

**Habitat for Humanity
of San Antonio, Inc.**

**Consolidated Financial Statements
and Compliance Reports**

December 31, 2024 and 2023



Habitat for Humanity of San Antonio

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Independent Auditor's Report

To the Board of Directors and Management of
Habitat for Humanity of San Antonio, Inc.
San Antonio, Texas

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Habitat for Humanity of San Antonio, Inc. (Habitat for Humanity) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Habitat for Humanity as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Habitat for Humanity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Habitat for Humanity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Habitat for Humanity's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards (SEFA), as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole.

Independent Auditor's Report (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2025, on our consideration of Habitat for Humanity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Habitat for Humanity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Habitat for Humanity's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Schriver Carmona".

Schrive, Carmona & Company, PLLC

San Antonio, Texas

July 16, 2025

Consolidated Financial Statements

Habitat for Humanity of San Antonio, Inc.

Consolidated Statements of Financial Position December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 6,445,174	\$ 7,330,126
Accounts Receivable:		
Grants	1,056,409	539,264
Other	62,214	57,722
Current Portion of Mortgage Notes Receivable	3,079,523	2,707,232
Deposits Held in Custody for Homeowners	827,990	1,214,175
Prepaid Expenses	302,976	584,070
Inventory	<u>2,456,858</u>	<u>2,556,125</u>
Total Current Assets	14,231,144	14,988,714
Long-term Portion of Mortgage Notes Receivable, Net of Unamortized Discounts	19,408,874	17,044,075
Right-of-Use Asset, Operating Lease	7,420	24,690
Right-of-Use Asset, Finance Lease	51,284	67,064
Land Held for Future Development	5,358,625	4,090,290
Homes Under Construction or Held for Sale	1,326,201	2,261,887
Certificate of Deposit - Contingency Fund	2,102,115	2,394,324
Property and Equipment, Net of Accumulated Depreciation	<u>4,684,661</u>	<u>3,948,943</u>
Total Assets	\$ <u>47,170,324</u>	\$ <u>44,819,987</u>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Habitat for Humanity of San Antonio, Inc.

Consolidated Statements of Financial Position (Continued)
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 805,519	\$ 1,031,409
Accrued Expenses	701,893	554,895
Deposits Held in Custody for Homeowners	827,990	1,214,175
Non-Refundable Deposits for Prospective Homeowners	31,738	74,834
Sales Tax Payable	-	33,852
Operating Lease Liability, Current Portion	7,420	17,271
Finance Lease Liability, Current Portion	<u>15,287</u>	<u>14,151</u>
Total Current Liabilities	2,389,847	2,940,587
Operating Lease Liability, Net of Current Portion	-	7,419
Finance Lease Liability, Net of Current Portion	<u>39,037</u>	<u>54,323</u>
Total Liabilities	<u>2,428,884</u>	<u>3,002,329</u>
Net Assets:		
Without Donor Restrictions:		
Operating	4,726,051	5,183,540
Board Designated	2,702,756	3,295,237
Land, Inventory, and Homes Under Construction or Held for Sale	9,141,684	8,908,302
Mortgages	22,488,397	19,751,307
Property and Equipment	<u>4,684,661</u>	<u>3,948,943</u>
Total Without Donor Restrictions	43,743,549	41,087,329
With Donor Restrictions	<u>997,891</u>	<u>730,329</u>
Total Net Assets	<u>44,741,440</u>	<u>41,817,658</u>
Total Liabilities and Net Assets	\$ <u>47,170,324</u>	\$ <u>44,819,987</u>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Habitat for Humanity of San Antonio, Inc.

Consolidated Statement of Activities

Year Ended December 31, 2024 (with Comparative Totals for the Year Ended December 31, 2023)

	2024			2023 Totals
	Without Donor Restrictions	With Donor Restrictions	Totals	
Support and Revenues				
Sales of Homes	\$ 8,967,035	\$ -	\$ 8,967,035	\$ 7,891,940
Mortgage Discount Amortization	1,817,910	-	1,817,910	1,363,651
Contributions and Non-Government Grants	3,626,560	658,767	4,285,327	4,296,838
Donated Homes, Land, Construction				
Materials, and Supplies	402,836	-	402,836	632,537
Government Grants	5,985,345	-	5,985,345	4,281,341
Home Center Sales of Donated Goods Gross Income of \$2,089,002 in 2024 and \$2,533,140 in 2023, Less Direct Costs of \$1,055,574 in 2024 and \$1,030,997 in 2023.	1,033,428	-	1,033,428	1,502,143
Home Center Sales of Purchased Goods, Gross Income of \$4,144,204 in 2024 and \$4,466,165 in 2023, Less Direct Costs of \$3,650,074 in 2024 and \$3,236,673 in 2023.	494,130	-	494,130	1,229,492
Interest Income (Including Late Fees)	154,736	-	154,736	90,777
Miscellaneous	12,651	-	12,651	6,585
Gain on Sale of Assets	57,539	-	57,539	578,698
Cross Timber Homes Service Fee	126,000	-	126,000	58,991
Comal Service Fee	22,064	-	22,064	-
Net Assets Released from Restrictions	391,205	(391,205)	-	-
Total Support and Revenues	<u>23,091,439</u>	<u>267,562</u>	<u>23,359,001</u>	<u>21,932,993</u>
Expenses				
Program Services	18,622,109	-	18,622,109	16,446,761
Support Services:				
Management and General	1,015,802	-	1,015,802	911,363
Fundraising (Includes Unrelated Business Income Tax)	797,308	-	797,308	813,356
Total Expenses	<u>20,435,219</u>	<u>-</u>	<u>20,435,219</u>	<u>18,171,480</u>
Change in Net Assets	2,656,220	267,562	2,923,782	3,761,513
Net Assets at Beginning of Year	<u>41,087,329</u>	<u>730,329</u>	<u>41,817,658</u>	<u>38,056,145</u>
Net Assets at End of Year	\$ <u>43,743,549</u>	\$ <u>997,891</u>	\$ <u>44,741,440</u>	\$ <u>41,817,658</u>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Habitat for Humanity of San Antonio, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2024 (with Comparative Totals for the Year Ended December 31, 2023)

