilities grew by \$2.5 million due to loan draws for 100 Labor. Leased Assets increased by \$2.7 million due to the Fiesta Trails ground lease.

Total Net Position increased by \$13.2 million, or 3.49%, reflecting the overall financial changes.

Supplemental Information—Funding Environment

The federal government is currently operating under a Continuing Resolution (CR) that maintains funding at last year's levels, set to expire on March 14. Without a new agreement or another CR, a partial government shutdown will occur. Additionally, the Budget Control Act of 2023 imposes

OPPORTUNITY HOME SAN ANTONIO

February 19, 2025

limits on federal program increases for FY24 and FY25, and if a final agreement is not reached by April 30, automatic budget cuts (sequestration) will take effect. While the House and Senate remain far apart on funding levels, the House proposes a \$2.3 billion (3%) cut to HUD's budget, while the Senate suggests an \$8.2 billion increase, over 10% more than last year. Despite the Senate's higher funding, it is still expected to fall about \$800 million short of covering the full cost of voucher renewals.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Financial Performance Report
Cash and Investment Summary
Grants Report
Slides

Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Operations
 (For the Six Months Ended 12/31/2024)
 (Unaudited)

Account Description	Public Housing			Section 8			Affordable Housing Communities		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenue									
Tenant Revenue	\$ 6,761,322	\$ 6,103,024	\$ 658,298	\$ -	\$ -	\$ -	\$ 19,666,089	\$ 22,242,613	\$ (2,576,524)
Grants	15,436,362	15,529,609	(93,247)	7,094,102	6,209,450	884,652	2,155,017	2,044,074	110,942
HAP Revenue	-	-	-	61,295,401	60,904,208	391,193	-	-	-
Miscellaneous Revenue	62,973	105,225	(42,252)	29,641	17,500	12,141	119,282	98,206	21,076
Total Operating Revenue	\$ 22,260,657	\$ 21,737,858	\$ 522,800	\$ 68,419,144	\$ 67,131,158	\$ 1,287,987	\$ 21,940,387	\$ 24,384,893	\$ (2,444,506)
Operating Expenses									
Salaries and Benefits	\$ 7,970,269	\$ 8,893,689	\$ (923,419)	\$ 3,775,730	\$ 3,912,514	\$ (136,784)	\$ 5,242,094	\$ 5,925,416	\$ (683,322)
Ordinary Maintenance and Repairs	6,097,351	7,950,788	(1,853,437)	20,933	24,968	(4,035)	4,783,159	4,692,570	90,590
Utilities	3,063,227	3,005,852	57,375	-	-	-	2,247,895	2,317,816	(69,921)
Other Expenses	2,969,355	4,170,817	(1,201,461)	1,216,060	1,328,479	(112,420)	2,853,108	3,446,788	(593,680)
HAP Expense	-	-	-	61,295,401	60,903,507	391,893	-	-	-
Management Fees	3,225,963	3,050,648	175,316	1,744,088	1,612,368	131,720	1,629,470	1,845,243	(215,773)
Total Operating Expenses	\$ 23,326,166	\$ 27,071,793	\$ (3,745,627)	\$ 68,052,212	\$ 67,781,837	\$ 270,375	\$ 16,755,726	\$ 18,227,832	\$ (1,472,106)
Net Operating Income	\$ (1,065,509)	\$ (5,333,935)	\$ 4,268,427	\$ 366,933	\$ (650,679)	\$ 1,017,611	\$ 5,184,661	\$ 6,157,061	\$ (972,400)
Non-Operating Income (Expenses)									
Interest Expense	\$ (99,670)	\$ (97,342)	\$ (2,328)	\$ -	\$ -	\$ -	\$ (2,833,019)	\$ (2,926,635)	\$ 93,615
Interest Income	985,380	879,640	105,740	127,061	142,550	(15,489)	486,091	698,035	(211,945)
Other Income (Expenses)	1,575,613	4,407,100	(2,831,488)	(7,410,431)	(7,369,396)	(41,035)	4,194,076	(1,347,685)	5,541,762
HUD-Held Fund Draws	-	-	-	7,422,257	7,869,396	(447,139)	-	-	-
Total Non-Operating Income (Expenses)	\$ 2,461,322	\$ 5,189,398	\$ (2,728,076)	\$ 138,887	\$ 642,550	\$ (503,662)	\$ 1,847,148	\$ (3,576,285)	\$ 5,423,432
Surplus (Deficit) Before Non-Cash Items	\$ 1,395,814	\$ (144,537)	\$ 1,540,351	\$ 505,820	\$ (8,129)	\$ 513,949	\$ 7,031,808	\$ 2,580,776	\$ 4,451,032
Non-Cash Items									
Depreciation and Amortization	\$ (4,950,513)	\$ (4,126,851)	\$ (823,662)	\$ (26,175)	\$ (15,741)	\$ (10,434)	\$ (3,492,231)	\$ (3,087,272)	\$ (404,959)
Non-Operating Income (Expense)	1,756,561	7,041,545	(5,284,985)	-	-	-	5,317,550	-	5,317,550
Total Non-Cash Items	\$ (3,193,953)	\$ 2,914,694	\$ (6,108,646)	\$ (26,175)	\$ (15,741)	\$ (10,434)	\$ 1,825,319	\$ (3,087,272)	\$ 4,912,591
Change in Net Position	\$ (1,798,139)	\$ 2,770,156	\$ (4,568,295)	\$ 479,645	\$ (23,870)	\$ 503,515	\$ 8,857,127	\$ (506,496)	\$ 9,363,623

Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Operations (continued)
 (For the Six Months Ended 12/31/2024)
 (Unaudited)