	Program Services	Support Services		2024 Totals	2023 Totals
		Management and General	Fundraising		
Salaries and Wages	\$ 2,160,051	\$ 638,089	\$ 437,340	\$ 3,235,480	\$ 2,851,670
Payroll Taxes and Benefits	440,491	117,332	82,650	640,473	560,294
Total Salaries and Related Expenses	2,600,542	755,421	519,990	3,875,953	3,411,964
Accounting Fees	-	13,202	-	13,202	13,280
Advertising and Promotions	75,573	1,073	46,479	123,125	123,712
Building Materials and Services	6,250,841	-	-	6,250,841	5,976,607
Conferences, Meetings, and Training	13,479	28,702	1,618	43,799	39,069
Discount on Mortgages Issued	4,280,835	-	-	4,280,835	3,650,746
Fundraising Services	-	-	62,651	62,651	63,678
Information Technology	51,676	44,975	22,285	118,936	140,149
Insurance	121,412	8,846	146	130,404	114,186
Land Acquisition and Development for Future Homes	4,170,937	-	-	4,170,937	3,287,385
Land Used	522,717	-	-	522,717	433,742
Legal	325	6,457	-	6,782	164
Miscellaneous	21,342	4,830	267	26,439	14,125
Mortgage and Title Fees	131,462	-	-	131,462	101,769
Office Expense, Phones, and Walkies	51,294	92,107	3,409	146,810	106,815
Postage and Freight	31,613	2,779	10,957	45,349	44,786
Printing and Publications	29,776	3,489	24,210	57,475	71,326
Professional Fees	158	1,380	-	1,538	3,424
Tithes to Other Non-Profits	17,500	24,225	-	41,725	60,102
Travel and Auto	56,179	1,889	216	58,284	63,672
Volunteer Expenses	33,979	-	-	33,979	33,432
Total Expenses Before Depreciation and Unrelated Business Income Taxes	18,461,640	989,375	692,228	20,143,243	17,754,133
Depreciation	160,469	26,427	1,523	188,419	159,364
Unrelated Business Income Taxes	-	-	103,557	103,557	257,983
Total Depreciation and Unrelated Business Income Taxes	160,469	26,427	105,080	291,976	417,347
Total Expenses	\$ 18,622,109	\$ 1,015,802	\$ 797,308	\$ 20,435,219	\$ 18,171,480

Supplemental Disclosures:

Percent of Functional Expenses to Total Expenses	91.13%	4.97%	3.90%	100.00%
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The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Habitat for Humanity of San Antonio, Inc.

Consolidated Statements of Cash Flows Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 2,923,782	\$ 3,761,513
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	453,665	354,348
Gain on the Sale of Assets	(86,539)	(578,698)
Donated Property and Equipment	(172,468)	-
Discount on Mortgages Issued	4,280,835	3,650,746
Mortgage Discount Amortization	(1,817,910)	(1,363,651)
(Increase) Decrease in:		
Accounts Receivable:		
Grants	(517,145)	(192,576)
Other	(4,492)	(50,596)
Prepaid Expenses	281,094	(87,653)
Inventory	99,267	145,850
Land Held for Future Development	(1,268,335)	(597,497)
Homes Under Construction or Held for Sale	935,686	(1,207,983)
Right-of-Use Asset, Operating Lease	17,270	(24,690)
Increase (Decrease) in:		
Accounts Payable	(225,890)	554,150
Accrued Expenses	146,998	25,957
Non-Refundable Deposits for Prospective Homeowners	(43,096)	(21,426)
Operating Lease Liability	(17,270)	24,690
Sales Tax Payable	(33,852)	33,852
Net Cash Provided by Operating Activities	\$ 4,951,600	\$ 4,426,336

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Habitat for Humanity of San Antonio, Inc.

Consolidated Statements of Cash Flows (Continued) Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Investing Activities:		
New Mortgage Notes Issued	\$ (8,326,301)	\$ (7,749,649)
Principal Payments Received on Mortgage Notes	3,126,286	2,815,954
Change in Certificate of Deposit	292,209	(314)
Proceeds from the Sale of Assets	86,539	578,698
Purchase of Property and Equipment	<u>(1,001,135)</u>	<u>(340,845)</u>
Net Cash Used by Investing Activities	<u>(5,822,402)</u>	<u>(4,696,156)</u>
Cash Flows From Financing Activities:		
Principal Payments on Finance Lease	<u>(14,150)</u>	<u>(10,425)</u>
Net Cash Used by Financing Activities	<u>(14,150)</u>	<u>(10,425)</u>
Net Decrease in Cash and Cash Equivalents	<u>(884,952)</u>	<u>(280,245)</u>
Cash and Cash Equivalents, Beginning of Year	<u>7,330,126</u>	<u>7,610,371</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,445,174</u>	<u>\$ 7,330,126</u>
Supplemental Disclosures:		
Unrelated Business Income Tax Paid	<u>\$ 103,557</u>	<u>\$ 257,983</u>
<u>Non-Cash Operating Activities</u>		
Donated Building Materials, Supplies, and Land	<u>\$ 402,836</u>	<u>\$ 632,537</u>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note A: Nature of Organization

Habitat for Humanity of San Antonio, Inc. (Habitat for Humanity) works with disadvantaged families in the community by constructing and providing modest, decent, and affordable housing. Families selected for a Habitat for Humanity-constructed home must provide 200-300 hours "sweat equity" on their home, or on another Habitat for Humanity project, to complete their eligibility. Upon purchasing and moving into the home, the family begins paying for the house under the terms of a 15 to 25-year, interest-free financing arrangement (see **Note E**). The sale price of each home is at, or less than, Habitat for Humanity's cost of constructing the home.

Habitat for Humanity also operates the Home Center. The Home Center consists of four retail stores selling new and used building materials. New, donated, and salvaged building materials are sold to the public at a reduced price. The proceeds of the sales provide funds for Habitat for Humanity's administrative and various other expenses.

Habitat for Humanity is the sole owner of Hand Up Homes, LLC, a Texas limited liability company, which is considered a disregarded entity for tax purposes. Hand Up Homes was formed to assist in publicizing and promoting the activities of Habitat for Humanity. Hand Up Homes is authorized to engage in any activities or transactions necessary to carry out or promote activities of Habitat for Humanity.

Mission Statement

Habitat for Humanity of San Antonio, Inc. is an ecumenical, Christian organization working in partnership with God's people in need to build simple, decent, and affordable homes without interest or profit, thereby witnessing God's love in action.

Note B: Basis of Consolidation

The consolidated financial statements include the accounts of Habitat for Humanity and Hand Up Homes, LLC. All significant inter-company accounts, balances, and transactions have been eliminated in the accompanying consolidated financial statements.

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note C: Summary of Accounting Principles

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, support and revenue, and expenses are classified according to two classes of net assets:

- *Without Donor Restrictions* – net assets available for use in general operations and not subject to donor restrictions. Grant and contributions gifted for recurring programs of Habitat for Humanity generally are not considered “restricted” under GAAP, though for internal reporting, Habitat for Humanity tracks such grants and contributions to verify the disbursement matches the intent. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction is fulfilled or expires in the same year in which the support is received. Assets restricted solely through the actions of the Board of Directors are reported as Net Assets Without Donor Restrictions, Board Designated.
- *With Donor Restrictions* – net assets subject to donor-imposed stipulations that are more restrictive than Habitat for Humanity’s mission and purpose. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. At December 31, 2024 and 2023, no such perpetual net assets existed.

Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Methods Used for Allocation of Expenses Among Program and Supporting Services

The Consolidated Statement of Functional Expenses presents expenses by function and natural classification. The costs of providing Habitat for Humanity’s various programs and activities have been summarized on the functional basis in the Consolidated Statement of Activities. The majority of the expenses are recorded directly to the program, administrative, or fundraising function for which they benefit. Accordingly, certain other costs require an allocation on a reasonable basis that is consistently applied. The expenses which are allocated include salaries and benefits, which are allocated on the basis of salary surveys (time and efforts) of the employees.

Cash and Cash Equivalents

For purposes of reporting cash flows, Habitat for Humanity considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Certificates of Deposit

Certificates of deposit are stated at fair value.

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note C: Summary of Accounting Principles (Continued)

Accounts and Grants Receivable

Accounts and grants receivable are principally due from governmental agencies and other major funding sources and are recorded based on amounts considered by management to be realizable. Habitat for Humanity records bad debt using the allowance method of accounting. As of December 31, 2024 and 2023, management evaluated the accounts and determined no allowance was deemed necessary.

Mortgage Receivable and Mortgage Discount Amortization

Homes are sold at or below cost. When recorded as a sale, the sale of the homes, as well as the discount on mortgage issued, is recognized for the entire cost of the home. Habitat for Humanity imputes interest on its mortgages receivable, which carry a 0% stated interest rate. The value of a Habitat house given in exchange for the mortgage note is deemed to be the present value of all future mortgage principal payments, using the effective mortgage interest rate at the time of issuance.

The total mortgage discount amortization is recorded on the Consolidated Statements of Financial Position as a contra account to mortgages receivable and is amortized using the straight-line method over the life of the note. Mortgages are discounted at rates varying from 7.00% to 8.25% in accordance with rates suggested by Habitat for Humanity International. The mortgage discount is amortized over the life of the mortgage and recognized as mortgage discount amortization on the Consolidated Statement of Activities.

Allowance for Uncollectible Accounts

Based on historical data, Habitat considers all notes receivable to be fully collectible or, if not fully collectible, then it is considered that the value of the homes collateralizing the notes exceeds the unpaid amount of the related receivable. Accordingly, no allowance for uncollectible accounts is included in Habitat's consolidated financial statements.

Inventory

Inventory consists of donated and purchased goods. Purchased goods are valued at cost determined by the moving-average cost method. Donated goods are valued at market value based on net realizable value.

Donated items that can be used in the construction of houses are valued at the estimated cost that Habitat for Humanity would have paid for the item had it not been donated.

Any donated items that cannot be used in the construction of the houses are resold by Habitat for Humanity in the Home Center. Habitat for Humanity believes that the inventory of contributed goods and materials that are for resale does not possess an attribute that is easily measurable or verifiable, with sufficient reliability to determine an inventory value at the time of donation. It is only through the value-added processes that prepare the donated inventory for sale that the donated inventory has value. Accordingly, contributed goods and materials inventory for resale are valued at zero at the time of donation. Habitat for Humanity subsequently estimates the value of inventory at year-end based on five weeks of subsequent sales of inventory.

Prepaid Expenses

Expenses recorded in advance of the service or product being received are deferred and carried on the Consolidated Statements of Financial Position as prepaid expenses.

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note C: Summary of Accounting Principles (Continued)

Property and Equipment

Habitat for Humanity capitalizes property and equipment having an estimated useful life of more than one year and a cost of \$5,000 or more. Purchased property and equipment is stated at cost. Donated property and equipment is recorded at fair value at the date of the gift. Depreciation is calculated on the straight-line method over the estimated useful lives of the depreciable assets, which range from 3 to 40 years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Impairment of Long-Lived Assets

Habitat for Humanity evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amount of such assets may not be fully recoverable. Habitat for Humanity evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

Future Development and Existing Construction

Habitat for Humanity records land held for future development and homes under construction at cost. Cost includes land acquisition, other related development costs, and construction costs on homes in progress.

Leases

Habitat for Humanity assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Habitat for Humanity has elected not to separate lease and nonlease components in determining its leases. Habitat for Humanity utilizes the risk-free rate, which is based on short-term U.S. Treasury obligations or its incremental borrowing rate, as the discount rate. Leases with an initial term of 12 months or less are not recorded in the Consolidated Statements of Financial Position. Lease expense is recognized on a straight-line basis over the lease term.

Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the FASB ASC, 820-10, defines fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurements, and expands disclosures about fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement:

- *Level 1* - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets that Habitat for Humanity has the ability to access.
- *Level 2* - Inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.
- *Level 3* - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions as there is little, if any, related market activity.

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note C: Summary of Accounting Principles (Continued)

Fair Value of Financial Instruments

Habitat for Humanity's financial instruments include cash and cash equivalents, receivables, certificates of deposit and payables. The carrying amount of these financial instruments, except for mortgage notes receivable and certificates of deposit (see **Note O**), as reflected in the Consolidated Statements of Financial Position approximates fair value.

Deposits Held In Custody for Homeowners

Deposits held in custody for homeowners are escrow funds collected from homeowners for payment of their property taxes and homeowners' insurance. These custodial funds are held in a fiduciary capacity by Habitat for Humanity.

Habitat for Humanity has assigned its mortgage collections operations to Frost National Bank (Frost). The agreement states that Frost will collect and remit principal and escrow payments on the mortgages. The funds received from the escrow payments are shown as both an asset and liability on the Consolidated Statements of Financial Position.

Contract Liability

Non-refundable deposits for prospective homeowners are customer deposits for homes that have not yet been closed on. Habitat for Humanity recognizes revenue from these deposits as the related performance obligations are satisfied. A contract liability is recorded as deposits are received from approved home buyers during the lot selection phase of home builds. The payment will be applied toward the principal and escrow of the home loan on signing day. The balances of contract liabilities (reported as Non-Refundable Deposits for Prospective Homeowners on the Consolidated Statements of Financial Position) as of December 31, 2024 and 2023 totaled **\$31,738** and \$74,834, respectively.

Revenue Recognition

Contributions and Grants

Habitat for Humanity records contributions received as support without restriction or with restriction, depending on the existence and/or nature of any donor restrictions. Contributions are reported when an unconditional promise to give or other asset is received (in accordance with ASC 958-605). Gifts of securities are recorded at their fair market value when received.

Government Funding

Government funding is recorded on a reimbursement basis. Specifically, when qualifying expenses are incurred by Habitat for Humanity, both a receivable from the government granting agency and offsetting grant revenues are recorded.

Sales of Homes

Sales revenue is recorded as the performance obligations are satisfied at transaction amounts expected to be collected at the time of closing. Habitat for Humanity's performance obligations related to sales revenue are satisfied as homes are sold as amounts representing the sale of the home are expected to be recognized when the mortgage on the home is fulfilled.

Home Center Sales

Home Center sales are recorded as revenue at the point of sale.

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note C: Summary of Accounting Principles (Continued)

Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the Consolidated Statement of Activities include donated construction materials and supplies, and donated product to sell in the Home Center. Refer to the *Inventory* accounting policy note in this section (**Note C**) for the valuation methodology used for determining the value of these contributed nonfinancial assets.

Advertising

Advertising costs are predominantly for program outreach initiatives and are expensed as incurred. Advertising expense totaled **\$123,125** and \$123,711 for the years ended December 31, 2024 and 2023, respectively.