Account Description	Central Office			Community Development Initiatives			Total - Operations			Highlights Section
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	
Operating Revenue										
Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,427,410	\$ 28,345,637	\$ (1,918,227)	I(a)(1)
Grants	-	-	-	842,542	1,060,958	(218,416)	25,091,913	24,483,912	608,001	I(a)(2)
HAP Revenue	-	-	-	-	-	-	61,295,401	60,904,208	391,193	
Miscellaneous Revenue	773,027	859,217	(86,190)	219,697	125,000	94,697	557,802	527,430	30,372	
Total Operating Revenue	<u>\$ 773,027</u>	<u>\$ 859,217</u>	<u>\$ (86,190)</u>	<u>\$ 1,062,240</u>	<u>\$ 1,185,958</u>	<u>\$ (123,719)</u>	<u>\$ 113,372,527</u>	<u>\$ 114,261,187</u>	<u>\$ (888,660)</u>	
Operating Expenses										
Salaries and Benefits	\$ 6,590,034	\$ 6,872,787	\$ (282,753)	\$ 1,495,811	\$ 1,711,138	\$ (215,326)	\$ 25,073,939	\$ 27,315,543	\$ (2,241,604)	I(b)(1)
Ordinary Maintenance and Repairs	120,899	224,119	(103,220)	739	10,021	(9,283)	11,023,082	12,902,466	(1,879,385)	I(b)(2)
Utilities	94,730	75,918	18,813	-	-	-	5,405,852	5,399,585	6,266	
Other Expenses	941,107	1,498,123	(557,016)	328,081	673,038	(344,957)	7,592,279	10,393,388	(2,801,109)	I(b)(3)
HAP Expense	-	-	-	-	-	-	61,295,401	60,903,507	391,893	
Management Fees	(7,377,186)	(7,259,760)	(117,426)	4,588	3,063	1,526	156,986	161,404	(4,418)	
Total Operating Expenses	<u>\$ 369,585</u>	<u>\$ 1,411,186</u>	<u>\$ (1,041,601)</u>	<u>\$ 1,829,219</u>	<u>\$ 2,397,260</u>	<u>\$ (568,041)</u>	<u>\$ 110,547,538</u>	<u>\$ 117,075,894</u>	<u>\$ (6,528,356)</u>	
Net Operating Income	\$ 403,443	\$ (551,969)	\$ 955,411	\$ (766,980)	\$ (1,211,302)	\$ 444,322	\$ 2,824,988	\$ (2,814,707)	\$ 5,639,695	
Non-Operating Income (Expenses)										
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,674,852)	\$ (2,858,329)	\$ 183,477	
Interest Income	91,406	32,092	59,314	16,740	13,900	2,840	1,532,548	1,608,070	(75,522)	
Other Income (Expenses)	(16,408)	487,748	(504,156)	921,520	1,176,741	(255,221)	(3,532,847)	(3,938,918)	406,070	I(c)(1)
HUD-Held Fund Draws	-	-	-	-	-	-	7,422,257	7,869,396	(447,139)	I(c)(1)
Total Non-Operating Income (Expenses)	<u>\$ 74,998</u>	<u>\$ 519,840</u>	<u>\$ (444,842)</u>	<u>\$ 938,261</u>	<u>\$ 1,190,642</u>	<u>\$ (252,381)</u>	<u>\$ 2,747,106</u>	<u>\$ 2,680,219</u>	<u>\$ 66,887</u>	
Surplus (Deficit) Before Non-Cash Items	\$ 478,441	\$ (32,128)	\$ 510,569	\$ 171,281	\$ (20,660)	\$ 191,941	\$ 5,572,094	\$ (134,488)	\$ 5,706,582	
Non-Cash Items										
Depreciation and Amortization	\$ (68,239)	\$ (110,343)	\$ 42,105	\$ (6,067)	\$ (6,084)	\$ 17	\$ (8,543,225)	\$ (7,346,292)	\$ (1,196,933)	I(c)(1)
Non-Operating Income (Expense)	-	-	-	(114,925)	-	(114,925)	6,959,186	7,041,545	(82,359)	
Total Non-Cash Items	<u>\$ (68,239)</u>	<u>\$ (110,343)</u>	<u>\$ 42,105</u>	<u>\$ (120,992)</u>	<u>\$ (6,084)</u>	<u>\$ (114,908)</u>	<u>\$ (1,584,039)</u>	<u>\$ (304,747)</u>	<u>\$ (1,279,293)</u>	
Change in Net Position	<u>\$ 410,202</u>	<u>\$ (142,472)</u>	<u>\$ 552,674</u>	<u>\$ 50,289</u>	<u>\$ (26,744)</u>	<u>\$ 77,033</u>	<u>\$ 3,988,055</u>	<u>\$ (439,235)</u>	<u>\$ 4,427,290</u>	I(c)(1)

Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Capital Activities
 (For the Six Months Ended 12/31/2024)
 (Unaudited)

Account Description	Real Estate			Capital Funds			Total - Capital Activities			Highlights Section
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	
Operating Revenue										
Grants	\$ -	\$ -	\$ -	\$ 5,561,639	\$ 3,421,716	\$ 2,139,922	\$ 5,561,639	\$ 3,421,716	\$ 2,139,922	II(a)(1)
Miscellaneous Revenue	2,217,365	2,627,319	(409,954)	-	-	-	2,199,482	2,612,319	(412,838)	II(a)(2)
Total Operating Revenue	<u>\$ 2,217,365</u>	<u>\$ 2,627,319</u>	<u>\$ (409,954)</u>	<u>\$ 5,561,639</u>	<u>\$ 3,421,716</u>	<u>\$ 2,139,922</u>	<u>\$ 7,761,120</u>	<u>\$ 6,034,036</u>	<u>\$ 1,727,085</u>	
Operating Expenses										
Salaries and Benefits	\$ 1,519,929	\$ 1,345,217	\$ 174,712	\$ -	\$ -	\$ -	\$ 1,519,929	\$ 1,345,217	\$ 174,712	II(b)(1)
Ordinary Maintenance and Repairs	27,829	43,752	(15,923)	4,595	-	4,595	32,424	43,752	(11,328)	
Utilities	1,019	948	71	-	-	-	1,019	948	71	
Other Expenses	409,526	888,001	(478,475)	254,126	885,525	(631,399)	636,498	1,739,098	(1,102,600)	II(b)(2)
Management Fees	3,702	2,471	1,231	848,476	826,803	21,673	-	-	-	
Total Operating Expenses	<u>\$ 1,962,005</u>	<u>\$ 2,280,389</u>	<u>\$ (318,384)</u>	<u>\$ 1,107,197</u>	<u>\$ 1,712,328</u>	<u>\$ (605,131)</u>	<u>\$ 2,189,870</u>	<u>\$ 3,129,015</u>	<u>\$ (939,145)</u>	
Net Operating Income	<u>\$ 255,361</u>	<u>\$ 346,931</u>	<u>\$ (91,570)</u>	<u>\$ 4,454,442</u>	<u>\$ 1,709,388</u>	<u>\$ 2,745,053</u>	<u>\$ 5,571,251</u>	<u>\$ 2,905,021</u>	<u>\$ 2,666,230</u>	
Non-Operating Income (Expenses)										
Interest Expense	\$ -	\$ -	\$ -	\$ (68,373)	\$ (68,373)	\$ -	\$ (68,373)	\$ (68,373)	\$ -	
Interest Income	708,940	567,448	141,493	30,973	32,472	(1,498)	656,206	592,419	63,787	
Other Income (Expenses)	920,390	-	920,390	(3,495,343)	(1,653,606)	(1,841,737)	658,375	-	658,375	II(c)(1)
Total Non-Operating Income (Expenses)	<u>\$ 1,629,330</u>	<u>\$ 567,448</u>	<u>\$ 1,061,882</u>	<u>\$ (3,532,743)</u>	<u>\$ (1,689,507)</u>	<u>\$ (1,843,235)</u>	<u>\$ 1,246,208</u>	<u>\$ 524,046</u>	<u>\$ 722,162</u>	
Surplus (Deficit) Before Non-Cash Items	<u>\$ 1,884,691</u>	<u>\$ 914,379</u>	<u>\$ 970,312</u>	<u>\$ 921,699</u>	<u>\$ 19,881</u>	<u>\$ 901,818</u>	<u>\$ 6,817,459</u>	<u>\$ 3,429,067</u>	<u>\$ 3,388,391</u>	
Non-Cash Items										
Depreciation and Amortization	\$ (39,408)	\$ (38,759)	\$ (649)	\$ -	\$ -	\$ -	\$ (39,408)	\$ (38,759)	\$ (649)	
Non-Operating Income (Expense)	8,745,427	-	8,745,427	9,124,141	(32,472)	9,156,613	17,869,568	(32,472)	17,902,040	II(c)(1)
Total Non-Cash Items	<u>\$ 8,706,020</u>	<u>\$ (38,759)</u>	<u>\$ 8,744,778</u>	<u>\$ 9,124,141</u>	<u>\$ (32,472)</u>	<u>\$ 9,156,613</u>	<u>\$ 17,830,161</u>	<u>\$ (71,230)</u>	<u>\$ 17,901,391</u>	
Change in Net Position	<u>\$ 10,590,710</u>	<u>\$ 875,620</u>	<u>\$ 9,715,090</u>	<u>\$ 10,045,840</u>	<u>\$ (12,591)</u>	<u>\$ 10,058,431</u>	<u>\$ 24,647,619</u>	<u>\$ 3,357,837</u>	<u>\$ 21,289,782</u>	II(c)(1)