Federal Income Tax Status

Habitat for Humanity is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. Contributions to Habitat for Humanity are deductible to the extent allowed by law. Management of Habitat for Humanity believes it has no material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. In addition, Habitat for Humanity has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. There is unrelated business income for the years ended December 31, 2024 and 2023. Habitat for Humanity is not subject to the Texas margin tax. Management is not aware of any tax position that would have a significant impact on its financial position.

Habitat for Humanity is subject to and pays unrelated business income tax on the sale of items purchased to resell in the Home Center. The tax is calculated as a percentage of net gain from sales using corporate rates. Net gain from sales are gross sales less any cost of goods sold and other allocated costs.

Recently Issued Accounting Pronouncements

Adopted During 2023

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, effective for fiscal years beginning after December 15, 2022 and interim periods within fiscal years beginning after December 15, 2022. Under this new pronouncement, Habitat for Humanity will measure credit losses for most financial assets and certain other instruments through the expected loss model. Under this standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing Habitat for Humanity’s exposure to credit risk and the measurement of credit losses. Management of Habitat for Humanity has reviewed the standard during the years ended December 31, 2024 and 2023, and determined the effect, if any, would be immaterial to the consolidated financial statements taken as a whole. Accordingly, no adjustments to the consolidated financial statements were considered necessary.

Summarized Comparative Financial Information

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Habitat for Humanity’s consolidated financial statements for the year ended December 31, 2023 from which the summarized financial information was derived.

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note D: Liquidity and Availability of Financial Assets

The following represents Habitat for Humanity's financial assets available to meet general expenditures over the next twelve months at December 31:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and Cash Equivalents	\$ 6,445,174	\$ 7,330,126
Certificate of Deposit - Contingency Fund	2,102,115	2,394,324
Accounts Receivable:		
Grants	1,056,409	539,264
Other	62,214	57,722
Current Portion of Mortgage Notes Receivable	<u>3,079,523</u>	<u>2,707,232</u>
 Total Financial Assets	 <u>12,745,435</u>	 <u>13,028,668</u>
 Less those unavailable for general expenditures within one year due to:		
Net Assets with Donor Restrictions	997,891	730,329
Board Designated Funds	2,702,756	3,295,237
Less net assets with restrictions to be met over the next twelve months	<u>(783,767)</u>	<u>(241,205)</u>
	 <u>2,916,880</u>	 <u>3,784,361</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 9,828,555</u>	 <u>\$ 9,244,307</u>

Note E: Mortgage Notes Receivable

The financing arrangement for the sale of Habitat for Humanity homes is interest-free and payable over 15 to 25 years. For financial accounting purposes, the mortgage on the sale of a home is treated as a single transaction and is accounted for as a sale at inception of the financing arrangement. Mortgage notes receivable are summarized as follows at December 31, 2024:

	<u>Due Within One Year</u>	<u>Due Beyond One Year</u>	<u>Total</u>
Mortgage Notes Receivable	\$ 3,079,523	\$ 40,046,196	\$ 43,125,719
Less: Unamortized Discount			<u>(20,637,322)</u>
 Mortgage Notes Receivable, Net			 <u>\$ 22,488,397</u>

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note E: Mortgage Notes Receivable (Continued)

Mortgage notes receivable are summarized as follows at December 31, 2023:

	Due Within One Year	Due Beyond One Year	Total
Mortgage Notes Receivable	\$ 2,707,232	\$ 35,218,472	\$ 37,925,704
Less: Unamortized Discount			<u>(18,174,397)</u>
Mortgage Notes Receivable, Net			<u>\$ 19,751,307</u>

Mortgages have an interest rate of 0% and are serviced by Habitat for Humanity through a local bank. The homeowner makes a monthly payment to the bank for the mortgages. The bank, in turn, remits the entire amount collected to Habitat for Humanity.

Habitat for Humanity anticipates future minimum mortgage notes receivable payments as of December 31:

2025	\$ 3,079,523
2026	3,069,216
2027	3,014,600
2028	2,962,491
2029	2,934,741
Thereafter	<u>28,065,148</u>
Total Mortgage Notes Receivable	43,125,719
Less: Unamortized Discount	<u>(20,637,322)</u>
Mortgage Notes Receivable, Net of Unamortized Discount	<u>\$ 22,488,397</u>

Note F: Grants Receivable

Grants receivable consists of amounts spent toward land acquisition and construction of infrastructure at subdivisions that have not been reimbursed by the City of San Antonio or Bexar County. Grants receivable balances are as follows as of December 31:

	2024	2023
Abiding Presence Lutheran Church	\$ -	\$ 1,178
Rancho Carlota Unit 3 - CDBG - City	-	236,490
Rancho Carlota Unit 4 - CDBG - City	60,469	-
Rancho Carlota Unit 5 - CDBG - City	-	64,836
Rancho Carlota Unit 578 - Bond - City	52,590	-
Yucca - CDBG - City	283,480	-
Texas Comptroller of Public Accounts	-	54,835
Rancho Carlota - Bexar County	472,952	176,925
Yucca - Bexar County	186,918	-
Habitat for Humanity International	<u>-</u>	<u>5,000</u>
Total Grants Receivable	<u>\$ 1,056,409</u>	<u>\$ 539,264</u>

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note G: Inventory

Habitat for Humanity recorded Inventory values as follows at December 31:

	<u>2024</u>	<u>2023</u>
Home Construction Materials	\$ 1,740,743	\$ 674,191
Donated Goods for Resale	205,565	270,170
Purchased Goods for Resale	<u>510,550</u>	<u>1,611,764</u>
Total Inventory	<u>\$ 2,456,858</u>	<u>\$ 2,556,125</u>

Note H: Property and Equipment

Property and Equipment, net of accumulated depreciation is summarized as follows at December 31:

	<u>2024</u>	<u>2023</u>
Probandt Facilities:		
Land	\$ 535,717	\$ 387,066
Buildings and Improvements	<u>2,336,721</u>	<u>1,998,871</u>
Total Probandt Facilities	2,872,438	2,385,937
Walzem Home Center:		
Land	720,354	720,354
Buildings and Improvements	<u>1,328,513</u>	<u>1,328,513</u>
Total Walzem Facilities	2,048,867	2,048,867
Meadow Leaf Home Center:		
Land	136,000	136,000
Buildings and Improvements	<u>2,048,908</u>	<u>1,972,766</u>
Total Meadow Leaf Facilities	2,184,908	2,108,766
Furniture, Equipment and Vehicles	<u>1,702,158</u>	<u>1,387,696</u>
Miscellaneous Property:		
Real Estate	169,818	-
Vehicles	<u>5,000</u>	<u>-</u>
Total Miscellaneous Property	<u>174,818</u>	<u>-</u>
Total Property and Equipment	8,983,189	7,931,266
Less: Accumulated Depreciation	<u>(4,298,528)</u>	<u>(3,982,323)</u>
Total Property and Equipment, Net of Accumulated Depreciation	<u>\$ 4,684,661</u>	<u>\$ 3,948,943</u>

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note I: Depreciation Expense

A portion of depreciation expense is charged to the Home Center as direct costs in the accompanying Consolidated Statement of Activities, and the remainder is shown on the accompanying Consolidated Statement of Functional Expenses.

Depreciation expense consisted of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Depreciation Charged to Direct Costs of the Home Center	\$ 233,686	\$ 183,148
Depreciation Charged to Expense	<u>188,419</u>	<u>159,364</u>
Total Depreciation Expense	<u>\$ 422,105</u>	<u>\$ 342,512</u>

Note J: Land Acquisition and Development or Future Homes

The 2024 land acquisition and development for future homes included expenses totaling **\$4,170,937** for the Rancho Carlota Subdivision. The 2023 land acquisition and development for future homes included expenses totaling \$3,287,385 for the Rancho Carlota Subdivision.

Note K: Forgivable Loans from Bexar County

Habitat for Humanity participated in the HOME Investment Partnership Program from 2015 through 2024. As part of the HOME Investment Partnership Program, Habitat for Humanity receives a forgivable loan from Bexar County (the County) to provide home ownership opportunities to low-income families through new, single-family homes. As the homes are then sold to the clients, the County incrementally forgives the loan.

Habitat for Humanity also participated in the Coronavirus State and Local Fiscal Recovery Funds program (SLFRF) established by the American Rescue Plan Act of 2021 ("ARPA") through the County. Under this program, Habitat for Humanity receives a grant from the County to provide home ownership opportunities to low-income families by creating buildable lots that are deed-restricted for the development of new, single-family homes for low-income households.

Habitat for Humanity also participated in the County's Local Funds program (BCLF). Under this program, Habitat for Humanity receives a grant from the County to provide home ownership opportunities to low-income families by creating buildable lots that are deed-restricted for the development of new, single-family homes for low-income households.

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note K: Forgivable Loans from Bexar County (Continued)

Grants receivable consists of amounts spent toward construction of infrastructure at subdivisions approved per the HOME Investment Partnership Program, the SLFRF Program, and the BCLF Program that have not been reimbursed by the County. Grants receivable balance from the County was as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Rancho Carlota - HOME	\$ -	\$ 16,604
Rancho Carlota - SLFRF	-	154,601
Yucca Street - SLFRF	-	5,720
Rancho Carlota - BCLF	472,952	-
Yucca Street - BCLF	186,918	-
	<hr/>	<hr/>
Total Grants Receivable from the County	\$ 659,870	\$ 176,925

Rancho Carlota Subdivision

In 2019, Habitat for Humanity received a forgivable loan from the County for the land acquisition and construction of infrastructure at the Rancho Carlota Subdivision to cover 14 units. The County has added four amendments as of December 31, 2024. The purpose of the First Amendment (4/20/2021) to the agreement is to include the Program Year 2020 HOME funds and increased the number of HOME assisted units in the Project from fourteen (14) to nineteen (19) units. The amount of this amendment totaled \$148,891 bringing the total amount granted to \$736,290. The second amendment (9/7/2021) added no additional funding for units to the agreement. The third amendment (2/8/2022) increase the number of HOME assisted units from nineteen (19) units to thirty-two (32) units. The amount of this amendment totaled \$519,350 bringing the total amount granted to \$1,255,640. The Fourth Amendment (3/21/2023) increased the number of HOME assisted housing units from thirty-two (32) to forty-five (45) units. The amount of this amendment totaled \$510,992 bringing the total amount granted to \$1,766,632. The provisions of the loan provided that payments on the loan be deferred and that the principal and interest be forgiven on a pro-rata basis, as each of the 45 houses in the development are sold.

The reimbursements from the County are recorded as grant revenue at the time they were earned (i.e. funds expended), since it was likely Habitat for Humanity would fulfill the forgivable loan terms. As of December 31, 2024, Habitat for Humanity has built and sold 42 of the 45 required homes with 10 in 2024, 13 in 2023, 7 in 2022, and 12 in 2021 and prior years.

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note K: Forgivable Loans from Bexar County (Continued)

Rancho Carlota Subdivision (Continued)

As of December 31, 2024, Habitat expended the \$1,666,632 allowed under this loan as follows:

Year Ended December 31, 2019	\$ 554,904	(During 2019, \$554,904 was approved for reimbursement by Bexar County and was received in 2020 and 2021.)
Year Ended December 31, 2020	32,495	(During 2020, \$32,495 was approved for reimbursement by Bexar County and \$7,792 was received in 2021, leaving a receivable of \$24,703 at December 31, 2021. During 2022, \$24,703 was received.)
Year Ended December 31, 2021	69,045	(During 2021, \$69,045 was approved for reimbursement by Bexar County. During 2021, \$55,737 was received, leaving a receivable of \$13,308 at December 31, 2021. During 2022, \$13,308 was received.)
Year Ended December 31, 2022	493,963	(During 2022, \$493,963 was approved for reimbursement by Bexar County. During 2022, \$425,443 was received, leaving a receivable of \$68,520 at December 31, 2022. During 2023, \$68,520 was received.)
Year Ended December 31, 2023	107,138	(During 2023, \$107,138 was approved for reimbursement by Bexar County. During 2023, \$90,534 was received, leaving a receivable of \$16,604 at December 31, 2023. During 2024, \$16,604 was received.)
Year Ended December 31, 2024	409,087	(During 2024, \$409,087 was approved for reimbursement by Bexar County. During 2024, \$409,087 was received.)
Total Expended:	<u>\$ 1,666,632</u>	

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note K: Forgivable Loans from Bexar County (Continued)

Rancho Carlota Subdivision (Continued)

In 2023, Habitat received a SLFRF grant from the County for the land acquisition and construction of infrastructure at the Rancho Carlota Subdivision to create a minimum of 54 buildable, single family residential lots deed-restricted for sale to qualified low-income families. The amount originally granted totaled \$2,500,000. In 2024, an amendment was done to reduce the amount of SLFRF funds to \$977,614 and replace the reduced funds with a BCLF grant totaling \$1,522,386.

As of December 31, 2024, Habitat for Humanity expended \$977,614 of SLFRF funds allowed under this loan as follows:

Year Ended December 31, 2023	\$ 177,443	(During 2023, \$177,443 was approved for reimbursement by Bexar County. During 2023, \$22,842 was received, leaving a receivable of \$154,601 at December 31, 2023. During 2024, \$154,601 was received)
Year Ended December 31, 2024	800,171	(During 2024, \$800,171 was approved for reimbursement by Bexar County. During 2024, \$800,171 was received.)
Total Expended:	<u>\$ 977,614</u>	

As of December 31, 2024, Habitat for Humanity expended \$1,181,901 of BCLF Funds allowed under this loan as follows:

Year Ended December 31, 2024	1,181,901	(During 2024, \$1,181,901 was approved for reimbursement by Bexar County. During 2024, \$708,949 was received, leaving a receivable of \$472,952 at December 31, 2024.)
Total Expended:	<u>\$ 1,181,901</u>	

Yucca Street Subdivision

In 2023, Habitat for Humanity received a SLFRF grant from the County for the land acquisition and construction of infrastructure for 5.281 acres of raw land on Yucca Street to create 22 buildable, single family residential lots deed-restricted for sale to qualified low-income families. The amount originally granted totaled \$2,000,000. In 2024, an amendment was done to reduce the amount of SLFRF funds to \$670,167 and replace the reduced funds with a BCLF grant totaling \$1,329,833.