**Opportunity Home San Antonio
Financial Performance Report
Comparative Balance Sheet**
As of December 31, 2024
(Unaudited)

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>Increase (Decrease)</u>	<u>%</u>	<u>Highlights Section</u>
Assets					
Current Assets	\$ 107,500,689	\$ 117,308,225	\$ (9,807,536)	-8.36%	
Fixed Assets	403,398,904	384,082,621	19,316,283	5.03%	
Other Non-Current Assets	102,190,632	85,137,735	17,052,897	20.03%	
Total Assets	<u>\$ 613,090,225</u>	<u>\$ 586,528,581</u>	<u>\$ 26,561,644</u>	<u>4.53%</u>	
Deferred Outflows of Resources					
Deferred Charges on Refunding	\$ 136,458	\$ 142,854	\$ (6,396)	-4.48%	
Deferred Swap Outflows	78,722	121,765	(43,043)	-35.35%	
Total Deferred Outflows of Resources	<u>\$ 215,180</u>	<u>\$ 264,619</u>	<u>\$ (49,439)</u>	<u>-18.68%</u>	
Total Assets and Deferred Outflows of Resources	<u>\$ 613,305,405</u>	<u>\$ 586,793,200</u>	<u>\$ 26,512,205</u>	<u>4.52%</u>	III(a)
Liabilities					
Current Liabilities	\$ 24,027,609	\$ 16,023,547	\$ 8,004,062	49.95%	
Non-Current Liabilities	131,856,572	129,332,498	2,524,074	1.95%	
Total Liabilities	<u>\$ 155,884,181</u>	<u>\$ 145,356,045</u>	<u>\$ 10,528,136</u>	<u>7.24%</u>	
Deferred Inflows of Resources					
Leased Assets	\$ 63,952,410	\$ 61,226,961	\$ 2,725,449	4.45%	
Deferred Swap Inflows	576,776	563,802	12,974	2.30%	
Total Deferred Inflows of Resources	<u>\$ 64,529,186</u>	<u>\$ 61,790,763</u>	<u>\$ 2,738,423</u>	<u>4.43%</u>	
Total Liabilities and Deferred Inflows of Resources	<u>\$ 220,413,367</u>	<u>\$ 207,146,808</u>	<u>\$ 13,266,559</u>	<u>6.40%</u>	III(b)
Net Position					
Net Investment in Capital Assets	\$ 272,233,237	\$ 255,703,380	\$ 16,529,857	6.46%	
Restricted Net Position	39,652,392	47,777,740	(8,125,348)	-17.01%	
Unrestricted Net Position	81,006,409	76,165,272	4,841,137	6.36%	
Total Net Position	<u>\$ 392,892,038</u>	<u>\$ 379,646,392</u>	<u>\$ 13,245,646</u>	<u>3.49%</u>	III(c)
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 613,305,405</u>	<u>\$ 586,793,200</u>	<u>\$ 26,512,205</u>	<u>4.52%</u>	

HIGHLIGHTS

For the six months ended December 31, 2024, the Operations segment generated a surplus before non-cash items of \$5.6 million, which was \$5.7 million above budget. Total Operating Revenue was below budget by \$889 thousand, or 0.78%, and Total Operating Expenses were below budget by \$6.5 million, or 5.58%.

For the six months ended December 31, 2024, the Capital segment produced a surplus before non-cash items of \$6.8 million, which was \$3.4 million above budget. Total Operating Revenue exceeded budget expectations by \$1.7 million, or 28.62%, and Total Operating Expenses were below budget by \$939 thousand, or 30.01%.

Total Assets and Deferred Outflows of Resources increased by \$26.5 million, or 4.52%. Total Liabilities and Deferred Inflows of Resources increased by \$13.3 million, or 6.40%. 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 \$889 thousand and Total Operating Expenses were below budget by \$6.5 million.

(a) **Operating Revenue**

- (1) Tenant revenue was below budget by \$1.9 million attributable to the Affordable Housing Communities (“AHC”) portfolio. The primary properties contributing to the unfavorable variance for AHC were 100 Labor, Costa Valencia, Rosemont at Highland Park, Homestead, Woodhill, and Cottage Creek. Year-to-date occupancy for these properties ranged between 49% and 75%, whereas the average occupancy for the AHC portfolio was 82%. Economic occupancy, which is a measure of actual income collected as a percentage of budgeted revenue, was 84%.
- (2) Grant revenue exceeded the budget by \$608 thousand, primarily due to a favorable variance in Section 8 administrative fees. HUD awarded an additional \$180 thousand in VASH administrative fees. Additionally, adjustments to the administrative fees for the Housing Choice Voucher program for Calendar Year 2023 and the first and second quarters of Calendar Year 2024 resulted in a \$511 thousand increase in funding.

(b) **Operating Expenses**

- (1) Salaries and Benefits ended the period \$2.2 million under budget, with all segments performing favorably, highlighting effective cost management and efficiency in our staffing expenditures.
- (2) Ordinary Maintenance and Repairs finished the period \$1.9 million under budget, mainly due to Public Housing. Significant favorable expenses were attributed to unit make-ready costs, maintenance supplies and materials, HVAC repairs, and plumbing maintenance. AHC experienced an unfavorable variance of \$91 thousand. Unfavorable variances of \$199 thousand in unit make-ready costs and \$194 thousand in garbage collection costs were partially offset by favorable variances of \$224 thousand in maintenance supplies and materials and \$119 thousand in plumbing maintenance.
- (3) Other Expenses finished the period \$2.8 million under budget as a result of favorable variances of \$1.2 million in technology and licensing fees, \$530 thousand in protective services, and \$883 thousand in a variety of general administrative operating expenses.

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

- (1) Change in Net Position ended the period \$4.4 million above budget. Net Operating Income was above budget by \$5.6 million. Depreciation and Amortization was \$1.2 million higher than budgeted. Depreciation expense was higher because the newly capitalized rehabilitation and modernization work at Victoria Plaza was not included in the budget. Additionally, depreciation and amortization for the newly acquired properties, The Alhambra and San Juan Square Apartments, was also not budgeted.

II. Income Statement (Capital)

Total Operating Revenue surpassed budget expectations by \$1.7 million, while Total Operating Expenses were under budget by \$939 thousand.

(a) **Operating Revenue**

- (1) Grant revenue was above budget by \$2.1 million in the Capital Fund Program (CFP). HUD permits a standard 10% administrative fee on CFP grants and allows an additional 20% of CFP funds for Public Housing operating costs. To help mitigate a portion of the Public Housing operating loss, staff accessed the available 20% and withdrew approximately \$1.5 million from the 2024 CFP grant during the first quarter. During the second quarter, staff accrued for an additional \$1.9 million that is needed for operations which fully

depletes the balance of CFP funds available for operations. Since this revenue is evenly budgeted throughout the fiscal year, it resulted in a favorable variance of \$2.9 million in CFP grant soft costs. However, this was partially offset by an unfavorable variance of \$801 thousand due to the timing of lead-based paint grant expenditures.

- (2) Miscellaneous revenue was \$413 thousand below budget, mainly due to unfavorable variances of \$760 thousand in bond issuer fees and \$171 thousand in lease payments. This overall unfavorable variance was partially offset by a favorable variance of \$472 thousand in development fee revenue.

(b) **Operating Expenses**

- (1) Salaries and Benefits were above budget by \$175 thousand due to an unfavorable variance in administrative salaries for the Real Estate Services sector.
- (2) Other Expenses were under budget by \$1.1 million, mainly due to a favorable variance in consulting fees, although these fees are expected to rise later in the fiscal year.

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

- (1) Change in Net Position ended the period with a \$21.3 million favorable variance. Net Operating Income was above budget by \$2.7 million. The Other Income (Expenses) line item was \$658 thousand favorable, primarily due to unbudgeted operating transfers associated with various Snowden and 100 Labor construction draws. Non-Operating Income (Expense) reflected a favorable variance of \$17.9 million. This was primarily driven by a \$9.5 million gain from the acquisition of the Augusta Flats land. Additionally, while equity transfers from CFP to Public Housing were budgeted at \$7.4 million, no transfers took place during the period. The variance was also impacted by \$2.6 million in unbudgeted City Housing Bond revenue.

III. Balance Sheet

Total Assets and Deferred Outflows of Resources increased by \$26.5 million, Total Liabilities and Deferred Inflows of Resources increased by \$13.3 million, and Total Net Position increased by \$13.2 million.

- (a) Total Assets and Deferred Outflows of Resources increased by \$26.5 million, or 4.52%. Current Assets decreased by \$9.8 million (8.36%), Fixed Assets increased by \$19.3 million (5.03%), and Other Non-Current Assets increased by \$17.1 million (20.03%). The \$9.8 million reduction in Current Assets was primarily due to a decrease in cash and

investments, attributable to a \$4.0 million payment on the Converse Ranch II loan and \$4.3 million used to fund two real estate loans. The \$19.3 million increase in Fixed Assets was mainly due to a \$54.0 million rise in buildings and site improvements, which stemmed from the acquisitions of The Alhambra and San Juan Square Apartments within the AHC portfolio and the capitalization of projects in both the AHC and Public Housing portfolios. Notably, Victoria Plaza had \$24.8 million capitalized into buildings for extensive rehabilitation and modernization. Furthermore, land increased by \$12.8 million, driven by a \$3.7 million ground lease executed for Fiesta Trails and \$9.5 million from land conveyed for the Augusta Flats transaction. These amounts were offset by the routine recording of depreciation and a decrease of \$18.9 million in construction in progress. Other Non-Current Assets increased by \$17.1 million, primarily due to \$9.7 million in MTW loan advances to the Snowden partnership, two notes totaling \$4.3 million loaned from the San Antonio Housing Facility Corporation to the Potranco and Josephine LLCs, and a \$3.0 million increase in development fees receivable.

- (b) Total Liabilities and Deferred Inflows of Resources increased by \$13.3 million, or 6.40%. The \$8.0 million increase in Current Liabilities was due to increases of \$2.9 million in trade payables and \$5.3 million in unearned Section 8 HAP revenue. Non-Current Liabilities increased by \$2.5 million, mainly due to loan draws for 100 Labor. Leased Assets, which includes prepaid ground leases, increased by \$2.7 million due primarily to San Antonio Housing Facility Corporation entering into the Fiesta Trails ground lease.
- (c) Total Net Position increased by \$13.2 million, or 3.49% as a result of the changes described above.

IV. MTW Expenditures

Project	Draws as of 12/31/24	
	HUD-Held Funds	Capital Fund Program
Public Housing Operating Shortfall		\$3,402,263
Preservation and Expansion of Affordable and Public Housing:		
Development of 100 Labor Street Multifamily Property	\$573,832	
Lincoln Predevelopment Costs	\$98,105	
Investment in MTW Units at Tax Credit/AHC Properties:		
Alhambra Loan Payoff	\$3,022,211	
San Juan Square I Loan Payoff	\$2,698,902	
Snowden Development Funding	\$279,294	
Community Development Initiatives	\$1,064,460	
Total	\$7,736,804	\$3,402,263

Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ended December 31, 2024

The total cash and investment balance decreased by \$6.7 million from the previous quarter, mainly due to a \$4.0 million payment on the Converse Ranch II loan, a \$2.0 million net cash decrease from timing differences in payroll and taxes, and a \$0.6 million reduction in escrow funds for the 100 Labor Street property.

Unrestricted Cash and Investments

- **Public Housing** - There was a net cash decrease of \$0.9 million due to the settlement of intercompany balances due and ongoing operating expenses.
- **Section 8** - There was a net cash increase of \$0.3 million due to positive operations.
- **Properties Under SAHFC** - There was a net cash increase of \$2.3 million primarily due to the movement of restricted cash for Burning Tree, partially offset by general operating expenses.
- **Development Activities - Other Entities** - There was a net cash decrease of \$3.5 million, primarily driven by a \$4.0 million payment for the Converse Ranch II loan, partially offset by \$0.3 million received upon the execution of the ground lease for Augusta Flats and \$0.1 million in interest income.
- **Central Bank Account** - There was a net cash decrease of \$2.0 million, mainly due to higher cash disbursements for payroll, retirement, and taxes, resulting from a timing difference for two pay periods.

Restricted Cash and Investments

- **Public Housing** - There was a net cash decrease of \$0.7 million due to the movement of restricted cash related to the Cassiano Window replacement project of \$0.4 million and the settlement of intercompany balances.
- **Project Based Properties** - There was a net cash increase of \$1.1 million due to the movement of unrestricted cash to fund the residual receipts reserve account for Cottage Creek II.
- **Properties Under SAHFC** - There was a net cash decrease of \$3.3 million due to the movement of restricted cash related to Burning Tree for the burned units repair of \$2.7 million and the depletion of escrow funds of \$0.6 million for the 100 Labor Street property.