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note K: Forgivable Loans from Bexar County (Continued)

Yucca Street Subdivision (Continued)

As of December 31, 2024, Habitat for Humanity expended \$670,167 of SLFRF funds allowed under this loan as follows:

Year Ended December 31, 2023	\$	6,220	(During 2023, \$6,220 was approved for reimbursement by Bexar County. During 2023, \$500 was received, leaving a receivable of \$5,720 at December 31, 2023. During 2024, \$5,720 was received.)
Year Ended December 31, 2024		663,947	(During 2024, \$663,947 was approved for reimbursement by Bexar County. During 2024, \$663,947 was received.)
Total Expended:	\$	<u>670,167</u>	

As of December 31, 2024, Habitat for Humanity expended \$190,368 of BCLF funds allowed under this loan as follows:

Year Ended December 31, 2024		190,368	(During 2024, \$190,368 was approved for reimbursement by Bexar County. During 2024, \$3,450 was received, leaving a receivable of \$186,918 at December 31, 2024.)
Total Expended:	\$	<u>190,368</u>	

Note L: Forgivable Loans from the City of San Antonio

Grants receivable include amounts spent toward land acquisition and construction of infrastructure at subdivisions that have not been reimbursed by the City of San Antonio (the City). Grants receivable balances from the City are as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Rancho Carlota - CDBG	\$ 60,469	\$ 253,120
Yucca Street - CDBG	283,480	-
Rancho Carlota - Housing Bond	<u>52,590</u>	<u>64,836</u>
Total Grants Receivable from the City	<u>\$ 396,539</u>	<u>\$ 317,956</u>

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note L: Forgivable Loans from The City of San Antonio (Continued)

Rancho Carlota Subdivision

In 2020, Habitat for Humanity received a CDBG grant from the City for another portion of land acquisition and construction of infrastructure at the Rancho Carlota Subdivision Unit 2. The amount granted totaled \$2,549,760.

As of December 31, 2024, Habitat for Humanity expended \$2,549,760 allowed under this loan as follows:

Year Ended December 31, 2021	\$ 1,177,220	(During 2021, \$1,177,220 was approved for reimbursement by the City. During 2021, \$1,070,503 was received, leaving a receivable of \$106,717 at December 31, 2021. During 2022, \$106,717 was received.)
Year Ended December 31, 2022	1,135,081	(During 2022, \$1,135,081 was approved for reimbursement by the City. During 2022, \$1,118,451 was received, leaving a receivable of \$16,630 at December 31, 2022. During 2023, \$16,630 was received.)
Year Ended December 31, 2023	237,459	(During 2023, \$237,459 was approved for reimbursement by the City. During 2023, \$220,829 was received, leaving a receivable of \$16,630 at December 31, 2023. During 2024, \$16,630 was received.)
Total Expended:	\$ <u>2,549,760</u>	

In 2021, Habitat for Humanity received a CDBG grant from the City for a portion of land acquisition and construction of infrastructure at the Rancho Carlota Subdivision Unit 3. The amount granted in 2021 totaled \$1,000,000. In 2022, the City amended the agreement by increasing the amount awarded to \$3,000,000.

As of December 31, 2024, Habitat for Humanity expended \$3,000,000 of CDBG funds allowed as follows:

Year Ended December 31, 2022	\$ 2,070,761	(During 2022, \$2,070,761 was approved for reimbursement by the City. During 2022, \$1,880,342 was received, leaving a receivable of \$190,419 at December 31, 2022. During 2023, \$190,419 was received.)
Year Ended December 31, 2023	929,239	(During 2023, \$929,239 was approved for reimbursement by the City. During 2023, \$692,749 was received, leaving a receivable of \$236,490 at December 31, 2023. During 2024, \$236,490 was received.)
Total Expended:	\$ <u>3,000,000</u>	

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note L: Forgivable Loans from The City of San Antonio (Continued)

Rancho Carlota Subdivision (Continued)

In 2023, Habitat for Humanity received a CDBG grant from the City for a portion of land acquisition and construction of infrastructure at the Rancho Carlota Subdivision Unit 4. The amount granted in 2023 totaled \$2,469,594.

As of December 31, 2024, Habitat for Humanity expended \$2,173,280 of CDBG funds allowed as follows:

Year Ended December 31, 2023	\$ 1,529,812	(During 2023, \$1,529,812 was approved for reimbursement by the City. During 2023, \$1,529,812 was received.)
Year Ended December 31, 2024	643,468	(During 2024, \$643,468 was approved for reimbursement by the City. During 2024, \$582,999 was received, leaving a receivable of \$60,469 at December 31, 2024.)
Total Expended:	<u>\$ 2,173,280</u>	

In 2023, Habitat for Humanity received a CDBG grant from the City for a portion of land acquisition and construction of infrastructure at the Rancho Carlota Subdivision Unit 5, Unit 7, and Unit 8, collectively referred to as Phase V. The amount granted in 2023 totaled \$1,650,000.

As of December 31, 2024, Habitat for Humanity expended \$1,634,399 of CDBG funds allowed as follows:

Year Ended December 31, 2023	\$ 1,100,687	(During 2023, \$1,100,687 was approved for reimbursement by the City. During 2023, \$1,100,687 was received.)
Year Ended December 31, 2024	533,712	(During 2024, \$533,712 was approved for reimbursement by the City. During 2024, \$533,712 was received.)
Total Expended:	<u>\$ 1,634,399</u>	

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note L: Forgivable Loans from The City of San Antonio (Continued)

Rancho Carlota Subdivision (Continued)

In 2023, Habitat received a forgivable loan from the City's Housing Bond for a portion of construction of infrastructure and house foundations at the Rancho Carlota Subdivision Unit 5, Unit 7, and Unit 8, collectively referred to as Phase V. The amount granted in 2023 totaled \$2,732,366.

As of December 31, 2024, Habitat for Humanity expended \$1,238,063 of CDBG funds allowed as follows:

Year Ended December 31, 2023	\$	64,836	(During 2023, \$64,836 was approved for reimbursement by the City. During 2024, \$64,836 was received.)
Year Ended December 31, 2024		1,173,227	(During 2024, \$1,173,227 was approved for reimbursement by the City. During 2024, \$1,120,637 was received, leaving a receivable of \$52,590 at December 31, 2024.)
Total Expended:	\$	<u>1,238,063</u>	

Community Housing Development Organization (CHDO) Operating Grant(s)

In 2022, Habitat for Humanity received a HOME grant for CHDO Operating Expenses. The amount granted totaled \$92,727.