**Opportunity Home San Antonio
Cash and Investment Summary
December 31, 2024**

	Balance 9/30/2024	Deposits	Withdrawals	Balance 12/31/2024
Cash				
Unrestricted Cash:				
Central Office Cost Center (1)	2,902,312	5,620,053	4,901,080	3,621,285
Public Housing (1)	1,832,776	14,716,133	15,645,436	903,473
Section 8 (1)	6,809,117	3,468,353	3,165,511	7,111,959
Community Development Initiatives	167,921	1,175,221	1,345,001	(1,859)
Central Office- Health Insurance (2)	336,236	2,835,142	2,892,437	278,941
Homeownership	19,903	5,684	6,322	19,265
Project Based Properties (1)	5,257,903	2,157,208	2,546,243	4,868,868
Properties under SAHFC	1,548,530	10,054,031	7,795,525	3,807,036
Education Investment Foundation				-
Capital Fund Program (1)		2,826,227	2,826,227	-
Development Activities under SAHFC	2,888,488	696,106	149,251	3,435,343
Other Beacon Properties Cash	2,453,077	5,114,540	4,415,664	3,151,953
Development Activities - Las Varas	5,462,312	485,232	1,111,544	4,836,000
Development Activities - Other Entities	5,564,769	1,098,868	4,567,279	2,096,358
Central Office Bank Account	6,287,282	58,669,303	60,640,603	4,315,982
Sub-Total:	41,530,626	108,922,101	112,008,123	38,444,604
Restricted Cash:				
Central Office Cost Center	1,015,467			1,015,467
Public Housing	13,855,991	343,827	1,065,932	13,133,886
Section 8	1,894,393	34,785,330	35,388,265	1,291,458
Project Based Properties	1,590,108	1,161,721	83,715	2,668,114
Properties under SAHFC	8,657,561	288,858	3,565,644	5,380,775
Education Investment Foundation				-
Capital Fund Program	1,366,356	15,038		1,381,394
Development Activities under SAHFC	2,536,186	773	1,100	2,535,859
Development Activities - Refugio Street PFC	8,170,568	-	-	8,170,568
Non-Profit-Other Restricted	1,943,408	76,003	35,795	1,983,616
Other Restricted Cash	617,930	182,994	92,423	708,501
Endowment Trust	290,099	2,725	18,370	274,454
Sub-Total:	41,938,067	36,857,269	40,251,244	38,544,092
Total Unrestricted & Restricted Cash:	83,468,693	145,779,370	152,259,367	76,988,696
Investments				
Restricted Investments at Various Banks:				
Central Office Cost Center	63,897	227,019	213,951	76,965
Other Restricted Investments	1,193,379	8,258,596	8,449,931	1,002,044
Sub-Total:	1,257,276	8,485,615	8,663,882	1,079,009
Total Cash & Investments:	84,725,969	154,264,985	160,923,249	78,067,705

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
December 31, 2024**

	9/30/2024	Deposits	Withdrawals	12/31/2024
Cash from Tax-Credit Partnerships	3,071,194	3,871,494	3,673,412	3,269,276
Total Cash Held for Partnerships Managed by Beacon:	\$ 3,071,194	\$ 3,871,494	\$ 3,673,412	\$ 3,269,276

**Opportunity Home San Antonio
Collateralization
December 31, 2024**

	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 73,389,268	\$ 500,000	\$ 73,389,268	\$ 134,446,582
Lument Capital, LLC	\$ 3,130,069	\$ 1,231,093	\$ -	\$ -
US Bank	\$ 336,577	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ -	\$ -	\$ -	\$ -
Wells Fargo - Rosemont at Highland Park	\$ 212,835	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 425,525	\$ 372,512	\$ -	\$ -
Berkadia Commercial Mortgage, LLC	\$ 294,577	\$ 294,577	\$ -	\$ -
Total Collateralized deposits:	\$ 77,788,851	\$ 2,398,182	\$ 73,389,268	\$ 134,446,582

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 March 6, 2024 and with the relevant provisions of the State of Texas, Government Code, Chapter 2256, Public Funds Investment.



2/4/2025

Diana K. Fiedler, CPA, CGMA
Investment Officer and Executive Vice President, Chief Financial Officer

GRANTS REPORT AS OF December 31, 2024

CAPITAL GRANTS			CAPITAL FUND GRANTS										
<input type="checkbox"/> Unmet expenditure deadline approaching within 6 Months <input type="checkbox"/> Unmet obligation deadline approaching within 12 Months <input type="checkbox"/> 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													
	TX59P006501-20	03/25/24	03/25/26	\$ 11,827,386.00	\$ 13,141,540.00	\$ 13,141,540.00	\$ -	100%	\$ 13,141,540.00	100%	\$ 12,026,970.35	(1)	
*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%	\$ 13,244,337.00	(1)	
*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%	\$ 13,686,802.19	84%	\$ 13,438,233.91		
*Major Projects: Villa Veramendi, Riverside													
	TX59P006501-23	02/16/25	02/16/27	\$ 14,882,453.10	\$ 16,536,059.00	\$ 12,174,709.08	\$ 4,361,349.92	74%	\$ 10,713,774.68	65%	\$ 8,806,385.13		
*Major Projects: Fair Avenue, Villa Hermosa													
	TX59P006501-24	05/05/26	05/05/28	\$ 15,272,567.10	\$ 16,969,519.00	\$ 6,456,028.80	\$ 10,513,490.20	38%	\$ 5,099,215.09	30%	\$ 3,234,347.96		
*Major Projects: Cassiano, Riverside													
	TX59E006501-22	09/25/23	09/25/24	\$ 225,000.00	\$ 250,000.00	\$ 250,000.00	\$ -	100%	\$ 250,000.00	100%	\$ 250,000.00	(1)	
*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													
	TX59E006501-21	08/28/25	08/28/26	\$ 46,189.80	\$ 51,322.00	\$ -	\$ 51,322.00	0%	\$ -	0%	\$ -		
*Safety and Security Grant at Village East													
	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													
	TX59H006501-24	09/07/25	09/07/27	\$ 4,320,000.00	\$ 4,800,000.00	\$ -	\$ 4,800,000.00	0%	\$ -	0%	\$ -		
*Housing-Related Hazards Grant at Villa Hermosa													
	TX59L006501-20	11/10/24	05/10/25	\$ 4,374,949.50	\$ 4,861,055.00	\$ 2,109,302.65	\$ 2,751,752.35	43%	\$ 1,133,969.99	23%	\$ 927,317.94	(2)	
*Lead Based Paint Grant at Lincoln Heights, Riverside													
	TX59L006501-22	09/07/25	09/07/27	\$ 4,288,198.50	\$ 4,764,665.00	\$ 47,370.00	\$ 4,717,295.00	1%	\$ 3,000.00	0%	\$ -		
*Lead Based Paint Grant at Cassiano													
	TX59L006501-24	09/16/26	09/16/28	\$ 5,650,029.00	\$ 6,277,810.00	\$ -	\$ 6,277,810.00	0%	\$ -	0%	\$ -		
*Lead Based Paint Grant at Alazan													
CHOICE NEIGHBORHOOD GRANT													
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) (3)	
*Implementation grant for Wheatley Neighborhood													

(1) These grants are expended and disbursed at 100% however, HUD still requests monthly updates in eLOCCS until the grants are fully closed out. Staff is working with HUD to close out the grants.

(2) A request to extend the obligation requirement was submitted to HUD. A portion of the grant totaling \$2,751,752.35 will not be used and has been requested to be recaptured by HUD.