As of December 31, 2024, Habitat for Humanity expended \$92,727 of HOME CHDO operating funds allowed as follows:

Year Ended December 31, 2022	\$	41,118	(During 2022, \$41,118 was approved for reimbursement by the City. During 2022, \$0 was received, leaving all \$41,118 receivable at December 31, 2022. During 2023, \$41,118 was received.)
Year Ended December 31, 2023		51,609	(During 2023, \$51,609 was approved for reimbursement by the City. During 2023, \$51,609 was received.)
Total Expended:	\$	<u>92,727</u>	

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note L: Forgivable Loans from The City of San Antonio (Continued)

Community Housing Development Organization (CHDO) Operating Grant(s) (Continued)

In 2024, Habitat for Humanity received a HOME grant for CHDO Operating Expenses. The amount granted totaled \$100,000.

As of December 31, 2024, Habitat for Humanity expended \$100,000 of HOME CHDO operating funds allowed as follow:

Year Ended December 31, 2024	\$	100,000	(During 2024, \$100,000 was approved for reimbursement by the City. During 2024, \$100,000 was received.)
Total Expended:	\$	<u>100,000</u>	

Yucca Street Subdivision

In 2024, Habitat for Humanity received a CDBG grant from the City for a portion of land acquisition and construction of infrastructure at the Yucca Street Subdivision. The amount granted in 2024 totaled \$500,000.

As of December 31, 2024, Habitat for Humanity expended \$289,383 of CDBG funds allowed as follows:

Year Ended December 31, 2024	\$	289,383	(During 2024, \$289,383 was approved for reimbursement by the City. During 2024, \$5,903 was received, leaving a receivable of \$283,480 at December 31, 2024.)
Total Expended:	\$	<u>289,383</u>	

In 2024, Habitat for Humanity received a forgivable loan from the City's Housing Bond for a portion of construction of infrastructure and house foundations at the Yucca Street Subdivision. The amount granted in 2024 totaled \$400,000.

As of December 31, 2024, Habitat for Humanity expended \$81 of Housing Bond funds allowed as follows:

Year Ended December 31, 2024	\$	81	(During 2024, \$81 was approved for reimbursement by the City. During 2024, \$81 was received.)
Total Expended:	\$	<u>81</u>	

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note M: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Restricted by Purpose:		
Guadalupe Valley Habitat for Humanity - Future Store	\$ 214,124	\$ 214,124
Purchase of Vehicles	-	150,000
Restricted by Timing:		
House Sponsors	633,767	366,205
Purchase of Software	<u>150,000</u>	<u>-</u>
 Total Net Assets with Donor Restrictions	 <u>\$ 997,891</u>	 <u>\$ 730,329</u>

Note N: Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring qualifying expenditures satisfying the restricted purposes. Purpose restricted contributions released during 2024 and 2023 totaled **\$391,205** and \$1,431,070, respectively.

Note O: Fair Value Measurements

In accordance with the fair value hierarchy described in **Note B**, the following table shows the fair value of Habitat for Humanity's financial assets that are required to be measured at fair value as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mortgage Notes Receivable	\$ -	\$ -	\$ 22,488,397	\$ 22,488,397
Certificates of Deposit	<u>-</u>	<u>2,102,115</u>	<u>-</u>	<u>2,102,115</u>
 Total	 <u>\$ -</u>	 <u>\$ 2,102,115</u>	 <u>\$ 22,488,397</u>	 <u>\$ 24,590,512</u>

The following table show the fair value of Habit for Humanity's financial assets that are required to be measured at fair value as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mortgage Notes Receivable	\$ -	\$ -	\$ 19,751,307	\$ 19,751,307
Certificates of Deposit	<u>-</u>	<u>2,394,324</u>	<u>-</u>	<u>2,394,324</u>
 Total	 <u>\$ -</u>	 <u>\$ 2,394,324</u>	 <u>\$ 19,751,307</u>	 <u>\$ 22,145,631</u>

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note O: Fair Value Measurements (Continued)

The following table sets forth a summary of changes in the fair value of Habitat for Humanity's Level 3 Assets for the year ended December 31:

	<u>2024</u>	<u>2023</u>
Mortgage Notes Receivable		
Balance, Beginning of Year	\$ 19,751,307	\$ 17,104,707
New Mortgages - HFH	8,326,301	9,205,333
Payments - HFH	(3,126,286)	(2,726,976)
Payments - GV	-	(88,978)
Transfer - GV to HFH	-	(1,455,684)
Change in Discount	(2,462,925)	(2,287,095)
	<u>\$ 22,488,397</u>	<u>\$ 19,751,307</u>
Balance, End of Year		

Note P: Leases

Habitat for Humanity entered into a noncancelable lease agreements for office space and equipment, which expire at various times through March 2028. Termination of these leases is generally prohibited unless there is a violation under the lease agreements. The lease agreements do not contain any residual value guarantees or restrictive covenants.

The following summarizes the line items in the Consolidated Statements of Financial Position which include amounts for right-of-use assets and lease liabilities as of December 31:

	<u>2024</u>	<u>2023</u>
Right-of-Use Asset, Operating Lease	\$ <u>7,420</u>	\$ <u>24,690</u>
Right-of-Use Asset, Finance Lease	\$ <u>51,284</u>	\$ <u>67,064</u>
Operating Lease Liability, Current Portion	\$ 7,420	\$ 17,271
Operating Lease Liability, Net of Current Portion	<u>-</u>	<u>7,419</u>
Total Operating Lease Liability	\$ <u>7,420</u>	\$ <u>24,690</u>
Finance Lease Liability, Current Portion	\$ 15,287	\$ 14,151
Finance Lease Liability, Net of Current Portion	<u>39,037</u>	<u>54,323</u>
Total Finance Lease Liability	\$ <u>54,324</u>	\$ <u>68,474</u>

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note P: Leases (Continued)

The following summarizes the line items in the Consolidated Statement of Functional Expenses which include the components of lease expenses for the years ending December 31:

	<u>2024</u>	<u>2023</u>
Operating Lease Expense Included in:		
Home Center Sales of Donated Goods, Net	\$ 18,000	\$ 10,500
Finance Lease Expense Included in:		
Home Center Sales of Donated Goods, Net	\$ 5,531	\$ 4,505
Home Center Sales of Purchased Goods, Net	\$ 16,080	\$ 11,126
Interest Paid on Finance Lease	\$ 4,811	\$ 3,796

The following summarizes the Consolidated Statements of Cash Flows supplemental cash flow information for the years ending December 31:

	<u>2024</u>	<u>2023</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Cash Flows from Operating Lease	\$ 18,000	\$ 10,500
Cash Flows from Finance Lease	\$ 18,962	\$ 14,221

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term (years)		
Operating Lease	0.42	1.42
Finance Lease	3.25	4.25
Weighted Average Discount Rate		
Operating Lease	4.33%	4.33%
Finance Lease	7.75%	7.75%

The payment maturities of lease liabilities is summarized as follows as of December 31:

2025	\$ 26,462
2026	18,962
2027	18,962
2028	<u>4,740</u>
Total Lease Payments	69,126
Less: Interest	<u>(7,382)</u>
Present Value of Lease Liabilities	<u>\$ 61,744</u>

Habitat for Humanity of San Antonio, Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Note Q: Administrative Support – Comal County Habitat for Humanity

In October 2024, Habitat for Humanity entered into a contract with Comal County Habitat for Humanity to provide administrative and business affairs support on a monthly basis for a fee totaling \$11,032. Monthly payments begin November 2024 and shall be deferred until April 30, 2025. Habitat for Humanity may extend the deferral period for subsequent months at Habitat for Humanity's sole discretion. During the years ended December 31, 2024 and 2023, Habitat for Humanity earned administrative support revenues totaling **\$22,064** and \$0, respectively. The amounts are included within Comal Service Fee within the accompanying Consolidated Statement of Activities.

Note R: Credit Risk of Financial Instruments

Financial instruments that potentially subject Habitat for Humanity to a concentration of credit risk consist of its cash balances held at financial institutions. Habitat for Humanity assesses the financial condition of the financial institutions and believes the risk of loss is minimal. Accounts at these financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2024 and 2023, Habitat for Humanity's deposits at these financial institutions exceeded the FDIC limit. Habitat for Humanity has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on its cash and cash equivalents.

Note S: Risk and Uncertainty

Certain current economic events have arisen which could impact Habitat for Humanity's ongoing operations. The effects of U.S. Federal Reserve actions remain uncertain. These matters could impact numerous facets of the business environment including interest rates, inflation, and the availability of goods, capital and labor. In addition, tariffs imposed by both U.S. government and foreign countries could impact prices of certain goods. Any related financial impact cannot be reasonably estimated at this time.

Note T: Use of Donor Funds

Habitat for Humanity uses 100% of all contributions and grants for program activities unless the donor has specifically designated an alternate use. Other revenue, including proceeds from the Home Center, are used to pay for the remaining program expenses, as well as all Management, General, and Fundraising expenses. For the years ended December 31, 2024, Habitat for Humanity received **\$3,626,560** in cash contributions without restrictions and **\$5,985,345** in government grants without restrictions or fulfilled restrictions. During the year ended December 31, 2023, Habitat for Humanity received \$3,780,633 in cash contributions without restrictions and \$4,281,341 in government grants without restrictions or fulfilled restrictions. One hundred percent of these donor funds were used for program expenses.

Note U: Retirement Plan

Habitat for Humanity has a defined contribution retirement plan that qualifies under Section 403(b) of the Internal Revenue Code. The plan allows employees who are over the age of 21 and work at least 20 hours per week to immediately contribute to the plan. The employer matching contribution percentage, established by the Board of Directors, is set at a maximum of 6%. However, the employer match does not begin until the employee has completed twelve months of service. For the years ended December 31, 2024 and 2023, Habitat for Humanity's contribution totaled **\$172,616** and \$149,546, respectively.

Note V: Subsequent Events

Subsequent events have been evaluated through the July 16, 2025, which is the date the consolidated financial statements were available to be issued.

Compliance Report

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Consolidated Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Board of Directors of
Habitat for Humanity of San Antonio, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Habitat for Humanity of San Antonio, Inc. (Habitat for Humanity) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 16, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Habitat for Humanity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Habitat for Humanity's internal control. Accordingly, we do not express an opinion on the effectiveness of Habitat for Humanity's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Habitat for Humanity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Habitat for Humanity's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Consolidated Financial Statements Performed in
Accordance with *Government Auditing Standards (Continued)***

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Habitat for Humanity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Habitat for Humanity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Schrive, Carmona & Company, PLLC

San Antonio, Texas

July 16, 2025

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
Habitat for Humanity of San Antonio, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Habitat for Humanity of San Antonio, Inc.'s (Habitat for Humanity) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Habitat for Humanity's major federal programs for the year ended December 31, 2024. Habitat for Humanity's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Habitat for Humanity complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Habitat for Humanity and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Habitat for Humanity's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Habitat for Humanity's federal programs.

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance (*Continued*)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on Habitat for Humanity's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Habitat for Humanity's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Habitat for Humanity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Habitat for Humanity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Habitat for Humanity's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

**Independent Auditor's Report on Compliance for
Each Major Program and on Internal Control
Over Compliance Required by the Uniform Guidance *(Continued)***

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Schriver Carmona". The signature is fluid and cursive, with the first name "Schriver" and the last name "Carmona" clearly distinguishable.

Schriver, Carmona & Company, PLLC

San Antonio, Texas

July 16, 2025

Habitat for Humanity of San Antonio, Inc.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>AL Number</u>	<u>Pass Through Grant ID Number</u>	<u>Federal Grant Expended During the Year</u>
<i>U.S. Department of Housing and Urban Development</i>			
<i>Passed through the City of San Antonio</i>			
<u>HOME Investment Partnership Program</u>	14.239		
HOME Operating Funds		25-0320495	\$ 100,000
<u>CDBG Community Development Block Grant</u>	14.218		
Rancho Carlota Phase IV		28-0470375	643,468
Rancho Carlota Phase V		28-0480439	533,712
Yucca Street Development		28-0480449	<u>289,383</u>
			<u>1,466,563</u>
<i>Passed through the County of Bexar</i>			
<u>HOME Investment Partnership Program</u>	14.239		
Rancho Carlota		M-22-UC-48-0500	<u>409,087</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>1,975,650</u>
<i>U.S. Department of the Treasury</i>			
<i>Passed through the County of Bexar</i>			
<u>Coronavirus State and Local Fiscal Recovery Funds</u>	21.027		
Rancho Carlota - COVID-19		SLFRF1970	800,171
Yucca Street - COVID-19		SLFRF1970	<u>663,947</u>
			<u>1,464,118</u>
<i>Total U.S. Department of the Treasury</i>			<u>1,464,118</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,439,768</u>

See Notes to Schedule of Expenditures of Federal Awards.

Habitat for Humanity of San Antonio, Inc.

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Note A: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Habitat for Humanity of San Antonio, Inc. (Habitat for Humanity) under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of Habitat for Humanity, it is not intended, and does not, present the financial position, changes in net assets or cash flows of Habitat for Humanity. Therefore, some amounts presented in the Schedule may differ from amounts presented in the consolidated financial statements.

All of Habitat for Humanity's federal awards were in the form of cash assistance for the year ended December 31, 2024.

Note B: Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the basis of accounting using accounting principles generally accepted in the United States of America (GAAP). Such expenditures are recognized following the cost principles contained in 2 CFR Part 230, *Costs Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Habitat for Humanity has elected to not use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note C: Reconciliation to Consolidated Statement of Activities in Consolidated Financial Statements

Total Expenditures of Federal Awards	\$ 3,439,768
Local Government Grants	<u>2,545,577</u>
Total Government Grants per the Statement of Activities	<u>\$ 5,985,345</u>

Habitat for Humanity of San Antonio, Inc.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal Control Over Financial Reporting: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to the financial statements?	No

Federal Awards

Internal Control Over Major Programs: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516?	No

Identification of Major Programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS None

SECTION III - FEDERAL AWARD FINDINGS None

Habitat for Humanity of San Antonio, Inc.

Federal Awards – Summary Status of Prior Year Audit Findings
Year Ended December 31, 2024

There are no findings from the prior year that require an update in this report.