(3) Grant close out is pending HUD approval of the program income budget

CONGRESSIONAL GRANTS								
Grant Number	Contract Effective Date	Contract End 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 *Major Projects: Generator Install at Highview, Fair, Riverside, Window at Linda Lou and Highview	09/30/23	08/31/31	\$ 2,160,000.00	\$ -	0%	\$ 2,160,000.00	\$ -	(4)
B-23-CP-TX-1413 *Major Projects: Cassiano Window Project	09/30/23	08/31/31	\$ 2,000,000.00	\$ -	0%	\$ 2,000,000.00	\$ -	(4)
B-24-CP-TX-2068 *Major Projects: Critical Needs Infrastructure Work at Towering Oaks and Courtland Heights	08/13/24	08/31/32	\$ 850,000.00	\$ -	0%	\$ 850,000.00	\$ -	(4)
B-24-CP-TX-2061 *Major Projects: Alazan Community Improvements	08/13/24	08/31/32	\$ 850,000.00	\$ -	0%	\$ 850,000.00	\$ -	(4)
CITY OF SAN ANTONIO FUNDS								
Grant Number	Construction Start Date	Construction End Date	Award Amount	Cumulative Expended	Expended Percentage	Remaining to Expend	Reimbursement Received	
City of San Antonio Affordable Housing Bond Program Housing Bond Funds								
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Westside Reinvestment Initiative - Homebuyer Assistance & Construction Reimbursement	12/15/22	09/12/24	\$ 218,655.00	\$ -	0%	\$ 218,655.00	\$ -	(5)
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Victoria Plaza - Roof Replacement	06/17/24	01/21/25	\$ 2,500,000.00	\$ 1,908,958.09	76%	\$ 591,041.91	\$ 940,059.45	
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Cottage Creek I and Cottage Creek II - Apartment Rehabilitation	09/27/24	08/15/25	\$ 1,740,069.00	\$ 2,375.00	0%	\$ 1,737,694.00	\$ -	
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Pecan Hill - Elevator Moderniation	04/25/23	03/30/26	\$ 438,431.00	\$ 359,905.00	82%	\$ 78,526.00	\$ 359,905.00	
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Woodhill - Apartment Rehabilitation	11/12/24	04/03/26	\$ 6,794,712.00	\$ 195,928.00	3%	\$ 6,598,784.00	\$ -	
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Midcrown - Apartment Rehabilitation	12/09/24	04/30/26	\$ 2,500,000.00	\$ 141,803.00	6%	\$ 2,358,197.00	\$ -	(6)
*FY22 Housing Bond Rental Acquisition, Rehabilitation and Preservation Ravello - Apartment Rehabilitation	12/09/24	04/30/26	\$ 2,500,000.00	\$ -	0%	\$ 2,500,000.00	\$ -	(6)
HARRIS COUNTY GRANTS								
Grant Number	Contract Effective Date	Contract End Date	Award Amount	Cumulative Expended	Expended Percentage	Remaining to Expend	Reimbursement Received	
Texas Solar for All The Texas Solar for All Coalition: A Collaborative Effort to Enable Low-Income Solar and Storage. Subrecipient of Harris County's grant award								
66.959 – Zero-Emissions Technology Grant Program Solar panel installation at various sites TBD	09/01/24	08/31/29	\$ 24,043,424.00	\$ -	0%	\$ -	\$ -	(7)

- (4) Staff is working with the various congressional offices to gain access to the funds
- (5) The request to amend the contract to modify the performance date is pending with the City
- (6) Staff is working with the City and the City's underwriters to finalize the agreements
- (7) The grant is currently in the planning stages; staff is working with consultants to review the different options

HUD - PROGRAM GRANTS								
Grant Number	Effective Date	Expenditure End Date	LOCCS Authorized	Cumulative Expended	PROGRAM GRANTS		LOCCS Disbursement	
					Expended Percentage	Remaining to Expend		
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	\$ 525,483.56	85%	\$ 95,566.94	\$ 502,726.28	
FSS23TX5042-01-01 *PH & HCV Combined FSS 2023	01/01/24	12/31/24	\$ 1,166,035.00	\$ 1,166,035.00	100%	\$ -	\$ 1,050,885.51	
FSS23TX5042-01-01 *PH & HCV Combined FSS 2024	01/01/25	12/31/25	\$ 1,179,749.00	\$ -	0%	\$ 1,179,749.00	\$ -	
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	\$ 1,080,120.18	47%	\$ 1,219,879.82	\$ 988,423.94	

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	09/20/21 - 09/30/25	\$ 79,110.00	\$ 62,859.51	79%	\$ 16,250.49	\$ 61,908.00	

LIST OF GRANT APPLICATIONS

Grant Name	Description	Award Amount	Match Amount	Date Submitted	Application Status
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 ROSS Service Coordinator Program	Resident Opportunity and Self-Sufficiency	\$739,351	N/A	09/30/24	Pending

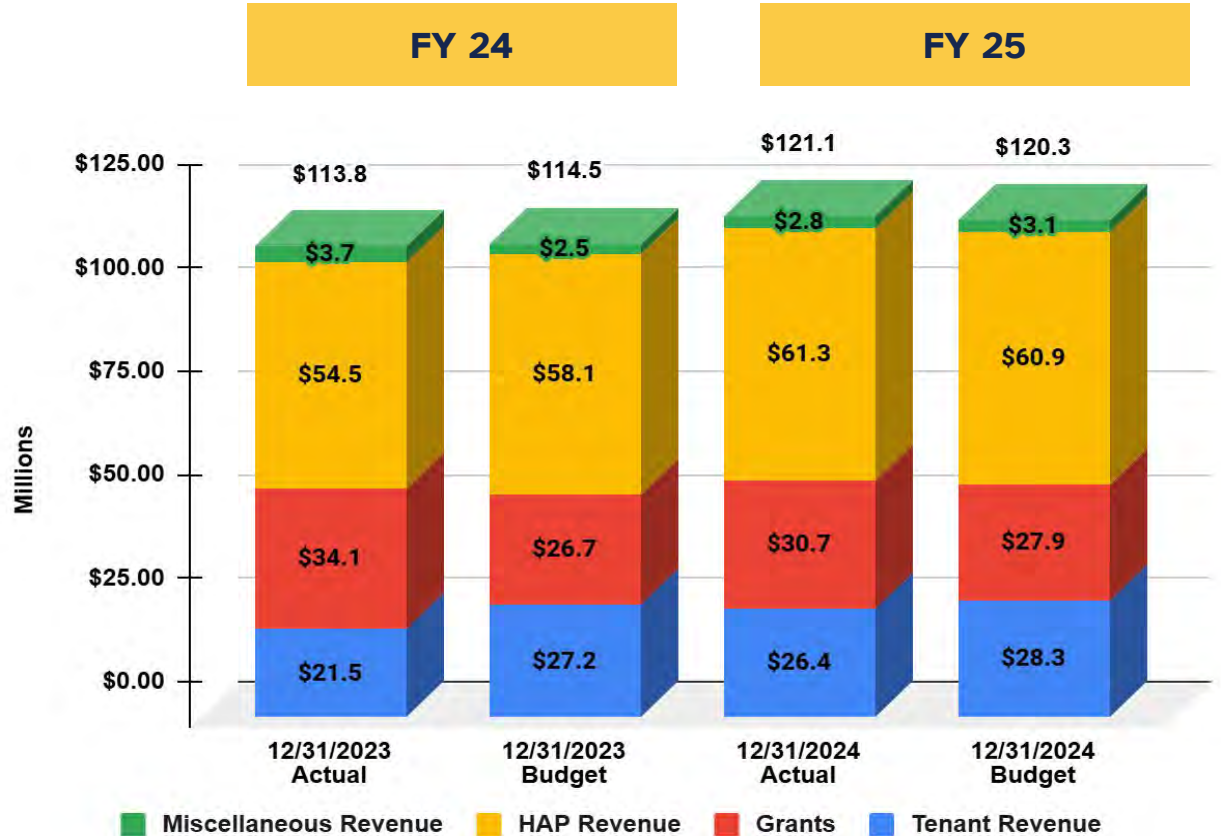
Financial Performance Report

For the Six Months Ended December 31, 2024

Fiscal Year Comparison

Consolidated Operating Revenue

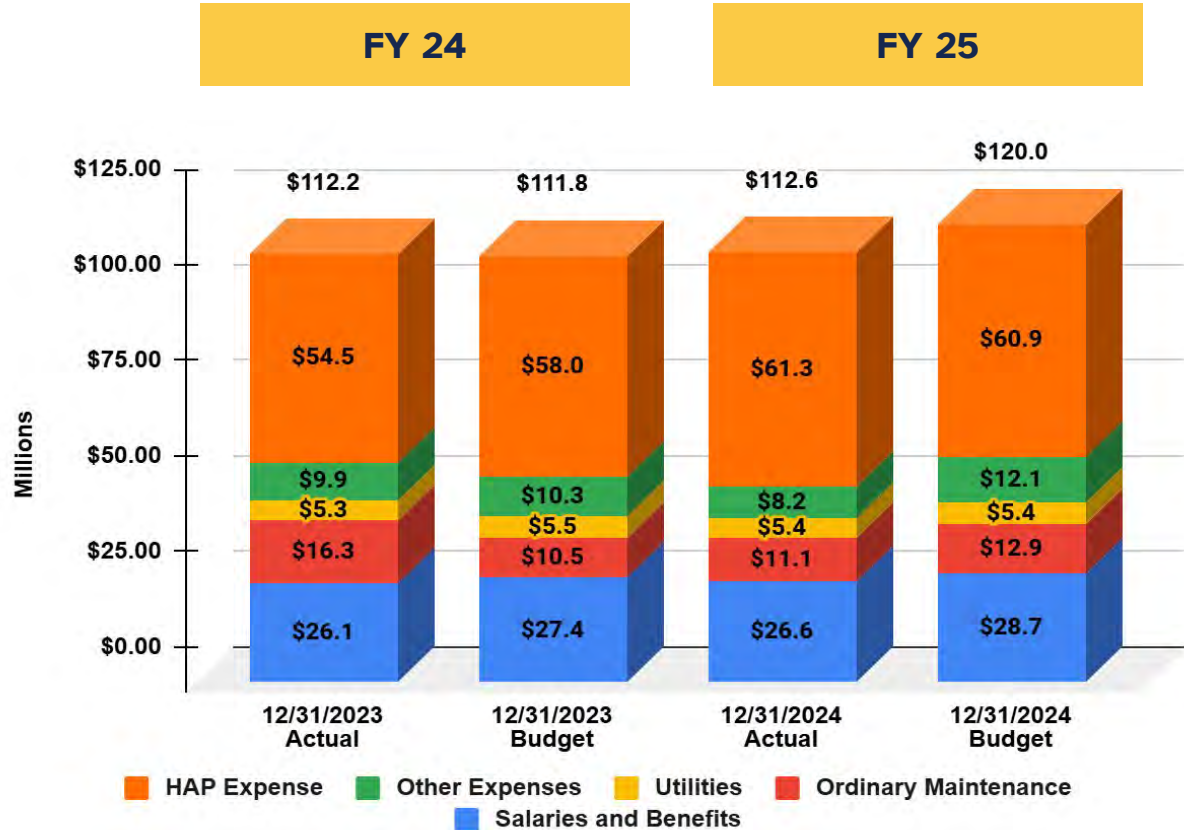
Operating Revenue increased by about **6.4%** from last year, driven mainly by higher HAP and Tenant Revenue.



Fiscal Year Comparison

Consolidated Operating Expenses

Total Operating Expenses increased slightly from the prior year. However, Ordinary Maintenance decreased by **\$5.2 million** (32%) and Other Expenses decreased by **\$1.7 million** (17%).

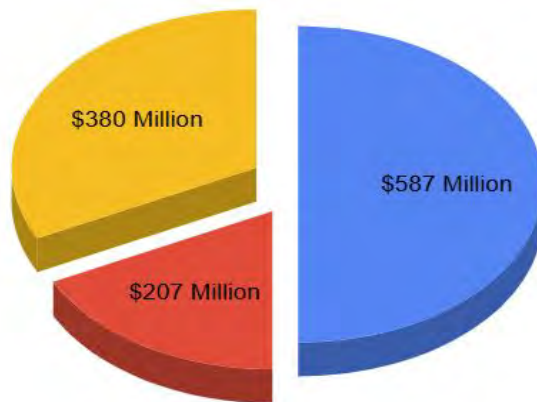


Financial Ratios

Financial Strength

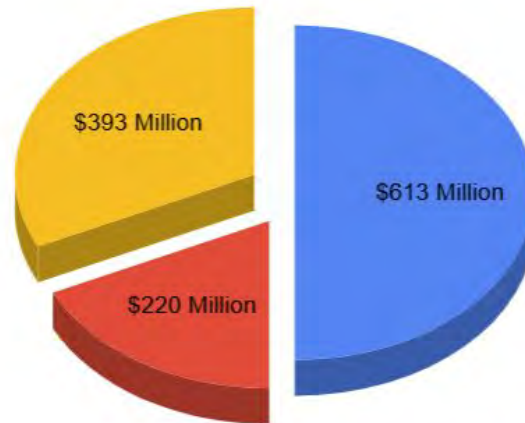
The debt-to-equity ratio remained steady at **0.38** and signifies a strong solvency position.

December 31, 2023



● Assets ● Debt ● Equity

December 31, 2024



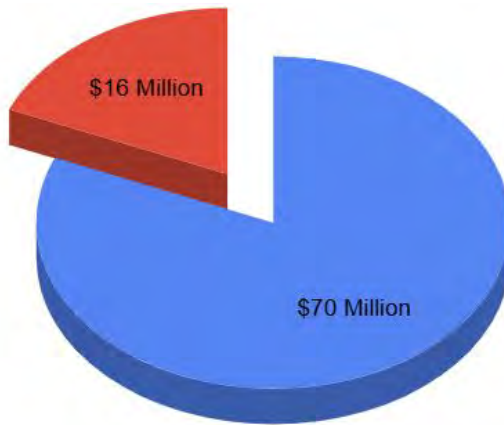
● Assets ● Debt ● Equity

Financial Ratios

Financial Liquidity

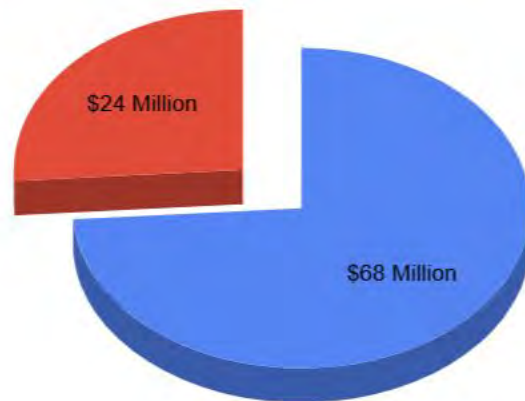
The current ratio decreased from **4.37** to **2.83** and remains an indicator of Opportunity Home's strong capacity to meet its short-term financial commitments.

December 31, 2023



● Current Assets ● Current Liabilities

December 31, 2024



● Current Assets ● Current Liabilities

Moving to Work Expenditures

Project	Draws as of 12/31/24	
	HUD-Held Funds	Capital Fund Program
Public Housing Operating Shortfall		\$3,402,263
Preservation and Expansion of Affordable and Public Housing:		
Development of 100 Labor Street Multifamily Property	\$573,832	
Lincoln Predevelopment Costs	\$98,105	
Investment in MTW Units at Tax Credit/AHC Properties:		
Alhambra Loan Payoff	\$3,022,211	
San Juan Square I Loan Payoff	\$2,698,902	
Snowden Development Funding	\$279,294	
Community Development Initiatives	\$1,064,460	
Total	\$7,736,804	\$3,402,263

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

DS
MR

SUMMARY:

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

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

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

This update provides the required communication as follows:

- Internal Audit Department Update
- Internal Audit Plan Status - FY 2024-2025 Quarter 3
- 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 1/31/25

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 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	1/31/25	Behind Schedule	MR	4/30/29: 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 of the existing contracts has been rescheduled for December 31, 2024. 1/9/25: Date revised per department Director; pushed to January 31, 2025. 2/3/25: The updated policies and training were due January 31, 2025. As of February 3, 2025, they have not been provided.
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	1/31/25	Behind Schedule	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. 1/9/25: Date revised per department Director; pushed to January 31, 2025. 2/3/25: The updated policies and training were due January 31, 2025. As of February 3, 2025, they have not been provided.
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	1/31/25	Behind Schedule	MR	06/25/24: updated section 3 program and Procurement policy and Procedures is currently under review 10/29/2024 Procurement will present revised policy at February Board meeting 2/3/25: The updated policies and training were due January 31, 2025. As of February 3, 2025, they have not been provided.
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.	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.	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. 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. In addition, we will implement a regular review process to ensure that our procurement policies and procedures remain up-to-date and effective.	5/1/24	1/31/25	Behind Schedule	MR	06/25/24: updated section 3 program and Procurement policy and Procedures is currently under review 10/29/2024 Procurement will present revised policy at February Board meeting 2/3/25: The updated policies and training were due January 31, 2025. As of February 3, 2025, they have not been provided.

Internal Audit Update

February 19, 2025

Internal Audit Quarter 3 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 processes and streamlining reviews to meet the changes in the FSS program direction
 - 32 escrows over \$5,000 have been reviewed and approved for graduation in FY 2024-2025
 - A total of \$443,004.68
 - Average escrow: \$13,843.90
- 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 Affordable Housing Communities: Affordable Program Regulatory and Fair Housing Compliance
- Audit of Affordable Housing Communities: Repayment Agreements
- Audit of Community Development Initiatives: Grant Compliance and Financial Performance
- Audit of Construction Services: Oversight of New Development Construction
- Audit of Public Housing: Affordable Program Regulatory and Fair Housing Compliance
- Standard Operations Compliance Audits of Public Housing, Assisted Housing Programs, Affordable Housing Communities and Partnership Properties

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 concluded on December 17, 2024.
 - The collaborative efforts of the CSA team have resulted in a comprehensive SOP, incorporating insights and best practices identified throughout the workshops. The SOP was presented to the Acting President and CEO on December 17, 2024.

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 (CSA) 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.

Status

2023–2024 Audit Plan

Audit of Affordable Housing Communities (AHC): Affordable Program Regulatory and Fair Housing Compliance

- Audit kick-off was held on April 4, 2024. The audit has been completed.
 - Internal Audit reviewed the policies and procedures regarding affordable program regulations and fair housing compliance to ensure Opportunity Home San Antonio and AHC Communities are in compliance with Federal and State Laws and the Fair Housing Act, and any relevant state or local government requirements are met.
 - The final report was submitted to the Finance Committee on January, 21, 2025.
 - As a result of this audit, eight "Findings" and two "Observations" were identified. All Findings and Observations have been addressed, and the risk of these recurring have been mitigated.

Status

2024-2025 Audit Plan

Audit of Affordable Housing Communities (AHC): Repayment Agreements

- Audit kick-off was held August 5, 2024, and fieldwork has been completed.
 - Internal Audit will review the policies and procedures of AHC repayment agreements to ensure Opportunity Home San Antonio and AHC 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.
 - The exit conference was held on January 29, 2025, and the draft report is awaiting management responses to the corrective action items.

Status

2024-2025 Audit Plan

Audit of Community Development Initiatives: Grant Compliance and Financial Performance

- Audit kick-off was held on July 30, 2024, and fieldwork has been completed.
 - 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.
 - The exit conference was held on January 30, 2025, and the draft report is awaiting management responses to the corrective action items.

Status

2024-2025 Audit Plan

Audit of Public Housing: Affordable Program Regulatory and Fair Housing Compliance

- Audit kick-off was held October 8, 2024, and fieldwork has been completed.
 - Internal Audit is reviewing the policies and procedures regarding affordable program regulations and fair housing compliance to ensure Opportunity Home San Antonio and the Public Housing program are in compliance with Federal and State Laws and the Fair Housing Act, and any relevant state or local government requirements are met, and households participating in the program are provided with affordable housing options adhering to the U.S. Department of Housing and Urban Development (HUD) standards, where an occupant is paying less than 30% of their gross income for housing costs and utilities.
 - An Exceptions meeting was held on January 31, 2025. The draft report is in progress.

Status

2024-2025 Audit Plan

Audit of Construction Services: Oversight of New Development Construction

- Audit kick-off was held January 13, 2025; fieldwork is underway.
 - The objectives of this audit are to ensure Opportunity Home San Antonio and Construction Services are in compliance with the U.S. Department of Housing and Urban Development (HUD) requirements; Opportunity Home San Antonio's policies and procedures are adhered to; any relevant state or local government requirements are met; procedures are in place to track and monitor project scope and budget; and effective processes are in place for new development construction projects.

Status

2024-2025 Audit Plan

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

Assisted Housing Program

- Files reviewed were all digital
- Completed a total of 455 file reviews from July 1, 2024 - February 1, 2025

Public Housing

- 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 35 PH and Mixed Income Communities (390 files)

Affordable Housing Communities and Partnership Properties

- 10% of occupied units with no less than 5 files reviewed per community
- Completed 6 AHC Communities (90 files)
- Completed 28 Partnership Properties (226 files)

Action Items

Status of Corrective Action Items resulting from Internal Audits

Currently, there are four (4) open action items

- Three action items are pending the release of updated policies and procedures
 - Two are pending updated Section 3 Program and Procurement Policy and Procedures and staff training on the updated procedures. The updated policies and training were due January 31, 2025. As of February 3, 2025, they have not been provided.
- 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 process was due January 31, 2025. As of February 3, 2025, the new process has not been established.
- 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. The updated processes were due January 3, 2025. As of February 3, 2025, the updates have not been completed.

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

Action Items

Status of Corrective Action Items resulting from Third Party Audits

Currently, there are three (3) open action items

- One is pending staff training to ensure all Individual Training and Service Plans (ITSPs) related to FSS Escrow disbursements include a comprehensive “Goal Obtained” section. The expected completion date for this training is March 1, 2025.
- One is pending a comprehensive file audit performed by CDI to ensure all 50058s and escrow credit worksheets are correctly filed in chronological order. The expected completion date of this review is scheduled for March 1, 2025.
- One is pending implementation of the Quick Response (QR) codes to track assets such as HVAC systems, boilers, water heaters, etc. for Public Housing. The expected implementation date of these codes is June 30, 2025. PH is in discussions with ELT for the implementation of the RFI tool. This tool will provide equipment tracking for all Opportunity Home supplied inventory and equipment.

Questions?